

The Challenge of Global Governance



Edward A. Kolodziej
Center for Global Studies
University of Illinois at Urbana-Champaign

Keynote Address at:

Joint Operational Environment Seminar

Lockheed Martin Center for Innovation

Suffolk VA,

June 16, 2007

How to Understand Globalization

- “Real human consciousness can only be expected to arise after *political and economic processes have created such a tight-knit human community that every people and polity is forced to recognize its subordination to and participation in a global system.* We are not far short of that condition in the last decade of the twentieth century.”
- William McNeill, The Global Condition, pp. x-xi.
(Princeton University Press, 1992)

Two (potentially rebuttable) propositions:

- I. There now exists a global society for the first time in the evolution of the species -- a revolutionary human condition
- II. The governance of this society is the principal challenge confronting the peoples and states of the world
 - The currently prevailing solutions to the imperatives of governance of the global society — order, welfare, and legitimacy — are gravely flawed.
 - Surmounting the flaws of the state and state system, global markets, and democratic rule, as provisional solutions, respectively, to order, welfare, and legitimacy is the principal challenge confronting the diverse and divided peoples of the world

What Is Meant by a World Society as Globalization

- A human society arises when humans and their social agents enter into interdependent exchanges, such that what an actor wants or needs depends on the cooperation of some or all other actors comprising that society
 - agents include groups, states, corporations, social movements, IGOs, NGOs, etc.
 - Cooperation is consensually or coercively elicited
- In “Steven Colbert” terms: the “**WORD**” is **interdependence** (or mutually contingent dependence)

What A Global Society Is **Not** — Or Where It is **Not** Headed

- The global society is NOT a community with shared aims, interests, & values —
 - rather the world society comprises a diverse & divided population of contesting peoples, defined by states, cultures, religions, class, national, ethnic & tribal loyalties and identities, and linguistic differences
- Nor is the global society destined toward a singular destiny,
 - Contrary, for example, to current Administration views that “people everywhere want to speak freely. . . Worship as they please. . . Own property. . . . These values are right and true for every person, in every society. . . . (National Security Strategy of the U.S., September 2002)

Sensible to Conceive Globalization as Global Market Transactions

- IF:
 - The boundaries of the model capturing economic exchanges and the factors of production — trade, capital flows, techno-scientific knowledge and know-how, labor movements, etc. — are understood to be permeable
 - Towit:
 - The coercively defined rules and institutions governing actor transactions, defined largely by states, are not free goods — more than 100 million deaths over the past two centuries of economic growth to institute global markets
 - Global markets generate conflicts that, paradoxically, undermine the preservation and extension of this creative social institution
 - The renewed and widening spread of identity politics, profoundly marked by deadly conflicts over the legitimate exercise of power, imperil world markets and global stability.

Avoiding the Blind Indian Men Syndrome: Singular, Linear Futures

- The Emergence of a World Society is NOT Destined
 - To be flat (Friedman/Chicago School/Hayek)
 - To collapse into culture clash (Huntington)
 - To convergence in values (Fukuyama) or class interests (Marx)
 - Or to be ruled inevitably by a coalition of democratic states (Kant)

I. Images of Interdependencies Defining the Global Society

- Interdependencies of communications, transportation & tourism
- Interdependencies in the struggle for order
- Interdependencies in the struggle for welfare
- Interdependencies in the struggle for legitimacy in exercising political power

Some Key Properties of a Global Society

- 1) Power has never been more diffuse at the disposal of multiple and multiplying agents
- 2) Nor, given this condition, has it ever been more difficult and complex to orchestrate to address shared problems or exploit opportunities for mutual gain
- 3) The realization of aims, interests, and values of discrete populations and states must be pursued *simultaneously and synchronously* at local, national, regional, and global levels
- 4) Solutions increasingly depend on the kindness (or callous disregard and resistance) of strangers
- 5) No one actor, however powerful and most notably a self-proclaimed superpower, can compel other actors to accede or bandwagon on its preferences
 - a) Relevant actors and the power they possess to effect preferred outcomes differ over policy issues
 - B) Instability and uncertainty are the prevailing properties of a global society in which actors are ceaselessly engaged in negotiating preferred outcomes in their interdependent exchanges

The Precondition for Societal Survival & Replication: Governance

- The imperatives of governance:
 - **Order**: The locus of force or violence to arbitrate conflicts
 - **Welfare**: The social system instituted to produce and disseminate goods and services or wealth
 - **Legitimacy**: The authority legitimating the exercise of Order and Welfare Power Structures

The OWL Imperatives of Governance as Power

- Each social structure is a system of power with its own logic
 - Order: force
 - Welfare: consensual accords on the distribution of the factors of production, the production of goods and services, and the dissemination of wealth
 - Legitimacy: the acknowledged authority possessed by those in governing order and welfare systems to issue rules for other actors and expect them to be observed

II. The Crisis of Global Governance of the World Society

- A. The state and state system as solution to Order IS the problem
- B. Global markets as the solution to global welfare IS the problem
- C. Democracy and popular rule as the solution to legitimacy IS the problem

IIA. The State & State System as THE Problem of Global Order

- 1) State sovereignty vs. self-determination: clash of principles
- 2) The state & state system as a warfare system
- 3) Impediment to collective action
- 4) Failed states as sources of conflict & terrorist base
- 5) The nation-state as guarantor & obstacle to free economic exchange and global welfare
- 6) The nation-state as guarantor & obstacle to democratic rule and protection and promotion of human rights

IIB. Global Markets as THE Problem of Global Welfare: Some Key, Structural Weaknesses

- B1. Markets, as expected, distribute unequally, creating and perpetuating class divisions
- B2. Unequal wealth yields unequal social & political power
- B3. Addressing global poverty & subsistence ignored or neglected
- B4. Costs of spillover or adverse environmental effects are inefficiently and ineffectively priced and inequitably allocated across actors
- B5. Self-defeating incentives of markets require regulation, hostage to those with economic resources and power
 - incentives for monopoly;
 - For cheating & misrepresentation of products & services

B1. Inequality and Market Distribution of Wealth

Pure markets based on **Quid pro Quo** inevitably generate inequality in the distribution of wealth

- National and global wages are depressed as holders of capital gain disproportionately more than labor

- Class divisions and conflict created and perpetuated

- Despite its proven superiority over centralized economic systems, public support for open markets is undermined by the unequal distribution of wealth

B2. Unequal Wealth Yields Unequal Social and Political Power

- Inequality loads social, and political power, a threat to democratic ideals based on the principles not only of **freedom** but also of **equality**
- Voluntary market contracts & terminations produce unequal burdens: “You’re fired!”
- Inequality of income & power institutionalized;
 - little or no tax on inheritance; the principle of proportional taxation weakened or abandoned.
 - Elections and special interests, backed by individuals and corporations with large economic resources, define property and contract rights in their favor
 - Bureaucratic and judicial rulings reinforce political clout
 - Governmental oversight and monitoring of products and services weakened.

B3. Poverty and Market Failure

- 2.5 billion people live on \$2 a day or less
- UN Millennium Goals to address poverty require grants and aid in billions of dollars
- A market economy to assist global poverty needs a jump start outside the boundaries of the market as a social system
- Irony: the developed states currently resist using the market to address poverty:
 - The Doha Round and Agriculture
 - US and EU subsidies hamper the economic growth of developing states

B4. Costing Spillover Effects

- Voluntary market mechanisms (assuming equality of actor power and resources) are limited in addressing these collective choice problems — global warming; urban blight; acid rain, etc.

B5. Coping with the Self-Defeating Logic of Markets

- Preventing monopolies: e.g. the growing concentration of media ownership
- Preventing fraud (Enron) and false advertising

Why Is Legitimacy a Global Imperative?

