

LECTURE

Reframing Global Governance: Apocalypse Soon or Reform!

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The paradox of our times

The paradox of our times can be stated simply: the collective issues we must grapple with are of growing extensity and intensity and, yet, the means for addressing these are weak and incomplete. Three pressing global issues highlight the urgency of finding a way forward.

First, little, if any, progress has been made in creating a sustainable framework for the management of global warming. The concentration of carbon dioxide in the global atmosphere is now almost 35 per cent higher than in pre-industrial times.¹ The chief British scientist, Sir David King, has recently warned that 'climate change is the most serious problem we are facing today, more serious than the threat of terrorism'.² Irrespective of whether one agrees with this statement, global warming has the capacity to wreak havoc on the world's diverse species, biosystems and socioeconomic fabric. Violent storms will become more frequent, water access will become a battleground, rising sea levels will displace millions, the mass movement of desperate people will become more common, and deaths from serious diseases in the world's poorest countries will rise rapidly (largely because bacteria will spread more quickly, causing greater contamination of food and water). The overwhelming body of scientific opinion now maintains that global warming constitutes a serious threat not in the long term, but in the here and now. The failure of the international community to generate a sound framework for managing global warming is one of the most serious indications of the problems facing the multilateral order.

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Second, little progress has been made towards achieving the millennium development goals (MDGs) – the agreed human development targets of the international community, or, one could say, its moral consciousness.³ The MDGs set down minimum standards to be achieved in relation to poverty reduction, health, educational provision, the combating of HIV/AIDS, malaria and other diseases, environmental sustainability and so on. Progress towards these targets has been lamentably slow and it appears that they will be missed by a very wide margin. In fact, there is evidence that there may have been no point in setting these targets at all, so far are we from attaining them in many parts of the world. Underlying this human crisis is, of course, the material vulnerability of half of the world's population: 45 per cent of humankind lives below the World Bank's poverty line of \$2 per day; 18 per cent (or some 1089 million people) live below the \$1 per day poverty line. As Thomas Pogge has appropriately put it, 'people so incredibly poor are extremely vulnerable to even minor shifts in natural and social conditions... Each year, some 18 million of them die prematurely from poverty-related causes. This is one third of all human deaths – 50,000 every day, including 29,000 children under age five.'⁴ And, yet, the gap between rich and poor countries continues to rise and there is evidence that the bottom 10 per cent of the world's population has become even poorer since the beginning of the 1990s.⁵

Third, the threat of nuclear catastrophe may seem to have diminished, but it is only in abeyance, as Martin Rees has recently argued.⁶ Huge nuclear stockpiles remain, nuclear proliferation among states is continuing (for example, in India, Pakistan and perhaps Iran), nuclear weapons and materials, due to poor accounting records, may have been purloined (after the demise of the Soviet Union), new generations of tactical nuclear weapons are being built, and 'dirty bomb' technology (the coating of plutonium on the surface of a conventional bomb) makes nuclear terrorism a serious threat. Other dangers exist, including terrorist attacks on nuclear power stations, many of which may be in countries with little protective capacity. Adding to these considerations the disquieting risks stemming from microbiology and genetics (engineered viruses), Rees concludes that 'the odds are no better than fifty-fifty that our present civilisation on Earth will survive to the end of the present century without a serious setback'.⁷ Certainly, huge questions are raised about accountability, regulation and enforcement.

These global challenges are indicative of three core sets of problems we face – those concerned with sharing our planet (global warming, biodiversity and ecosystem losses, water deficits), sustaining our humanity (poverty, conflict prevention, global infectious diseases) and our rulebook (nuclear proliferation, toxic waste disposal, intellectual property rights, genetic research rules, trade rules, finance and tax rules).⁸ In our increasingly interconnected world, these global problems cannot be solved by any one nation-state acting alone. They call for collective and collaborative action – something that the nations of the world have not been good at, and which they need to be better at if these pressing issues are to be adequately tackled. Yet, the evidence is wanting that we are getting better at building appropriate governance capacity.

Why be concerned with global challenges?

Why do these global issues matter? The answer to this may seem intuitively obvious, but four separate reasons are worth stressing: solidarity, social justice, democracy and policy effectiveness. It is important to clarify each of these because they provide a map of the dimensions we need to keep in mind for thinking about the nature and adequacy of governance at the global level. By solidarity I mean not just empathetic recognition of another's plight, but the willingness to stand side by side with others in the creation of solutions to pressing collective problems. Without solidarity between rich and poor, developed and developing countries, the MDGs will not be met and, as Secretary-General of the United Nations (UN) Kofi Annan simply put it, 'millions of people will die, prematurely and unnecessarily'.⁹ These deaths are all the more poignant because solutions are within our grasp. As far as challenges like global warming and nuclear proliferation are concerned, we need to add to the definition of solidarity a focus on our own sustainability, never mind that of citizens of the future. Contemporary global challenges require recognition of, and active participation in, the forces that shape our overlapping communities of fate.

A second reason to focus on global challenges is social justice. Standards of social justice are, of course, controversial. To make my argument as accessible as possible, I will, following Pogge, take social justice to mean the fulfilment of human rights in an institutional order to the extent that it is reasonably possible.¹⁰ Of course, most argue that social justice requires more, and so it can be claimed with some confidence that an institutional order that fails to meet these standards cannot be just. Accordingly, it can be reasoned that in so far as our existing socioeconomic arrangements fail to meet the MDGs, and the broader challenges of global warming and the risks of nuclear proliferation, they are unjust, or, simply, beyond justice.

