

Arbeitspapier zur Tagung:

Globalisierung als Aufgabe

Handlungsmöglichkeiten und Gestaltungsoptionen der Politik

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Globalisation, Values and Global Governance.

1. Let me begin with a simple definition of globalisation: globalisation is the intensification of economic, political, social and cultural ties across borders. We can thus note in passing, that the meeting we are having here is an act of globalisation. This immediately also shows us that international organisations, states, national institutions and individuals are not merely passive objects exposed to the swell of globalisation. They (we) are also active players shaping and influencing the patterns of globalisation.
2. A number of features about globalisation should be noted immediately. First, there are several different aspects of it. One important distinction is between globalisation as an economic process, involving production, distribution, management, and finance; and globalisation as a broader sociological process involving all aspects of social activity, including, e.g. culture, communication, ideology, and so forth. Second, globalisation is a combination of old and new. The creation of more intense economic and other relations between borders is nothing new. Economic interdependence between some countries was rather high already at the beginning of this century. Yet globalisation is also the construction of new, global production and distribution systems which were not known earlier; and people's lives are increasingly affected in new ways by things happening in far-away places. Globalisation is thus partly something very well-known, and something rather new. Third, globalisation is uneven in terms of cross-national intensity, geographical scope, and national and local depth. Globalisation creates insiders as well as outsiders, integration as well as fragmentation, winners as well as losers. This means that most of what goes under the name of globalisation is not really global, but more narrow. It also means that globalisation per se is not good or bad, constructive or destructive.
3. Globalisation supports the spread of common values, simply because people and groups are exposed to global influences. As a rule, these common values are liberal in character. The growth of liberal democracy, the increasing strength of human rights norms, and the intensified debates, such as ours, on universal ethics, are indications of this. Some people claim that the spread on common values really amounts to a case of Western domination, where liberal/Christian values set out to conquer the world in context of globalisation. While there is a lot of truth in this, it should also be recalled that the international society of sovereign states is a Western, basically liberal construction. In other words, what is new is not the advent of Western, liberal values. What is new is the spread of values having to do with democracy and human rights rather than with the values of sovereignty and non-intervention. This point should also remind us, however, that common values need not necessarily be Western or liberal in origin. Universal common values

can originate in other cultures as well. How and in what way that can be the case remains, to my mind, insufficiently debated and analysed.

4. Globalisation also creates counter-reactions and resistance on the value front. Global influences tend to create a more acute awareness of local and national identities. Such awareness can concern, for example, ethnic, religious, or national identities. Sometimes the processes of globalisation can lead in both directions at once: both towards a higher awareness and support for common, global values; and for higher consideration of local, specific values and identities. This seems to be the case in the European Union, for example, where globalisation tends to lead to a relativisation of identities: individual identity is drawn from several different groups and associations simultaneously: in simple terms, a person is both a Dane, a Scandinavian, a European, and a world citizen, and that is even combined with a number of other identities. But local identity reactions to globalisation can also be antagonistic, with hostile definitions of identity, such as in the radical forms of nationalistic hinduism and radical forms of fundamentalist Islam.
5. I believe that a simple materialistic view takes us a long way in understanding the patterns of value and identity reactions to globalisation. That is, those groups that gain from globalisation, which are involved in successful processes of modernisation that provides improved standards of living in terms of income, education, housing and so forth also tend to react favourably to the diffusion of common, global values. Whereas those groups that are negatively affected and tend to lose out in the process of globalisation are those which tend to display hostile reactions with emphasis of local identities. This viewpoint obviously has its clear limits: there are also value debates taking place which are relatively freed from materialistic concerns and not all reaction patterns are as simple and uniform and indicated here. But the main message stands.
6. Which institution or set of institutions is most responsible for the effects of globalisation on people? I believe the answer is clear. The most important institution affecting how people live and how globalisation touches them is the sovereign state. We continue to live in a world of sovereign states; people get their rights and duties, not from the international system, but through their states. The UN is an association of states, not of individuals. Basic human rights may be considered a set of values with universal reach, but they only take on real importance for individuals and groups to the extent that they live in states which respect human rights. As one scholar has said, I quote, "although human beings are prior to states in theory and in history, whatever standing the community of humankind enjoys in practice and thus in reality nowadays usually depends on the willingness and ability of state leaders to recognise and respect human rights" (Jackson 1995:63); end of quote..
7. There are two common misunderstandings with respect to the effects of globalisation on states. The first is that states are run over by globalisation, that they are in universal decline, losing power to a host of other actors. That is simply not true. Sovereign states are in general stronger than ever, with higher powers of regulation and surveillance than at any previous point in history. There is no way that the state is in general decline; it remains a hugely powerful player, probably the one with most influence on how the patterns of globalisation play out. The second misunderstanding is that states are not at all affected by globalisation, that everything remains as in the good old days, whenever that was. That view is also wrong. States are affected, they are changing in many ways, and while they are generally strong and effective, they are also losing power in some areas. Globalisation has, for example, compelled states to work closer in order to regulate economic and other intercourse, something which is no longer effectively possible on the national level, especially when it comes to small and medium sized states.
8. When sovereign states remain the most important players, it follows that the primary responsibility for the creation of effective global governance in response to globalisation must rest with them. And such responsibility must rest especially with the strongest states the great powers.