- There exist no universally accepted principles on which to base political authority: to proclaim rules and expect their obligatory observance
 - Religion, culture, national/ethnic/tribal loyalties and identities, or free & equal individual citizens and popular rule-- all are contesting principles
- Nor is there accord about how or by what process to acquire legitimate authority to address the shared interdependent problems confronting the peoples of the world
 - Blood, divine law, custom, charismatic leaders or parties, or elections (Qualification to vote: none? Social or economic?)
- Legitimacy as an imperative of government is only **partially** resolved at the level of the nation-state through popular elections and democratic rule

Global Democratic Deficit and the Crisis of Legitimacy

- Provisionally, legitimacy resides in the nation-states and their governing agencies
- The dominant solution for legitimate nation-state rule is democracy
- But, as Peter Singer argues, there is a democratic deficit between decisions made by nation-states and their unequal impact, positive and negative, on the world's populations:
 - WMD and NPT
 - The US War on Terror and the right to intervene in the domestic affairs of other states
 - The support for world markets and the unequal distribution of wealth controlled by the rich states
 - The resistance of rich states & populations to address global poverty & inequality
 - The pollution of the globe by states (global warming) or the exhaustion of the resources of the commons (over-fishing; water, etc)

Other Defects of Democratic Rule as a Solution to Legitimacy

- Protecting Minority Rights, human rights, or civil liberties are not assured by popular rule
- Whether democratic rule is appropriate or relevant to many peoples remains an open question
- Whether democratic governments can deliver: efficient, effective, non-corrupt regimes is no less problematic
 - Conducting war
 - Coping with environmental degradation and crises
 - Addressing the needs of the young, old, halt, lame, and mentally and physically challenged?

After Elections, then What?

- Sir Henry Maine (1886):

“There can be no grosser mistake [than] to have an impression that Democracy differs from Monarchy in essence. . . .

The tests of success in the performance of the necessary and natural duties of a government are precisely the same in both cases.”

Al Gore (2007)

- “Why do reason, logic, and truth seem to play a sharply diminished role in the way American now makes important decisions?”
 - The Assault on Reason

Refrain

- There now exists a world society, the product of centuries of human evolution and creativity
- The survival and perfection of that society depends critically on responses to the imperatives of governance of all human societies: order, welfare, and legitimacy
- The provisional solutions to the imperatives of global governance — the state, markets, and democracy — are necessary but gravely flawed
- The principal challenge of the 21st century, confronting the world's diverse and divided peoples, is surmounting these multiplying, accumulating, and interdependent crises in global governance