The third reason is democracy. Democracy presupposes a non-coercive political process in and through which people can pursue and negotiate the terms of their interconnectedness, interdependence and difference. In democratic thinking, 'consent' constitutes the basis of collective agreement and governance; for people to be free and equal there must be mechanisms in place through which consent can be registered in the determination of the government of public life.¹¹ Yet, when millions die unnecessarily and billions are threatened unnecessarily, it can clearly be held that serious harm can be inflicted on people without their consent and against their will.¹² The recognition of this reveals fundamental deficits in our governance arrangements which go to the heart of both justice and democracy.

Finally, the failure to act sooner rather than later on pressing global issues generally escalates the costs of dealing with them. In fact, the costs of inaction are high and often vastly higher than the costs of action. For instance, it has been estimated the costs of inaction in dealing with communicable diseases in Africa are about 100 times greater than the costs of corrective action.¹³ Similar calculations have also been undertaken in areas of international financial stability, the multi-lateral trade regime and peace and security, all of which show that the costs of deficient provision of global public goods are extremely large and outweigh by

significant margins the costs of corrective policies.¹⁴ And yet we too often stand paralysed in the face of urgent collective challenges, or actively engage in the reproduction of political and social arrangements that fail to meet the minimum standards that solidarity, justice and democracy require.

Deep drivers and governance challenges

The postwar multilateral order is threatened by the intersection and combination of humanitarian, economic and environmental crises. There are, moreover, forces pushing them from bad to worse; I call these the emergent system of structural global vulnerability, the Washington policy packages and the constellation of contemporary geopolitics. The first factor – structural global vulnerability – is a feature of our contemporary global age, and in all likelihood is here to stay. The other two factors are the outcome of clear political choices, and they can be modified. Their force is willed, even though it often presents itself in the form of inevitability. Or, to put the point another way, the current form of globalisation is open to transformation, even if the Doomsday clock (the ‘logo’ on the Bulletin of Atomic Scientists) is rather too close to midnight.

The world we are in is highly interconnected. The interconnectedness of countries – or the process of ‘globalisation’ as it is often called – can readily be measured by mapping the ways in which trade, finance, communication, pollutants and violence, among many other factors, flow across borders and lock the well-being of countries into common patterns.¹⁵ The deep drivers of this process will be operative for the foreseeable future, irrespective of the exact political form globalisation takes. Among these drivers are:

- the changing infrastructure of global communications linked to the information technology (IT) revolution;
- the development of global markets in goods and services, connected to the new worldwide distribution of information;
- the pressure of migration and the movement of peoples, linked to shifts in patterns of economic demand, demography and environmental degradation;
- the end of the Cold War and the diffusion of democratic and consumer values across many of the world’s regions, alongside some marked reactions to this; and
- the emergence of a new type and form of global civil society, with the crystallisation of elements of a global public opinion.

Despite the fractures and conflicts of our age, societies are becoming more interconnected and interdependent. As a result, developments at the local level – whether economic, political or social – can acquire almost instantaneous global consequences and *vice versa*.¹⁶ If we link to this the advances in science across many fields, often now instantly diffused through global communication networks, the global arena becomes both an extraordinary potential space for human development as well as for disruption and destruction by individuals, groups or states

(all of whom can, in principle, learn the lessons of nuclear energy, genetics, bacteriology and computer networking).¹⁷

The second set of driving forces can be summed up in two phrases: the Washington economic consensus and the Washington security agenda. I take a detailed look at these in *Global Covenant* and *Debating Globalization*.¹⁸ Any assessment of them must be grounded on in the issues each seeks to address. But they are now also connected drivers of the specific form globalisation takes. Together, they promulgate the view that a positive role for government is to be fundamentally distrusted in core areas of socioeconomic life – from market regulation to disaster planning – and that the sustained application of internationally adjudicated policy and regulation threatens freedom, limits growth, impedes development and restrains the good. Of course, neither exhaustively explains the current structures of globalisation, but they form a core part of its political circumstances.

The thrust of the Washington Consensus is to enhance economic liberalisation and to adapt the public domain – local, national and global – to market-leading institutions and processes. It thus bears a heavy burden of responsibility for the common political resistance or unwillingness to address significant areas of market failure, including:

- the problem of externalities, such as the environmental degradation exacerbated by current forms of economic growth;
- the inadequate development of *non*-market social factors, which alone can provide an effective balance between ‘competition’ and ‘cooperation’ and thus ensure an adequate supply of essential public goods such as education, effective transportation and sound health; and
- the under-employment or unemployment of productive resources in the context of the demonstrable existence of urgent and unmet need.

Leaving markets alone to resolve problems of resource generation and allocation misses the deep roots of many economic and political difficulties, such as the vast asymmetries of life chances within and between nation-states, the erosion of the economic fortune of some countries in sectors like agriculture and textiles while these sectors enjoy protection and assistance in others, the emergence of global financial flows which can rapidly destabilise national economies, and the development of serious transnational problems involving the global commons. Moreover, to the extent that pushing back the boundaries of state action or weakening governing capacities means increasing the scope of market forces and cutting back on services which have offered protection to the vulnerable, the difficulties faced by the poorest and the least powerful – north, south, east and west – are exacerbated.