Such is the logic of an international order created by a society of sovereign states. The great powers most responsible are those that won the Cold War: the United States, the European Union in Europe and to some extent Japan. But newer great powers elsewhere must share that responsibility, including China, Russia, India, Indonesia, Brazil, Nigeria, and maybe several others.

9. In several ways, we face a new version of the 1945 situation. A new world order had to be created after the world war, complete with institutions, underpinning ideas and necessary enforcement. Elements of that order remain in place, but globalisation and a host of other developments mean that basic reforms and changes are needed. Or put differently, how do we secure an effective global governance based on a set of global values and opening the possibilities for freedom and prosperity for people around the world? In John Ruggies words, how do we devise compatible forms of international liberalisation and domestic stability with good possibilities for the creation of welfare societies? That is the challenge that any sensible notion of global governance must face today.
10. Yet if a new and strong global governance is so direly needed, why is it not forthcoming? In order to answer that question a number of basic differences between 1945 and today should be appreciated: First, the number of players have increased dramatically. Take the economic system of co-operation that was created after the war, that is, the Bretton Woods system. The old Bretton Woods system was for the West and by the West. The South and the East did not play any important role. Today there are a large number of players with very different interests and at very different levels of development. Second, the United States is much less interested in taking the lead than she was in 1945. Back then, global governance and especially a well-functioning system for West-West co-operation was extremely high on the American agenda. Today, the US appears more inclined to regionalism or even unilateralism. And neither the EU nor Japan are strongly in favour of a genuine multilateralism that can lead to effective global governance. In short, multilateralism and global governance is needed in the face of economic globalisation, but it has no strong enforcer. Third, there is no real agreement on the content of global governance. In the economic field, the Bretton Woods embedded liberalism in 1945 made room for the free market as well as for the interventionist welfare state. How to strike such a combination today? To the extent that we know it, liberal free marketeers, social democrats, and mercantilist conservatives certainly cannot agree on how to put it together.
11. If and when a new multilateralism of global governance is unable to put a new social compact together, that is, a new compromise between state and market, then the market solution wins by default. The global division of labour is there, so is the global financial system. Severe economic crisis in Asia and in Russia is met by surprisingly similar responses by the global economic powers that be, including the IMF and the World Bank: more market, less regulation, privatisation, social cutbacks, downgrading of state, etc.
12. The social cost is borne mostly by those least able to do so: the marginalised masses of the Third World, the poor and lower middle classes in the industrialised and newly industrialised countries. The Financial Times noted the problem already five years ago saying the following: "However rich the super-rich may get, large-scale unemployment persists. Lower down the income scale the picture is far worse...If welfare capitalism is to be sustained, its managers must find new means of controlling its cost, and minimising the cost to employers. Radical policies, centred around the notion of giving the poor a hand-up rather than a hand-out must be pursued" End of quote.
13. The problem of a new multilateralism of global governance is aggravated by the fact that there are no easy and simple solutions. We all know that it is not merely a question of "more state" instead of "less state" and "less market" instead of "more market". New combinations of efficient markets and efficient as well as socially oriented states must be found. I think there is a