Fig 1

Figure 1 Internet Usage, 1990-2003

Source: The World Bank, *World Development Indicators* database

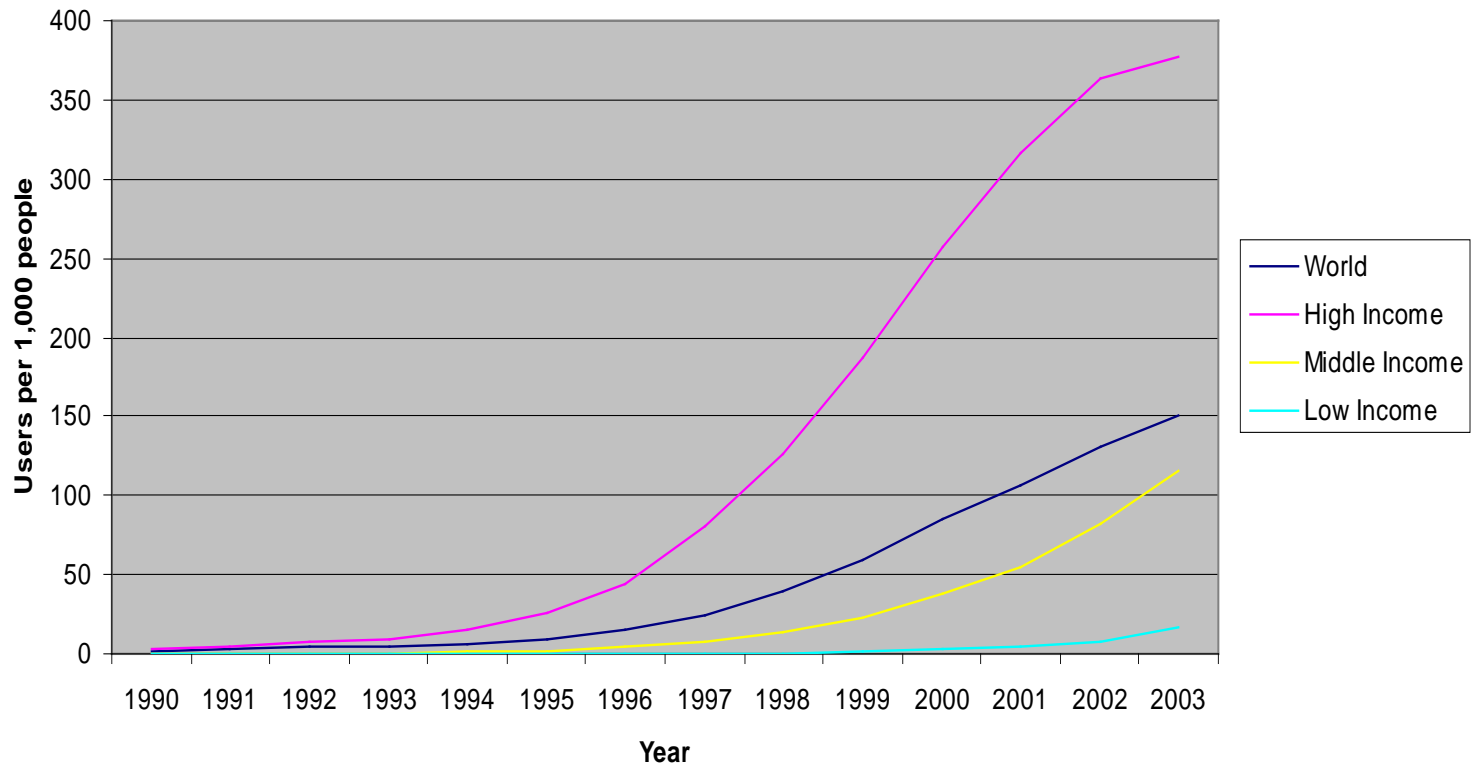


Fig 2

Figure 2 Aircraft Departures, 1970-2003

Source: The World Bank, *World Development Indicators* database

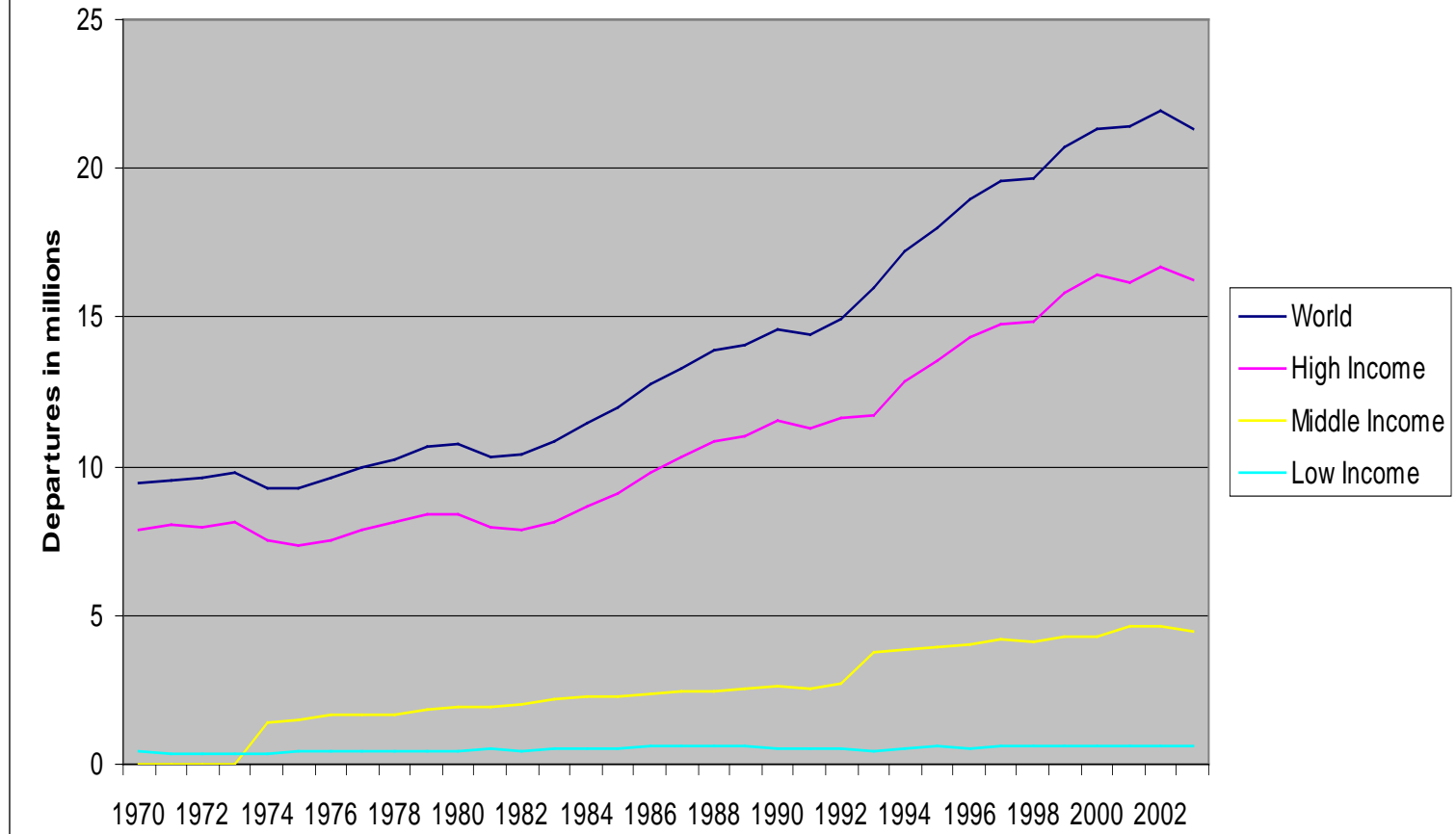


Fig 3

International Tourism (No. of Arrivals), 1995-2003

Source: The World Bank Group, *World Development Indicators* database

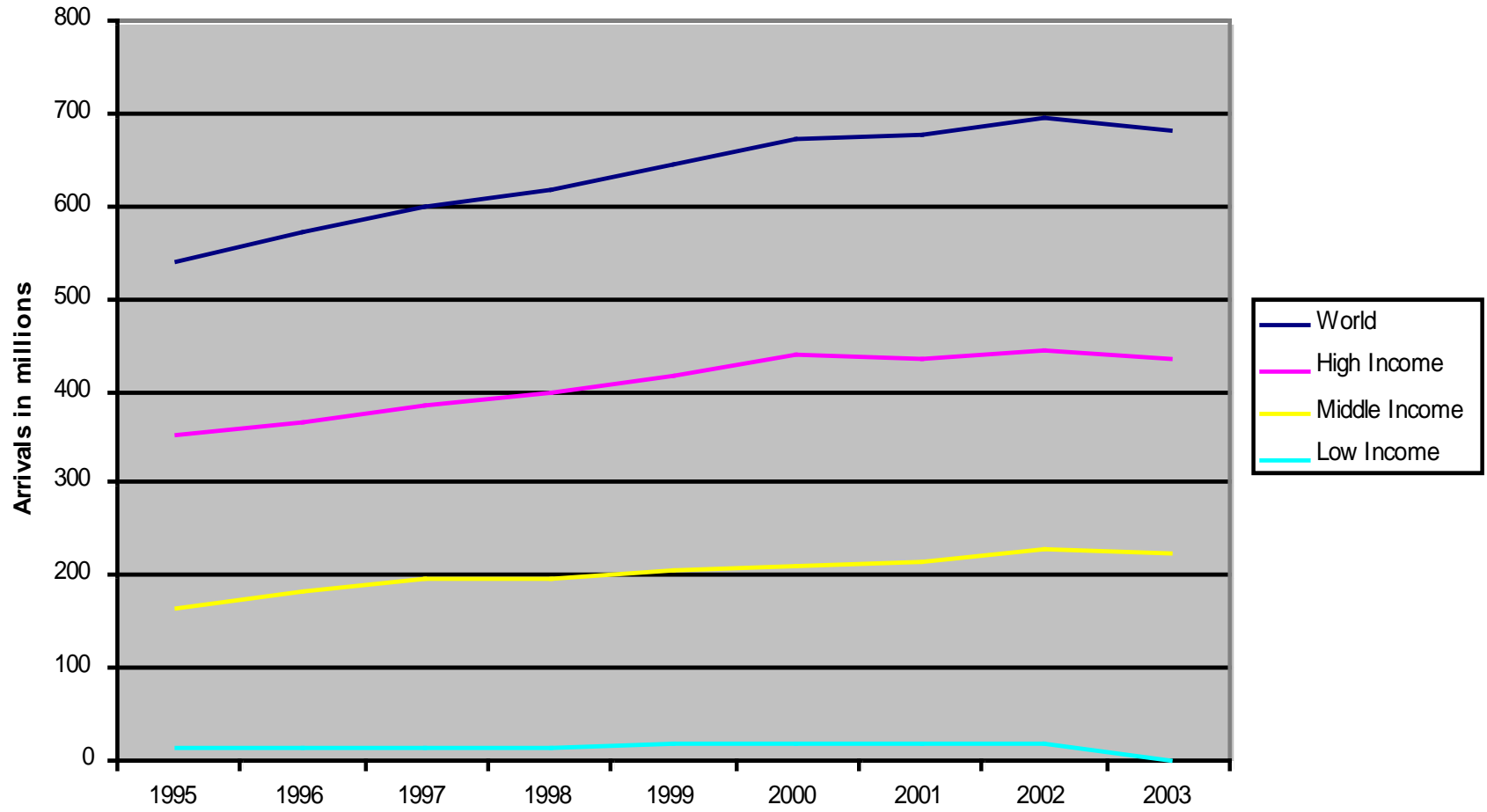


Fig 4

Figure 4
Membership in the United Nations Since 1945
Sources: UN Website, 2005

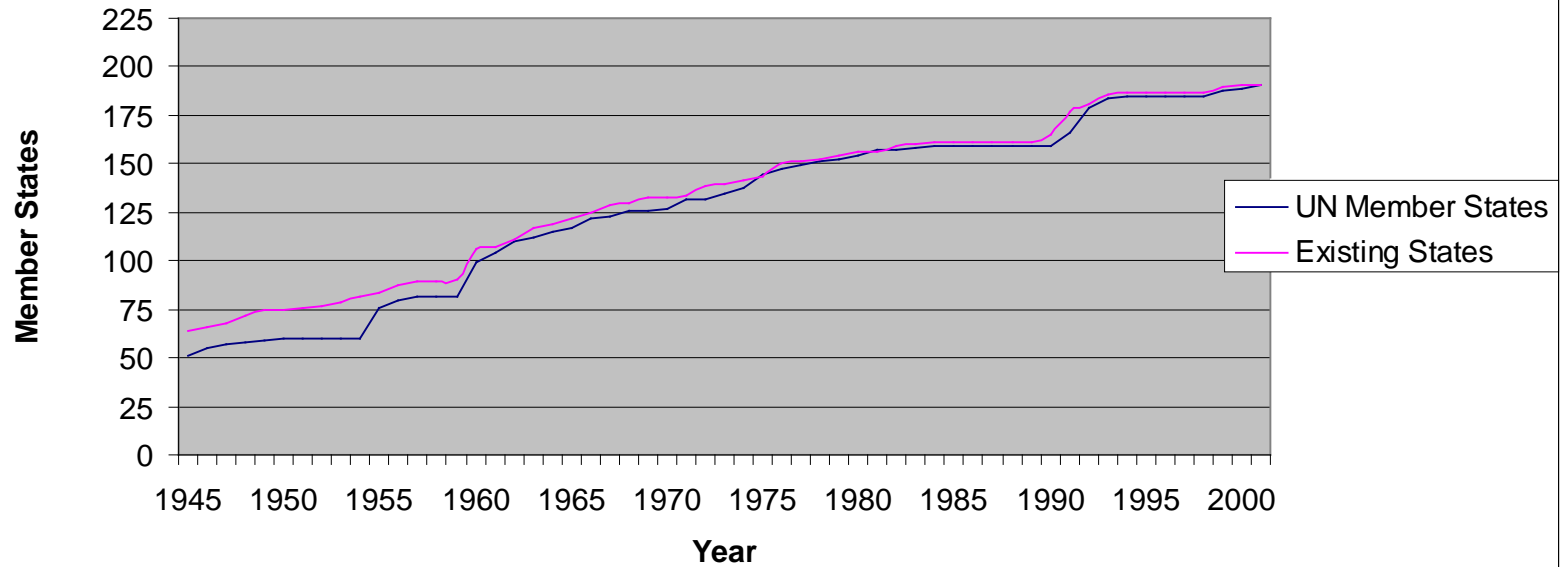


Fig 6

Operational Offensive Nuclear Delivery Systems and Capabilities					
	Table 3				
Long-Range Systems					
	USA¹	Russia²	UK³	France⁴	China⁵
Land-based Ballistic Missiles (ICBM)	500	549	x	x	46**
Submarine Launched Ballistic Missiles (SLBM)	336	192	58*	48	12
Aircraft	115	78	x	x	x
Sea-Launched Cruise Missiles (SLCM)	325	x	x	x	x
Total Deliverable Warheads	5,521	~ 3,500	~200	~ 348	~ 400
Regional Systems					
	India⁶	Pakistan⁷	Israel⁸	DPRK⁹	Iran¹⁰
Land-based Ballistic Missiles	69***	~ 20†	~ 100	160°°	56-84
Aircraft	171	32††	199°	80°°°	
Sea-based Ballistic Missiles	ID	0	ID	0	0
Total Deliverable Warheads	40-50	24-48	~200	10(?)	ID(?)
ID = In Development					
* IISS, <i>The Military Balance, 2005-06</i> , p.101.					
**IISS, <i>The Military Balance, 2005-06</i> , p.270.					
***IISS, <i>The Military Balance, 2005-06</i> , p.236.					
† IISS, <i>The Military Balance, 2005-06</i> , p.244.					
†† IISS, <i>The Military Balance, 2005-06</i> , p.245.					
° IISS, <i>The Military Balance, 2005-06</i> , p.194.					
°° John Chipman, Director of IISS, Press Statement, 21 Jan 2004.					
°°° IISS, <i>The Military Balance, 2005-06</i> , p.284.					
1 Robert S. Norris and Hans M. Kristensen, "U.S. Nuclear Forces, 2006," <i>BAS</i> , Jan/Feb 2006 (6					
2 ----, "Russian Nuclear Forces, 2006," <i>BAS</i> , Mar/April 2006 (62.2): 64-67.					
3 ----, "British Nuclear Forces, 2005," <i>BAS</i> , Nov/Dec 2005 (61.6): 77-79.					
4 ----, "French Nuclear Forces, 2005," <i>BAS</i> , Jul/Aug 2005 (61.4): 73-75.					
5 ----, "Chinese Nuclear Forces, 2003," <i>BAS</i> , Nov/Dec 2003 (59.6): 77-80.					
6 ----, "India's Nuclear Forces, 2005," <i>BAS</i> , Sep/Oct 2005 (61.5): 73-75.					
7 Norris, Kristensen, Joshua Handler, "Pakistan's Nuclear Forces, 2001," <i>BAS</i> , Jan/Feb 2002 (5)					