In sum, the Washington Consensus has weakened the ability to govern – locally, nationally and globally – and it has eroded the capacity to provide urgent public goods. Economic freedom is championed at the expense of social justice and environmental sustainability, with long-term damage to both. It has confused economic freedom and economic effectiveness. Moreover, the systematic

political weaknesses of the Washington Consensus have been compounded by the new Washington security doctrines.

The rush to war against Iraq in 2003 gave priority to a narrow security agenda which is at the heart of the new American security doctrine of unilateral and preemptive war. This agenda contradicts most of the core tenets of international politics and international agreements since 1945.¹⁹ It throws aside respect for open political negotiations among states, as well as the core doctrine of deterrence and stable relations among major powers (the balance of power). We have to come to terms not only with the reality that a single country enjoys military supremacy to an unprecedented extent in world history, but also with the fact that it can use that supremacy to respond unilaterally to perceived threats (which may be neither actual nor imminent), and will brook no rival.

The new doctrine has many serious implications.²⁰ Among these are a return to an old realist understanding of international relations as, in the last analysis, a 'war of all against all' in which states rightly pursue their national interests unencumbered by attempts to establish internationally recognised limits (such as self-defence or collective security) on their ambitions. But if this 'freedom' is (dangerously) granted to the USA, why not to Russia, China, India, Pakistan, North Korea, Iran and so on? It cannot be consistently argued that all states bar one should accept limits on their self-defined goals. The flaws of international law and multilateralism can either be addressed or taken as an excuse for the further weakening of international institutions and legal arrangements.

It would be wrong to link current threats to the multilateral order just to these policy packages, and specifically to policy shifts introduced by the Bush administrations. First, elements of the Washington Consensus clearly predate Bush. Second, the end of the Cold War and the huge geopolitical shifts that have come in its wake may also form a key geopolitical factor. G. John Ikenberry has formulated the argument thus: 'the rise of America's unipolar power position during the 1990s has complicated the old postwar logic of cooperation among allied democratic states. America's power advantages make it easier for it to say no to other countries or to go it alone'.²¹ Connected to the decline in incentives for the USA to multilateral cooperation are the divisions within Europe which make it less effective in promulgating an alternative model of global governance. The current state of the leading organisations and institutions of the multilateral order needs to be unfolded.

Global governance: contemporary surface trends

In a survey of the current state of key global and regional governance arrangements – the UN, the European Union (EU) and the North Atlantic Treaty Organization (NATO) prominent among them – Ikenberry has suggested that they have all weakened. To quote him again: 'today the machinery of the post-war era is in disrepair. No leader, international body or group of states speaks with authority or vision on global challenges.'²² This is my judgement as well. The value of the UN system has been called into question and the legitimacy of the Security Council has been challenged, as have the working practices of many multilateral bodies.

While the UN still pays a vital and effective role in peacekeeping, mitigating natural disasters and protecting refugees, among other tasks, the war in Iraq dramatised the weakness of the UN system as a vehicle for global security cooperation and collective decision making on the use of force. The management of the UN system is also under suspicion, with the oil-for-food programme in Iraq becoming a scandal and UN-helmeted troops in Africa being implicated in sexual violence and the abuse of children. In September this year, the UN member states came together to try to establish new rules and institute bold reforms. But they were unable to agree on a new grand vision and the summit failed in many key respects. (I return to these issues later.) As a result, the deeply embedded difficulties of the UN system remain unresolved – the marginalisation or susceptibility of the UN to the agendas of the most powerful states, the weaknesses of many of its enforcement operations (or lack of them altogether), the under-funding of its organisation, the inadequacies of the policing of many environmental regimes (regional and global) and so on.

The future direction of the EU is also highly uncertain. There is a deep sense of unease in Brussels about what the next few years will bring. Anxious about the increasing success of low-cost economies, notably China, India and Brazil, and about whether the European social model can survive in its current form, voters are increasingly expressing scepticism both about the European integration and expansion. The French ‘no’ to the proposed European constitution partly reflects this, as does the Dutch ‘no’ – although the latter was also fuelled by a perception that the Dutch ‘host culture’ was under threat from historical waves of immigration. The capacity of Europe to project its ‘soft power’ alternative to US ‘hard power’ looks frail, as does its capacity to play a more active global leadership role. In the absence of the negative unity provided by the Cold War, old foreign policy rivalries and differences among the big states are reasserting themselves,²³ and the existing generation of leaders appears as much part of the growing impasse as its solution: UK Prime Minister Tony Blair’s authority sapped by his alliance with George W. Bush; French President Jacques Chirac’s standing has been eroded over time; Gerhard Schroeder has been replaced by the new German Chancellor Angela Merkel, who is hamstrung by coalitional constraints; Spanish Prime Minister José Luis Rodríguez Zapatero is seen to be still too junior; and so on. Add to this the limited impact of the Lisbon process²⁴ and the at best mixed results of the Growth and Stability Pact, and it is clear that the European model, for all its extraordinary innovation and progress, is suffering something of an identity crisis.²⁵

While the economic multilateral institutions are still functioning (although the World Trade Organization (WTO) faces a critical test over whether the Doha round can be brought to a successful conclusion), many of the multilaterals that coordinate the activities of the USA, EU and other leading states all look weaker now: NATO, the Group of Eight (G8) and treaty-based arms control, among others. Since 11 September 2001 the future of NATO has become clouded. The global redeployment of US forces and divisions in Europe about the conditions for the use of NATO troops have rendered the role of NATO increasingly unclear. The G8 has always been more of a ‘talking shop’ than a vehicle for collective action, but today its meetings appear to have minimal, if

any, lasting impact. Tony Blair succeeded in using the G8 meeting in mid 2005 to focus on Africa, but how much will follow from this of a durable kind is an open question. Arms agreements like the non-proliferation treaty (NPT) are in crisis. The USA has ignored its NPT obligations, and its announcement that it would create a new generation of tactical 'bunker-busting' missiles has introduced new levels of uncertainty about nuclear risks. In addition, the USA has ignored Protocol III on the use of incendiary weapons of the 1980 Geneva Convention on unconventional weapons (and, arguably, the 1993 Chemical Weapons Convention) by deploying white phosphorus in Falluja, an area in Iraq of concentrated civilian population, in late 2005.