lesson here for global governance. Ideas on global governance have often centred on ways of regulating or not regulating the market. Maybe such ideas should move to ways of organising states and other regulating public institutions in the most effective and efficient way.. Is that not what is direly needed in Russia, in Indonesia, in Japan, in Brazil, perhaps even in France, Italy, and the United States? The catchword of "good governance" should be applied to ourselves, not merely to debt-ridden Third World countries. A few years ago we thought East Asians could learn us all about what a strong and efficient state is. We have had an education there, but the basic question--i.e. what is a strong and efficient state?--has not gone away.

14. Yet there are also reasons for some optimism. The North European welfare states appear to be capable of managing the challenges of economic globalisation in ways which look after competitiveness and market efficiency as well as after basic social services and welfare systems. In that sense the next century could be a European century after all: Here is a model for designing the new multilateral governance state/market mix in ways which confront the complex challenges of present economic globalisation. But there is of course the question of the applicability of such a model on a larger scale. Is there at all one single model that can be prescribed as the basic component of a new multilateralism? If the answer is yes it is certainly a qualified yes: that model needs a lot of inbuilt flexibility to handle many different types of problems.
15. The most likely road forward right now is a so-called bottom-up multilateral governance. That is, the various regional arrangements in the world including EU, NAFTA, APEC and so on, form the basis for a fresh input to getting multilateral governance on the move. Most likely such a way forward is a slow-moving, humpy-bumpy, one. We will, for example, get another global trade round. It will take ten years to complete. And it will be nothing near a present-day version of Bretton Woods. If you are an optimist, you will be able claim that multilateral governance is alive and well. If you are a pessimist, you can argue that it will not sufficiently meet the great challenges produced by economic globalisation. I am rather on the pessimistic side.
16. The challenge before us, then, is the creation of effective global governance in the face of globalisation. I have argued that there is no way around the sovereign states in that process; they remain the most important players. Let me way of conclusion sum up what I believe are the necessary ingredients for a new global governance. It will be apparent that those ingredients not presently in place.
17. The first necessary ingredient for an effective global governance are values and ideas. The UNESCO proposal for a Common Framework for the Ethics of the next century is a significant element here. But the development of new concrete ideas concerning how to tackle the challenges of globalisation are also direly needed. One might say that the general ethics framework will only work effectively in context of a larger framework which devises ways in which human fulfilment can take place in todays world. As indicated earlier, with the pure state as well as the pure market solution having been discredited, how is a proper combination achieved under the difficult circumstances that prevail in many countries.
18. The second necessary ingredient in an effective global governance is a set of effective global institutions. It is clear that the global institutions we have do not meet that challenge in a proper way. Should the G7 or the G8 be enlarged to a G16? Should there be an economic security council? What about an overhaul of the existing security council? There is certainly no consensus about the proper global institutions.
19. The final necessary ingredient in an effective global governance is power. A new system needs to be backed by the major powers to have any relevant effect on people. How is such backing

created and will it at all be possible to get backing for a democratic, people-oriented global governance from states of which not a few remain basically un-democratic themselves?

20. In sum, global governance in the face of globalisation is direly needed. Meetings such as this one are important steps in its promotion. But the magnitude of the task ahead should not be underestimated and it will remain necessary to enrol the support of sovereign states, especially the major ones, for any effective system of global governance.

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