8 Norris, William Arkin, Kristensen, Handler, "Israeli Nuclear Forces, 2002," <i>BAS</i> , Sep/Oct 2002					
9 Norris and Kristensen, "North Korea's Nuclear Program, 2005," <i>BAS</i> , May/Jun 2005 (61.3): 64					
10 John Chipman, Director of IISS, Remarks at Press Launch, 6 Sept. 2005.					

Fig 6 (1)

Operational Offensive Nuclear Delivery Systems and Capabilities					
	Table 3				
Long-Range Systems					
	USA¹	Russia²	UK³	France⁴	China⁵
Land-based Ballistic Missiles (ICBM)	500	549	x	x	46**
Submarine Launched Ballistic Missiles (SLBM)	336	192	58*	48	12
Aircraft	115	78	x	x	x
Sea-Launched Cruise Missiles (SLCM)	325	x	x	x	x
Total Deliverable Warheads	5,521	~3,500	~200	~348	~400
Regional Systems					
	India⁶	Pakistan⁷	Israel⁸	DPRK⁹	Iran¹⁰
Land-based Ballistic Missiles	69***	~20†	~100	160°°	56-84
Aircraft	171	32††	199°	80°°°	
Sea-based Ballistic Missiles	ID	0	ID	0	0
Total Deliverable Warheads	40-50	24-48	~200	10(?)	ID(?)
ID = In Development					
* IISS, <i>The Military Balance, 2005-06</i> , p.101.					
**IISS, <i>The Military Balance, 2005-06</i> , p.270.					
***IISS, <i>The Military Balance, 2005-06</i> , p.236.					
† IISS, <i>The Military Balance, 2005-06</i> , p.244.					
†† IISS, <i>The Military Balance, 2005-06</i> , p.245.					
° IISS, <i>The Military Balance, 2005-06</i> , p.194.					
°° John Chipman, Director of IISS, Press Statement, 21 Jan 2004.					
°°° IISS, <i>The Military Balance, 2005-06</i> , p.284.					
¹ Robert S. Norris and Hans M. Kristensen, "U.S. Nuclear Forces, 2006," <i>BAS</i> , Jan/Feb 2006 (6)					
² ----, "Russian Nuclear Forces, 2006," <i>BAS</i> , Mar/April 2006 (62.2): 64-67.					
³ ----, "British Nuclear Forces, 2005," <i>BAS</i> , Nov/Dec 2005 (61.6): 77-79.					
⁴ ----, "French Nuclear Forces, 2005," <i>BAS</i> , Jul/Aug 2005 (61.4): 73-75.					
⁵ ----, "Chinese Nuclear Forces, 2003," <i>BAS</i> , Nov/Dec 2003 (59.6): 77-80.					
⁶ ----, "India's Nuclear Forces, 2005," <i>BAS</i> , Sep/Oct 2005 (61.5): 73-75.					
⁷ Norris, Kristensen, Joshua Handler, "Pakistan's Nuclear Forces, 2001," <i>BAS</i> , Jan/Feb 2002 (5)					
⁸ Norris, William Arkin, Kristensen, Handler, "Israeli Nuclear Forces, 2002," <i>BAS</i> , Sep/Oct 2002					
⁹ Norris and Kristensen, "North Korea's Nuclear Program, 2005," <i>BAS</i> , May/Jun 2005 (61.3): 64					
¹⁰ John Chipman, Director of IISS, Remarks at Press Launch, 6 Sept. 2005.					