Against these mounting challenges to the postwar multilateral system, one might place the global outpouring of support for the campaign for relief after the Asian tsunami disaster of December 2004. But six months after the tsunami, many countries had not fully paid their pledged support (for example, the USA had paid 43 per cent, Canada 37 per cent and Australia 20 per cent) and UN pleas for assistance in the Niger (where 2.5 million people face starvation) and Malawi (where 5 million are facing starvation) have been largely ignored.²⁶

The postwar multilateral order is in trouble. With the resurgence of nationalism and unilateralism in US foreign policy, the disarray of the EU and the growing confidence of China, India and Brazil in world economic fora, the political tectonic plates appear to be shifting. Clear, effective and accountable global decision making is needed across a range of global challenges and, yet, the collective capacity for addressing these matters is in serious doubt.

Problems and dilemmas of global problem-solving

The field of contemporary geopolitics is merely the chaff, significant though it is. Prior to it, underlying it and restricting it are the limits of the postwar settlement itself and of the institutional nexus of the multilateral order. Four deep-rooted problems need highlighting.

In the first instance, there is no clear division of labour among the myriad of international governmental agencies; functions often overlap, mandates frequently conflict and aims and objectives too often get blurred. There are a number of competing and overlapping organisations and institutions, all of which have some stake in shaping different sectors of global public policy. This is true, for example, in the area of health and social policy, where the World Bank, the International Monetary Fund (IMF) and the World Health Organization (WHO) often have different or competing priorities;²⁷ it is also the case, more specifically, in the area of AIDS/HIV treatment, where the WHO, Global Fund, UN AIDS, the G1 (that is, the USA) and many other interests vie to shape reproductive healthcare and sexual practices.

Reflecting on the difficulties of inter-agency cooperation during his time as Director General of the WTO, Mike Moore wrote that 'greater coherence amongst the numerous agencies that receive billions of taxpayers dollars would be a good start . . . this lack of coherence damages their collective credibility, frustrates their donors and owners and gives rise to public cynicism . . . the array of

institutions is bewildering . . . our interdependent world has yet to find the mechanism to integrate its common needs'.²⁸

A second set of difficulties relates to the inertia found in the system of international agencies, or the inability of these agencies to mount collective problem-solving solutions while faced with disagreement over means, objectives, costs and so on. This often leads to the situation where, as mentioned previously, the cost of inaction is greater than the cost of taking action. Bill Gates, Chairman of Microsoft, recently referred to the developed world's efforts in tackling malaria as 'a disgrace'. Malaria causes an estimated 500 million bouts of illness a year, kills an African child every 30 seconds and costs an estimated \$12 billion a year in lost income, and, yet, investment in insecticide-treated bed nets and other forms of protective treatment would be a fraction of this.²⁹ The failure to act decisively in the face of urgent global problems not only compounds the costs of dealing with these problems in the long run, but it can also reinforce a widespread perception that these agencies are not just ineffective but unaccountable and unjust.

A third set of problems emerges as a result of issues which span the distinction between the domestic and the foreign. A growing number of issues can be characterised as intermestic – that is, issues which cross the *international* and *domestic*.³⁰ These are often insufficiently understood, comprehended or acted upon. For there is a fundamental lack of ownership of global problems at the global level. It is far from clear which global public issues – such as global warming or the loss of biodiversity – are the responsibility of which international agencies. Institutional fragmentation and competition leads not just to the problem of overlapping jurisdictions among agencies, but also to that of issues falling between agencies. This latter problem is also manifest between the global level and national governments.

The fourth set of difficulties relates to an accountability deficit, itself linked to two interrelated problems: the power imbalances among states and those between state and non-state actors in the shaping and making of global public policy. Multi-lateral bodies need to be fully representative of the states involved in them, and they are rarely so. In addition, there must be arrangements in place to engage in dialogue and consultation between state and non-state actors, and these conditions are only partially met in multilateral decision-making bodies. Investigating this problem, Inge Kaul and her associates at the United Nations Development Programme (UNDP) have made the telling point that 'the imbalances among states as well as those between state and non-state actors are not always easy to detect, because in many cases the problem is not merely a quantitative issue – whether all parties have a seat at the negotiating table'. The main problem is often qualitative, namely, 'how well various stakeholders are represented'.³¹ Having a seat at the negotiating table in a major intergovernmental organisation (IGO) or at a major conference does not ensure effective representation. For even if there is parity of formal representation, it is often the case that developed countries have large delegations equipped with extensive negotiating and technical expertise, while poorer developing countries often depend on one-person delegations, or have even to rely on the sharing of a delegate. The difficulties that occur range from the significant under-representation of developing countries

in agencies such as the IMF – where 24 industrial countries hold 10–11 seats on the executive board while 42 African countries hold only 2 – to problems that result from an inability to develop sufficiently substantial enough negotiating and technical expertise even with one-person-one-country decision-making procedures.³² Accordingly, many people are stakeholders in global political problems that affect them, but remain excluded from the political institutions and strategies needed to address these problems.

Underlying these institutional difficulties is the breakdown of symmetry and congruence between decision makers and decision takers.³³ The point has been well articulated recently by Kaul and her associates in their work on global public goods. They speak about the forgotten *equivalence* principle.³⁴ This principle suggests that the span of a good's benefits and costs should be matched with the span of the jurisdiction in which decisions are taken about that good. At its simplest, the principle suggests that those who are significantly affected by a global good or bad should have a say in its provision or regulation. Yet, all too often, there is a breakdown of 'equivalence' between decision makers and decision takers, between decision makers and stakeholders, and between the inputs and outputs of the decision-making process. To take some topical examples: a decision to permit the 'harvesting' of rain forests (which releases carbon dioxide into the atmosphere) may contribute to ecological damage far beyond the borders which formally limit the responsibility of a given set of decision makers. A decision to build nuclear plants near the frontiers of a neighbouring country is a decision likely to be taken without consulting those in the nearby country (or countries), despite the many risks for them.

As a result, we face the challenges of:

- *matching circles of stakeholders and decision makers*, to create opportunities for all to have a say about global public goods that affect their lives;
- *systematising the financing of global public goods*, to get incentives right and to secure adequate private and public resources for these goods; and
- *spanning borders, sectors, and groups of actors*, to foster institutional interaction and create space for policy entrepreneurship and strategic issue management.³⁵

Failures or inadequacies in global political processes often result from the mismatch between the decision-making circles created in international arenas, and the range of spillovers associated with specific public goods or public bads. 'The challenge is to align the circles of those to be consulted (or to take part in the decision making) with the spillover range of the good under negotiation.'³⁶

Strengthening global governance

Restoring symmetry and congruence between decision makers and decision takers and entrenching the principle of equivalence require a strengthening of global governance and a resolve to address the aforementioned institutional challenges and fault lines running through global governance provision. In the first instance, this agenda can be thought of as comprising three interrelated dimensions: promoting coordinated state action to tackle common problems; reinforcing

those international institutions that can function effectively; and developing multilateral rules and procedures that lock in all powers, small and major, into a multilateral framework.³⁷ But to do what exactly? It cannot be to pursue more of what we have had, namely the misleading and damaging policy packages of the Washington Consensus and the Washington security doctrines. Indeed, both need to be replaced by a policy framework that:

- encourages and sustains the enormous enhancement of productivity and wealth that the global market and contemporary technology make possible;
- addresses the extremes of poverty and ensures that the benefits are fairly shared;
- creates avenues of ‘voice’, deliberation and democratic decision making in regional and global public domains;
- puts environmental sustainability at the centre of global governance; and
- provides international security which engages with the causes as well as the crimes of terrorism, war and failed states.

I call the approach that sets itself this task ‘social democratic globalisation’ and a ‘human security agenda’.

The Washington Consensus needs to be replaced by a wider vision of institutions and policy approaches. Liberal market philosophy offers too narrow a view, and clues to an alternative vision can be found in an old rival – social democracy.³⁸ Traditionally, social democrats have sought to deploy the democratic institutions of individual countries on behalf of a particular project; they have accepted that markets are central to generating economic well-being, but recognised that in the absence of appropriate regulation they suffer serious flaws, especially the generation of unwanted risks for their citizens and an unequal distribution of those risks.

Social democracy at the level of the nation-state means supporting free markets while insisting on a framework of shared values and common institutional practices. At the global level it means pursuing an economic agenda which calibrates the freeing of markets with poverty reduction programmes and the protection of the vulnerable. Moreover, this agenda must be pursued while ensuring, on the one hand, that different countries have the freedom they need to experiment with their own investment strategies and resources and, on the other, that domestic policy choices uphold basic universal standards (including human rights and environmental protection). The question is: how can self-determination, markets and core universal standards co-exist?

To begin with, bridges have to be built between international economic law and human rights law, between commercial law and environmental law, and between state sovereignty and transnational law.³⁹ What is required is not only the firm enactment of existing human rights and environmental agreements and the clear articulation of these with the ethical codes of particular industries (where they exist or can be developed), but also the introduction of new terms of reference into the ground rules or basic laws of the free market and trading system. Precedents exist, for instance, in the Social Chapter of the European Maastricht Agreement or in the attempt to attach labour and environmental conditions to the North American Free Trade Agreement (NAFTA) regime.

At stake, ultimately, are three interrelated transformations. The first would involve engaging companies in the promotion of core UN universal principles (as the UN's Global Compact does at present). To the extent that this led to the entrenchment of human rights and environmental standards in corporate practices, it would be a significant step forward. But if this is to be something other than a voluntary initiative, vulnerable to being sidestepped or ignored, then it needs to be elaborated in due course into a set of codified and mandatory rules. The second set of transformations would, therefore, involve the entrenchment of revised codes, rules and procedures – on health, child labour, trade union activity, environmental protection, stakeholder consultation and corporate governance – in the articles of association and terms of reference of economic organisations and trading agencies. The key groups and associations of the economic domain would have to adopt, within their very *modus operandi*, a structure of rules, procedures and practices compatible with universal social requirements, if the latter are to prevail. This would require a new international treaty, laying down elements of universal jurisdiction and clear avenues of enforcement. (Of course, poorly designed regulatory structures can harm employment levels, but countries with strong social democratic traditions, above all the Scandinavian countries, show that it is possible to be both business-friendly and welfare-oriented.)