Fig 7

Figure 7

Gross World Product, by Income Category, 1965-2004

Source: The World Bank, *World Development Indicators* database

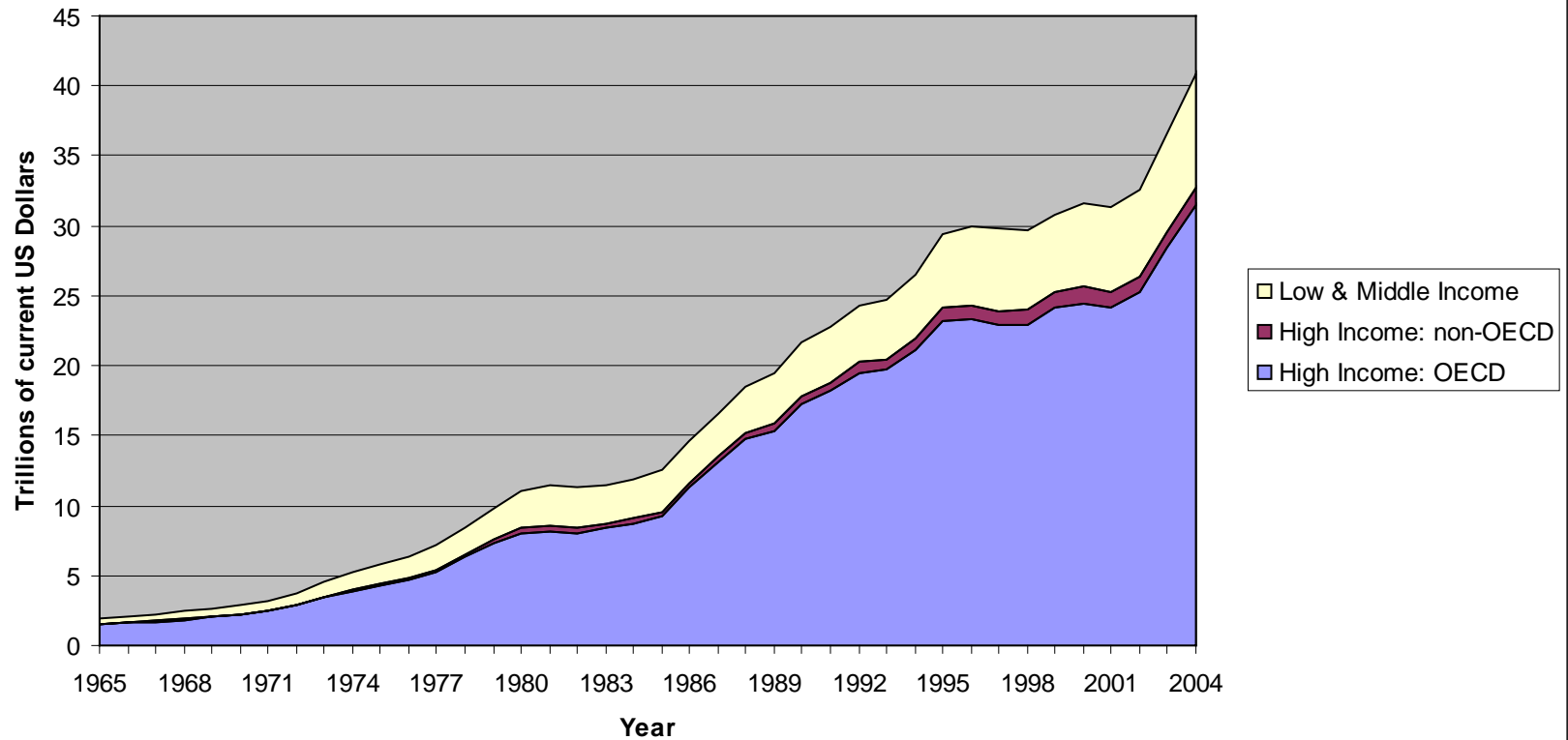
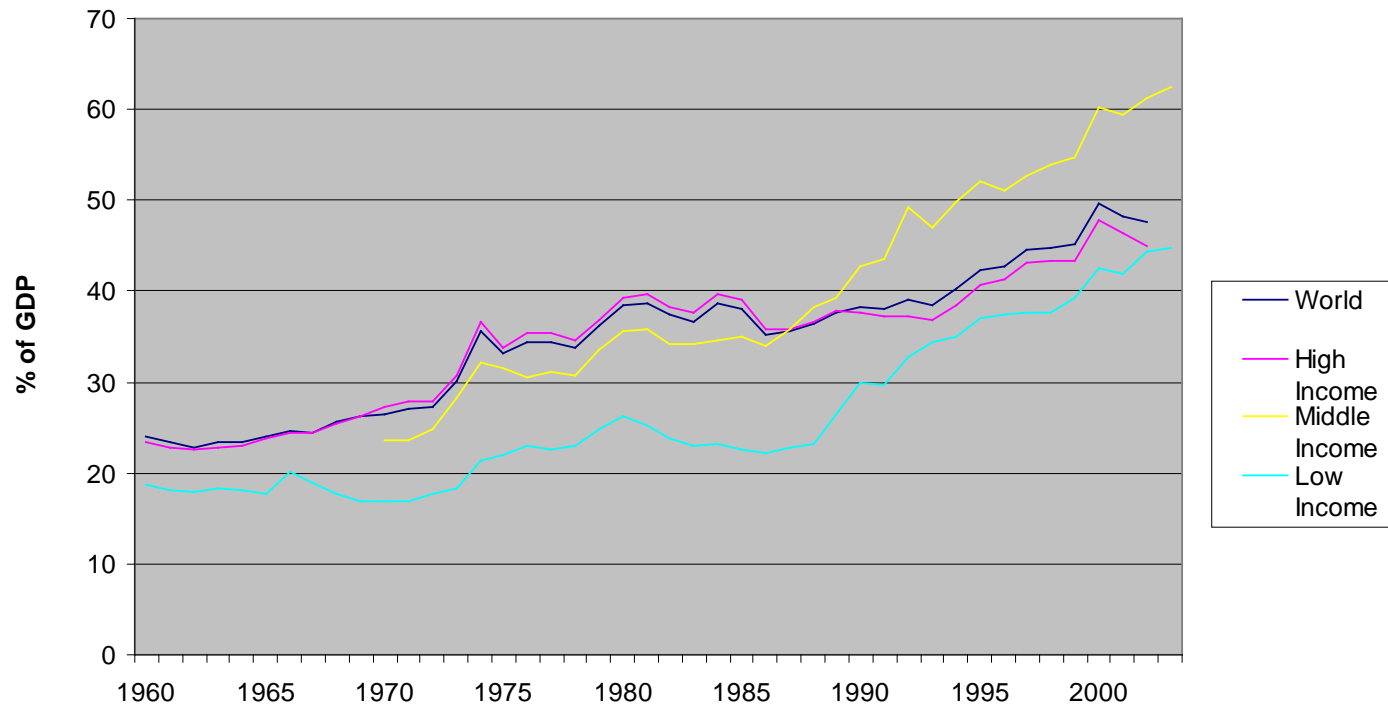


Fig 8

Figure 8

Trade (as % of GDP), 1960-2003

Source: The World Bank, *World Development Indicators* database.



Definition: Trade is the sum of exports and imports of goods and services measured as a share of gross domestic product (The World Bank).

Fig 9

Major trade movements

Trade flows worldwide (million tonnes)



Title: Federal Debt Held by Foreign & International Investors
Series ID: FDHFIN
Source: U.S. Department of the Treasury, Financial Management Service
Release: Treasury Bulletin
Seasonal Adjustment: Not Seasonally Adjusted
Frequency: Mar Jun Sep Dec
Units: Billions of Dollars
Date Range: 1970-03-31 to 2005-03-31
Last Updated: 2005-06-09 11:06 AM CT
Notes: Monthly data reported for March, June, September and December.

DATE	VALUE	Difference	Total Debt	% of Debt Foreign Held
1970-03-31	12.4	376.8	389.2	0.3186
1971-03-31	24.6	399.5	424.1	0.078005
1972-03-31	49.0	400.3	449.3	0.110559
1973-03-31	62.2	407.7	469.9	0.132387
1974-03-31	54.1	438.6	492.7	0.118003
1975-03-31	65.0	511.6	576.6	0.1273
1976-03-31	68.1	585.4	653.5	0.112068
1977-03-31	84.7	634.2	718.9	0.117819
1978-03-31	124.5	664.7	789.2	0.157755
1979-03-31	132.8	712.3	845.1	0.157141
1980-03-31	125.0	805.2	930.2	0.13438
1981-03-31	138.2	890.5	1028.7	0.134344
1982-03-31	136.1	1061.0	1197.1	0.113664
1983-03-31	156.2	1254.5	1410.7	0.110
1984-03-31	166.3	1496.7	1663	0.100
1985-03-31	199.6	1746.3	1945.9	0.102
1986-03-31	232.6	1892.7	2125.3	0.109
1987-03-31	272.8	2077.5	2350.3	0.11
1988-03-31	332.5	2269.8	2602.3	0.127
1989-03-31	373.5	2483.9	2857.4	0.130
1990-03-31	445.4	2787.9	3233.3	0.137
1991-03-31	492.0	3173.3	3665.3	0.134
1992-03-31	536.4	3528.2	4064.6	0.131
1993-03-31	585.9	3825.6	4411.5	0.132
1994-03-31	661.1	4031.6	4692.7	0.140
1995-03-31	707.0	4267.0	4974	0.142
1996-03-31	908.1	4316.7	5224.8	0.173
1997-03-31	1157.6	4255.5	5413.1	0.213
1998-03-31	1250.5	4275.7	5526.2	0.226
1999-03-31	1272.3	4364.0	5636.3	0.224
2000-03-31	1106.9	4567.3	5674.2	0.195
2001-03-31	1029.9	4777.5	5807.4	0.177
2002-03-31	1067.1	5161.1	6228.2	0.171
2003-03-31	1285.9	5497.3	6783.2	0.189
2004-03-31	1681.7	5697.4	7379.1	0.2
2005-03-31	2037.0	5895.2	7932.2	0.256