There are many possible objections to such a scheme. However, most of these are misplaced.⁴⁰ The framework of human rights and environmental values is sound, preoccupied as it is with the equal liberty and development possibilities of all human beings. But it cannot be implemented without a third set of transformations, focused on the most pressing cases of economic suffering and harm. Without this commitment, the advocacy of such standards can descend into high-mindedness, which fails to pursue the socioeconomic changes that are a necessary part of such a commitment.

At a minimum, this means that development policies must be directed to promoting the 'development space' necessary for national trade and industrial incentives (including infant industry protection), building robust public sectors to nurture political and legal reform, developing transparent and accountable political institutions, ensuring long-term investment in healthcare, human capital and physical infrastructure, challenging the asymmetries of access to the global market, and ensuring the sequencing of global market integration into a framework of fair global rules for trade and finance. Moreover, it means eliminating unsustainable debt, seeking ways to reverse the outflow of net capital assets from the south to the north, and creating new finance facilities for development purposes. In addition, if such measures were combined with a (Tobin) tax on the turnover of financial markets, and/or a consumption tax on fossil fuels, and/or a shift of priorities from military expenditure (now running at \$900 billion per annum globally) to the alleviation of severe need (direct aid amounts only to some \$50 billion per annum globally), then the developmental context of western and northern nation-states could begin to be accommodated to those nations struggling for survival and minimum welfare.

The shift in the agenda of globalisation I am arguing for – in short, a move from liberal to social democratic globalisation – would have pay-offs for today's most pressing security concerns. At the centre of this argument is the need to connect

the security and human rights agendas and to bring them into a coherent international framework. This is the second aspect of global policy: replacing the Washington security doctrines. If developed countries want swift movement in the establishment of global legal codes that will enhance security and ensure action against the threats of terrorism, then they need to be part of a wider process of reform that addresses the insecurity of life experienced in developing societies. Across the developing or majority world, issues of justice with respect to government and terrorism are not regarded as a priority on their own, and are unlikely to be perceived as legitimate concerns unless they are connected with fundamental humanitarian issues rooted in social and economic well-being, such as basic education, clean water and public hygiene. At issue is what I call a new 'global covenant' or, as the High Level Panel on UN reform recently put it, a new 'grand bargain'.⁴¹

Specifically, what is needed is to link the security and human rights agenda in international law; reform the UN Security Council to improve the legitimacy of armed intervention, with credible threshold tests; amend the now outmoded 1945 geopolitical settlement as the basis of decision making in the Security Council and extend representation to all regions on a fair and equal footing; expand the remit of the Security Council or create a parallel Social and Economic Security Council to examine and, when necessary, intervene in the full gamut of human crises (physical, social, biological, environmental) that can threaten human agency; and found a World Environmental Organization to promote the implementation of existing environmental agreements and treaties, and whose main mission would be to insure that the world trading and financial systems are compatible with the sustainable use of the world's resources. This would be a grand bargain indeed!

Of course, it has to be conceded that the moment to pursue this agenda has been missed, marked by the limits of the UN Summit in September 2005 and the 'no vote' on the European constitution. But some progress at the Summit was made on human rights (with an agreement in principle to create a Human Rights Council), UN management (with a commitment to strengthen mechanisms of internal accountability), peace building (with the establishment of a Peace Building Commission), and the acceptance of the 'responsibility to protect' those facing grave harm irrespective of borders.⁴² And there is some measure of agreement about what needs doing in the area of UN reform, which can be evinced by comparing the UN High Level Panel on *A More Secure World* with the report to the US Congress by Congressman Newt Gingrich and Senator George Mitchell.⁴³

But even if the moment has been missed, it has not been lost. The Washington Consensus and Washington security doctrines are failing – market fundamentalism and unilateralism have dug their own graves.⁴⁴ The most successful developing countries in the world (among them China, India, Vietnam and Uganda) are successful because they have not followed the Washington Consensus agenda,⁴⁵ and the conflicts that have most successfully been diffused (the Balkans, Sierra Leone, Liberia and Sri Lanka) are ones that have benefited from concentrated multilateral support and a human security agenda.⁴⁶ Here are clear clues as to how to proceed and how to build alternatives to both the Washington Consensus and the Washington security doctrines.

Global governance and the democratic question

The reflections developed so far are about taking steps toward solidarity, democracy, justice and policy effectiveness after the failures of current policy have come home to roost. Yet, the problems of global governance today require a much longer time horizon as well. The problems of democracy and justice will only be institutionally resolved if we grasp the structural limits of the present global political arrangements, limits which can be summed up as ‘realism is dead’ or, to put it more moderately, *raison d'état* must know its place.

Traditionally, the tension between the sphere of decision makers and the sphere of decision takers has been resolved by the idea of political community – the bounded, territorially delimited community in which decision makers and decision takers create processes and institutions to resolve the problem of accountability. During the period in which nation-states were being forged, the idea of a close mesh between geography, political power and democracy could be assumed. It seemed compelling that political power, sovereignty, democracy and citizenship were simply and appropriately bounded by a delimited territorial space.⁴⁷ But this is no longer the case. Globalisation, global governance and global challenges raise issues concerning the proper scope of democracy and a democracy’s jurisdiction, given that the relation between decision makers and decision takers is not necessarily symmetrical or congruent with respect to territory.