Foreign Debt 2

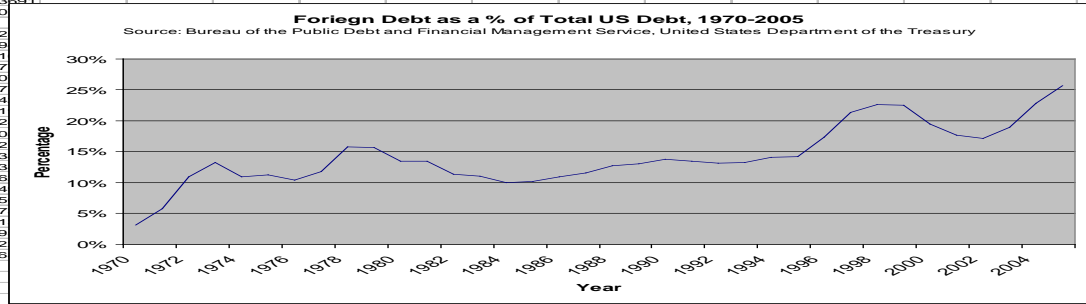


Figure 10

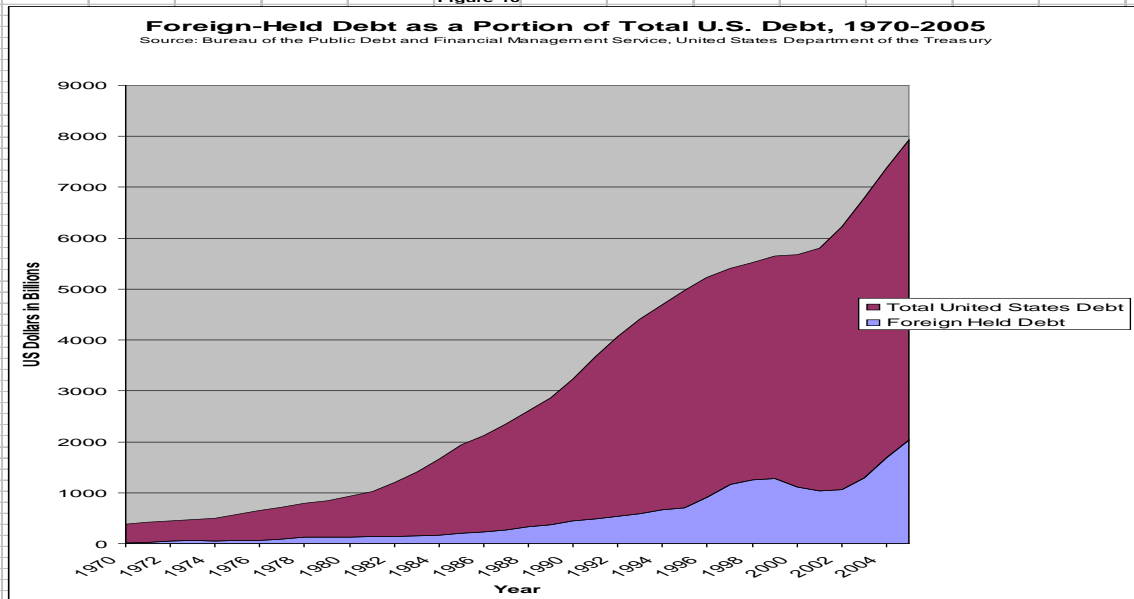


Fig 12

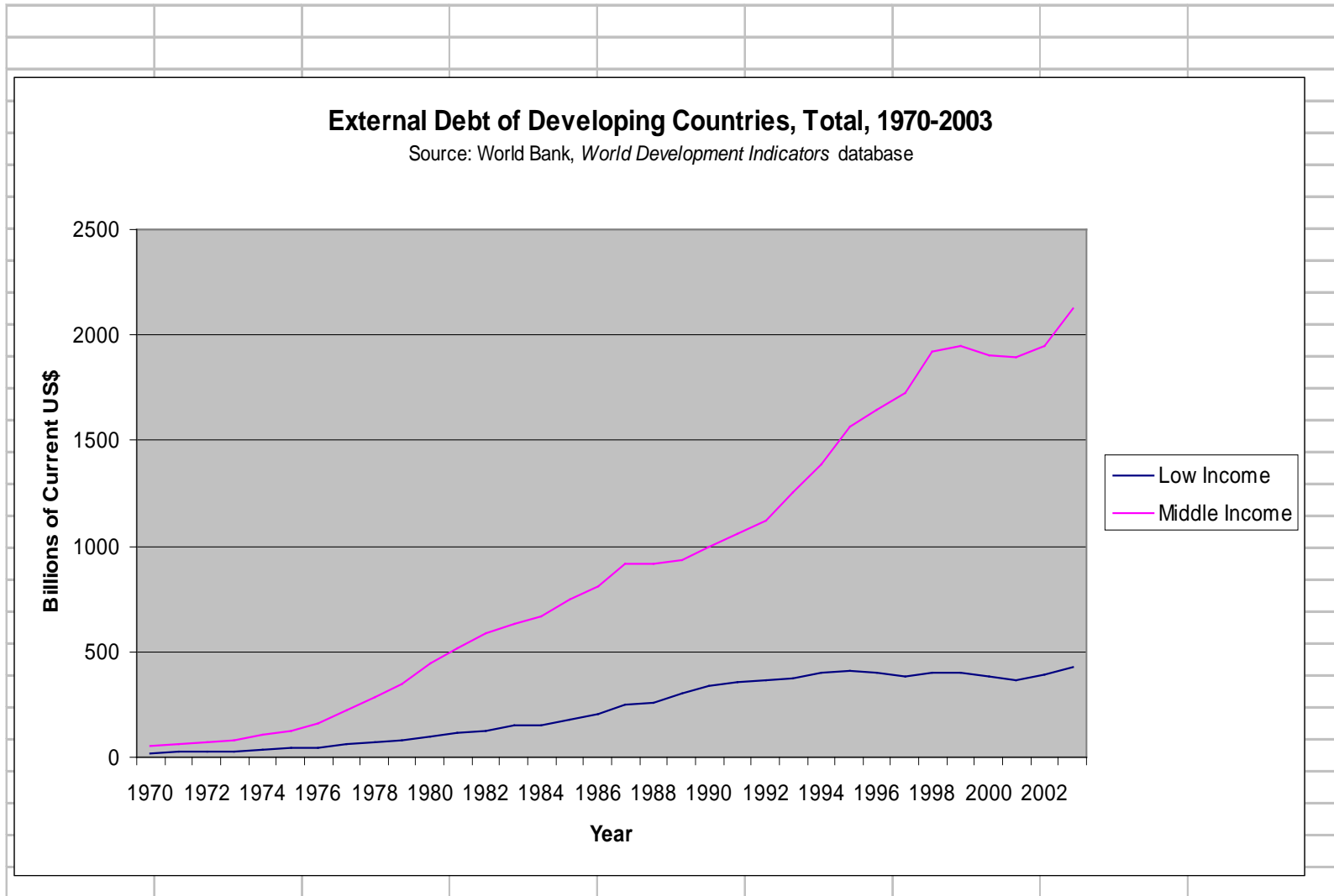


Fig 14

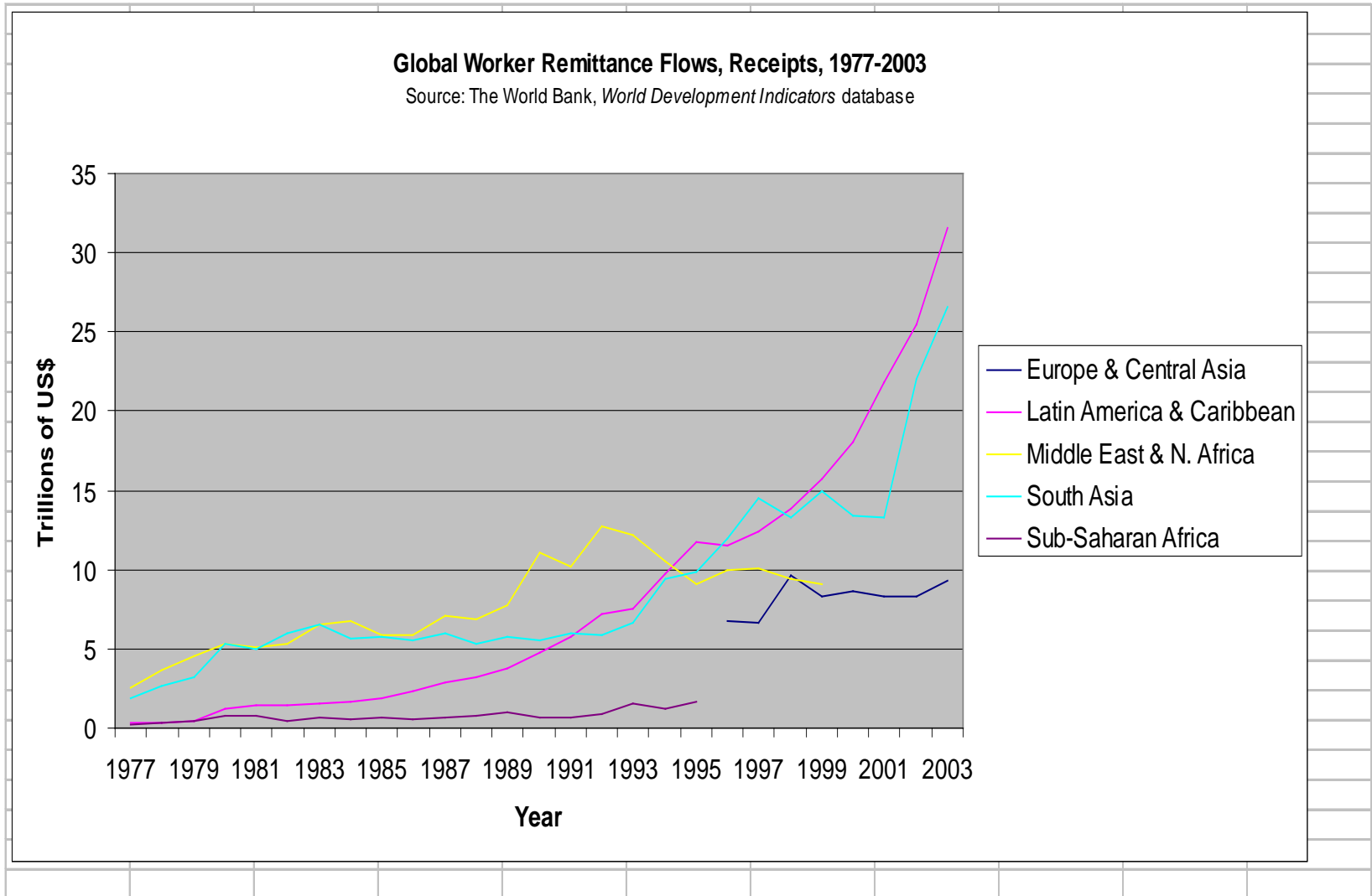
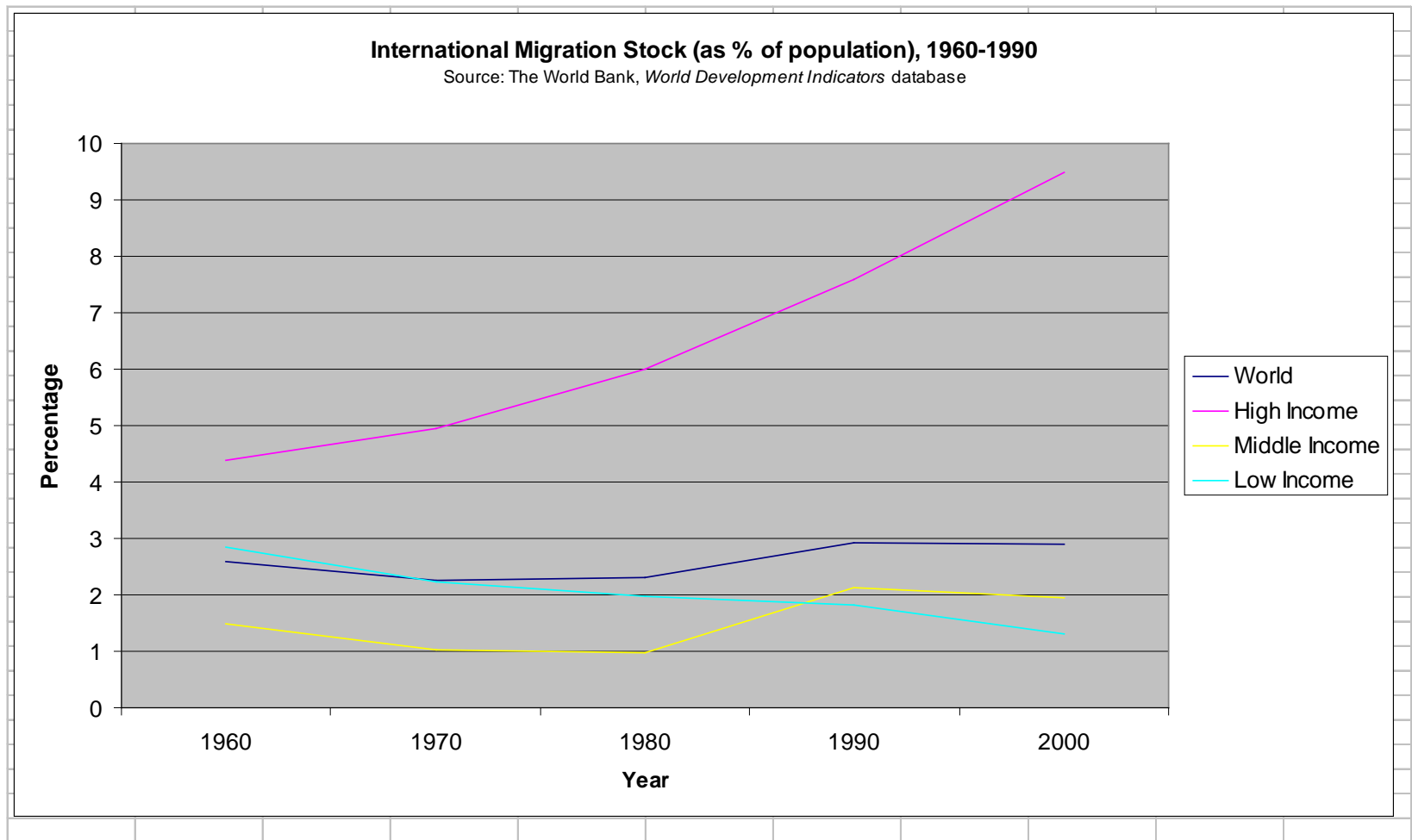


Fig 15



International Migration Stock (as % of population), 1960-1990