The principle of all-inclusiveness is often regarded in democratic theory as the conceptual means to help clarify the fundamental criterion for drawing proper boundaries around those who should be involved in particular decision-making domains and those who should be accountable to a particular group of people, and why. At its simplest, it states that those significantly affected by public decisions, issues or processes should have an equal opportunity, directly or indirectly through elected delegates or representatives, to influence and shape them. Those affected by public decisions ought to have a say in their making. But the question today concerns how the notion of ‘significantly affected’ is to be understood when the relation between decision makers and decision takers is more spatially complex – when, that is, decisions affect people outside a circumscribed democratic entity, as is the case, for example, with agricultural subsidies, the rules governing stem cell research and carbon omissions. In an age of global interconnectedness, who should key decision makers be accountable to? Should they be accountable to the set of people they affect? The answer is in fact not so straightforward. As Robert Keohane has noted, ‘being affected cannot be sufficient to create a valid claim. If it were, virtually nothing could ever be done, since there would be so many requirements for consultation and even veto points.’⁴⁸ This is a hard issue to think through. The matter becomes a little easier to address if the all-affected principle is connected directly to the idea of impact on people’s needs or interests.

If we think of the impact of powerful forces on people’s lives, then impact can be divided into three categories: strong, moderate and weak. By strong I mean that vital needs or interests are affected (from health to housing) with fundamental consequences for people’s life expectancy. By moderate I mean that needs are affected in such a way that people’s ability to participate in their community

(in economic, cultural and political activities) is in question. At stake here is the quality of life chances. By weak I mean an impact on particular lifestyles or the range of available consumption choices (from clothes to music). These categories are not watertight, but they provide some useful guidance for the following contentions:

- If people's urgent needs are unmet, their lives will be in danger. In this context, people are at risk of serious harm.
- If people's secondary needs are unmet, they will not be able to participate fully in their communities and their potential for involvement in public and private life will remain unfulfilled. Their choices will be restricted or depleted. In this context, people are at risk of harm to their life opportunities.
- If people's lifestyle needs are unmet, their ability to develop their lives and express themselves through diverse media will be thwarted. In this context, unmet need can lead to anxiety and frustration.

In the light of these considerations, the principle of all-inclusiveness needs restating. I take it to mean that those whose life expectancy and life chances are significantly affected by social forces and processes ought to have a stake in the determination of the conditions and regulation of these forces and processes, either directly or indirectly through political representatives. Democracy is best located when it is closest to and involves those whose life expectancy and life chances are determined by powerful entities, bringing the circles of stakeholders and decision makers closer together. The argument for extending this consideration to decisions and processes which affect lifestyle needs is less compelling, since these are fundamentally questions of value and identity for communities to resolve for themselves. For example, whether McDonald's should be allowed access across China, or US media products given free range in Canada, are questions largely for those countries to resolve, although clearly serious cross-border issues concerning, for example, the clash of values and consumption choices can develop, posing questions about regional or global trade rules and regulations.

The principle of all-inclusiveness points to the necessity of both the decentralisation *and* centralisation of political power. If decision making is decentralised as much as possible, it maximises the opportunity of each person to influence the social conditions that shape his or her life. But if the decisions at issue are translocal, transnational or transregional, then political institutions need not only be locally based but also to have a wider scope and framework of operation. In this context, the creation of diverse sites and levels of democratic fora may be unavoidable. It may be unavoidable, paradoxically, for the very same reasons as decentralisation is desirable: it creates the possibility of including people who are significantly affected by a political issue in the public (in this case, transcommunity public) sphere.

Therefore, restoring symmetry and congruence between decision makers and decision takers and entrenching the principle of all-inclusiveness require a redevelopment of global governance and a resolve to address those challenges generated by cross-border processes and forces. This project must take as its starting point, in

other words, a world of overlapping communities of fate. Recognising the complex processes of an interconnected world, it ought to view certain issues – such as industrial and commercial strategy, housing and education – as appropriate for spatially delimited political spheres (the city, region or state), while seeing others – such as the environment, pandemics and global financial regulation – as requiring new, more extensive institutions to address them. Deliberative and decision-making centres beyond national territories are appropriately situated when the principle of all-inclusiveness can only properly be upheld in a transnational context, when those whose life expectancy and life chances are significantly affected by a public matter constitute a transnational grouping, and when ‘lower’ levels of decision making cannot manage satisfactorily transnational or global policy questions. Of course, the boundaries demarcating different levels of governance will always be contested, as they are, for instance, in many local, subnational regional and national polities. Disputes about the appropriate jurisdiction for handling particular public issues will be complex and intensive, but better to be complex and intensive in a clear public framework than left simply to be resolved by powerful geopolitical interests (dominant states) or market-based organisations. In short, the possibility of a long-term institutional reform must be linked to an expanding framework of states and agencies bound by the rule of law, democratic principles and human rights. How should this be understood from an institutional point of view?

Multilevel citizenship, multilayered democracy

In the long term, the realignment of global governance with solidarity, democracy and social justice must involve the development of both independent political authority and administrative capacity at regional and global levels. It does not call for the diminution per se of state power and capacity across the globe. Rather, it seeks to entrench and develop political institutions at regional and global levels as a necessary supplement to those at the level of the state. This conception of politics is based on the recognition of the continuing significance of nation-states, while arguing for layers of governance to address broader and more global questions. The aim is to forge an accountable and responsive politics at local and national levels alongside the establishment of representative and deliberative assemblies in the wider global order – that is, a political order of transparent and democratic cities and nations as well as regions and global networks within an overarching framework of social justice.