Source: The World Bank, *World Development Indicators* database

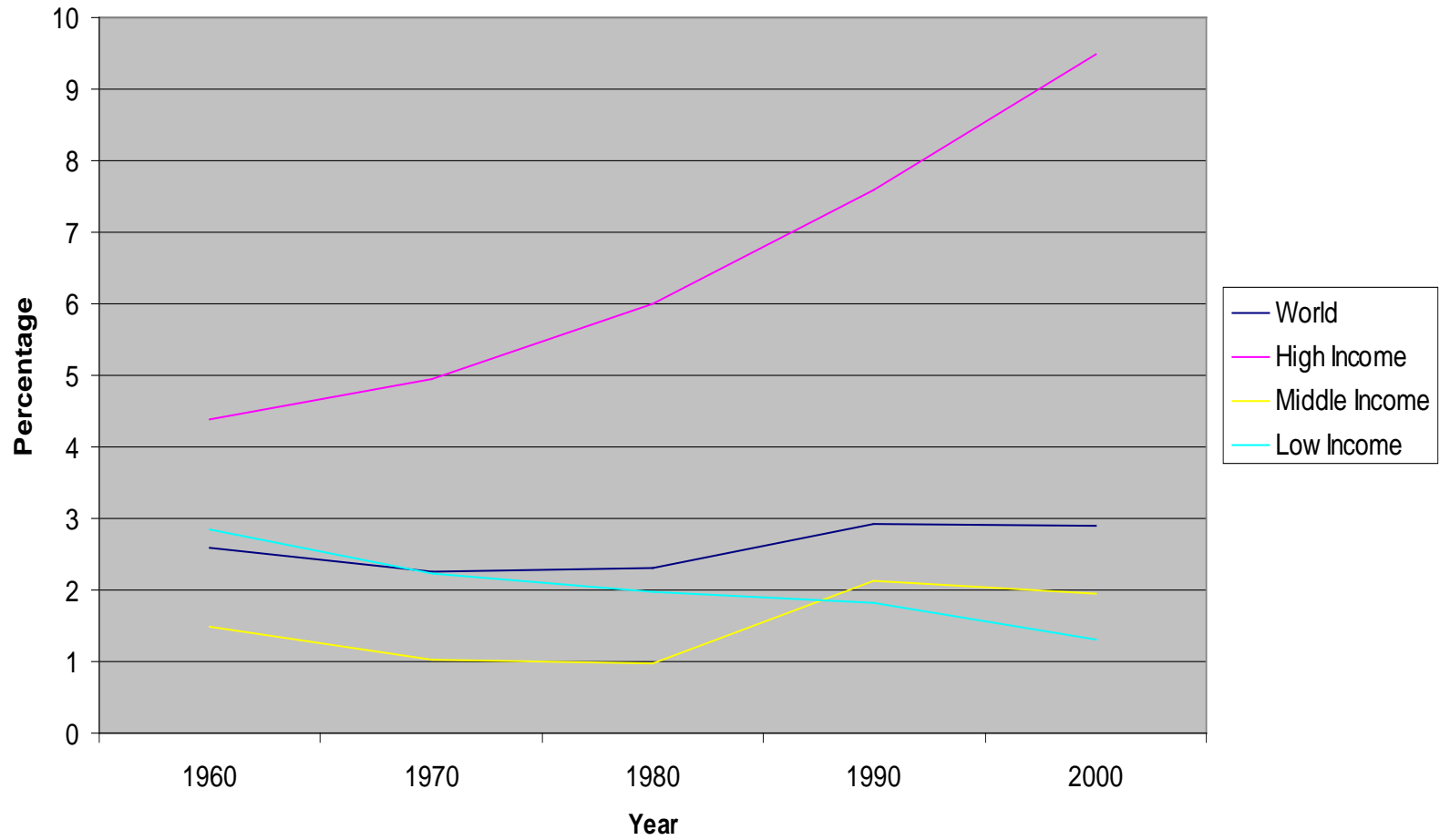


Fig 16

Growth in Democratic States, 1900-2000

Source: Freedom House. 2005. *Democracy's Century: A Survey of Global Political Change in the 20th Century*, 7 December 1999. Online, <http://www.freedomhouse.org/reports/century.html>.