The long-term institutional requirements include:

- multilayered governance and diffused authority;
- a network of democratic fora from the local to the global;
- strengthening Human Rights Conventions and creating regional and global Human Rights courts;
- enhancing the transparency, accountability and effectiveness of leading functional IGOs, and building new bodies of this type where there is demonstrable need for greater public coordination and administrative capacity;
- improving the transparency, accountability and voice of non-state actors;

- using diverse mechanisms to access public preferences, test their coherence and inform public will formation; and
- establishing an effective, accountable, regional and global police/military force for use as the last resort of coercive power in defence of international humanitarian or cosmopolitan law.

I call this agenda, and the institutions to which it gives rise, cosmopolitan democracy.⁴⁹ Since I have elaborated it elsewhere, I will restrict myself here to the change it entails in the meaning of citizenship.

At the heart of a cosmopolitan conception of citizenship is the idea that citizenship can be based not on exclusive membership of a territorial community, but on general rules and principles which can be entrenched and drawn upon in diverse settings. This conception relies on the availability and clarity of the principles of democracy and human rights. These principles create a framework for all persons to enjoy, in principle, equal moral status, equal freedom and equal participative opportunities. The meaning of citizenship shifts from membership in a community which bestows, for those who qualify, particular rights and duties to an alternative principle of world order in which all persons have equivalent rights and duties in the cross-cutting spheres of decision making which affect their vital needs and interests. It posits the idea of a global political order in which people can enjoy an equality of status with respect to the fundamental processes and institutions which govern their life expectancy and life chances.

Within this context, the puzzling meaning of a cosmopolitan or global citizenship becomes a little clearer. Built on the fundamental rights and duties of all human beings, cosmopolitan citizenship underwrites the autonomy of each and every human being, and recognises their capacity for self-governance at all levels of human affairs. Although this notion needs further clarification and unpacking, its leading features are within our grasp. Today, if people are to be free and equal in the determination of the conditions which shape their lives, there must be an array of fora, from the city to global associations, in which they can hold decision makers to account. If many contemporary forms of power are to become accountable and if many of the complex issues that affect us all – locally, nationally, regionally and globally – are to be democratically regulated, people will have to have access to, and membership in, diverse political communities. As Jürgen Habermas has written, ‘only a democratic citizenship that does not close itself off in a particularistic fashion can pave the way for a *world citizenship* . . . State citizenship and world citizenship form a continuum whose contours, at least, are already becoming visible.’⁵⁰ There is only an historically contingent connection between the principles underpinning citizenship and the national community; as this connection weakens in a world of overlapping communities of fate, the principles of citizenship must be rearticulated and re-entrenched. Moreover, in the light of this development, the connection between patriotism and nationalism becomes easier to call into question, and a case built to bind patriotism to the defence of core civic and political principles – not to the nation or country for their own sake.⁵¹ Only national identities open to diverse solidarities, and shaped by respect for general rules and principles, can accommodate themselves successfully to the challenges of a

global age. Ultimately, diversity and difference can flourish only in a ‘global legal community’.⁵²

There was once a time when the idea that the old states of Europe might share a set of economic, monetary and political institutions seemed improbable, to say the least. It also appeared improbable that the Cold War would be brought to an end by a peaceful revolution. The notion that Nelson Mandela would be released from jail alive in South Africa, and that apartheid would be undone without substantial violence, was not anticipated by many. That China and India would be among the fastest growing economies in the world once seemed unlikely. Let us hope that the task of reframing global governance is similarly possible, even though now it seems remote. Let us hope as well that this task is pursued with an increasing sense of urgency. For many, it is already ‘apocalypse now’; for the rest of us it may well be ‘apocalypse soon’ unless our governance arrangements can meet the tests of solidarity, justice, democracy and effectiveness.

Notes

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10. Pogge, ‘Reframing Economic Security and Justice’.
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14. See Kaul *et al.* (eds), *Providing Global Public Goods*.
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16. David Held, *Global Covenant* (Polity, 2004), pp. 73–116; Anthony Giddens, *The Consequences of Modernity* (Polity, 1990), pp. 55–78.
17. Rees, *Our Final Century*, pp. 62, 65.

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20. Stanley Hoffmann 'America Goes Backward', *New York Reviews of Books*, Vol. 50, No. 10 (12 June 2003), pp. 74–80.
21. G. John Ikenberry, 'A Weaker World', *Prospect*, Issue 116 (October 2005), p. 32.
22. *Ibid.*, p. 30.
23. *Ibid.*
24. The goal of the Lisbon process, agreed upon by European leaders in March 2000, is to make the EU 'the most dynamic and competitive knowledge-based economy in the world' by 2010. This goal entails a series of policy recommendations to help move European economies in this direction. When referring to the limited impact of the Lisbon process, I refer to how modest the movement in this direction has been.
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35. *Ibid.*, pp. 5–6.
36. *Ibid.*, p. 28.
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41. Held, *Global Covenant*; UN High Panel, 'A More Secured World', <http://www.un.org/secureworld/> (accessed 11 February 2006).
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49. See Held, *Democracy and the Global Order; Global Covenant; Models of Democracy*; Danielle Archibugi & David Held (eds), *Cosmopolitan Democracy: An Agenda for a New World Order* (Polity, 1995).
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