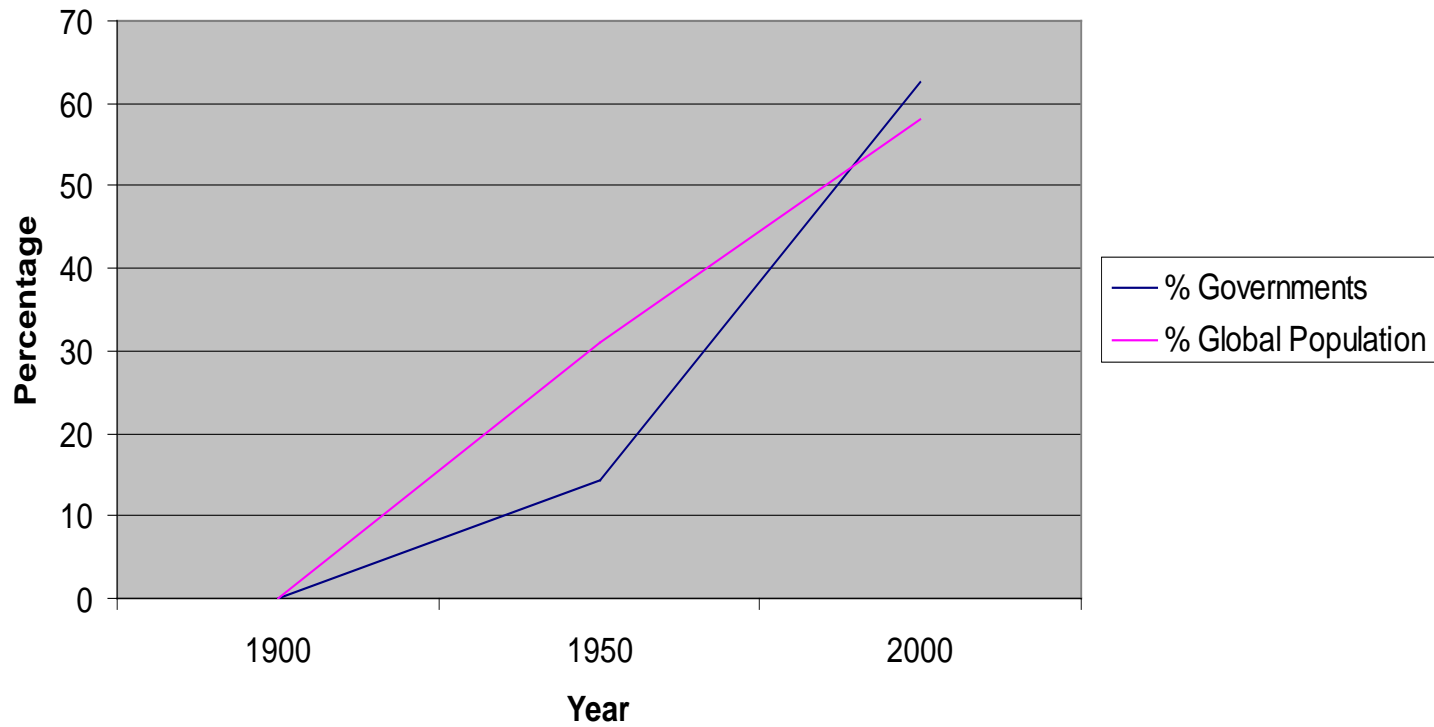
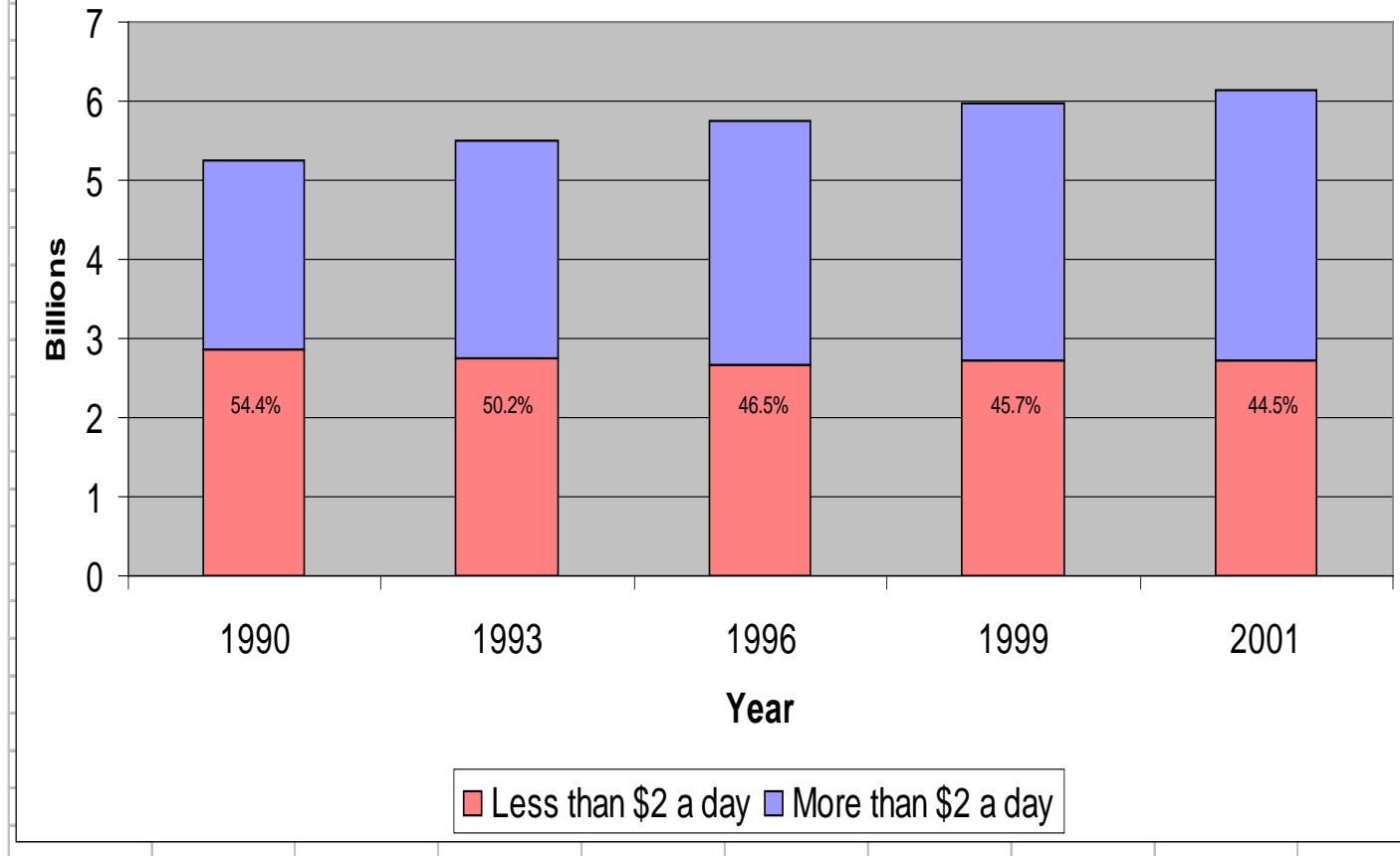


Fig 17

World Population Living on Less Than \$2 a Day, 1990-2001

Source: The World Bank, *World Development Indicators* database



Religion

