

# Introduction: Changing Forms of Global Order

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Until recently, the West has, by and large, determined the rules of the game on the global stage. During the last century, Western countries presided over a shift in world power – from control via territory to control via the creation of governance structures created in the post-1945 era. From the United Nations Charter and the formation of the Bretton-Woods institutions to the Rio Declaration on the environment and the creation of the World Trade Organisation, international agreements have invariably served to entrench a well-established international power structure. The division of the globe into powerful nation-states, with distinctive sets of geopolitical interests, and reflecting the international power structure of 1945, is still embedded in the articles and statutes of leading intergovernmental organizations, such as the IMF and the World Bank. Voting rights are distributed largely in relation to individual financial contributions, and geo-economic strength is integrated into decision-making procedures.

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The result has been susceptibility of the major international governmental organizations (IGOs) to the agendas of the most powerful states, partiality in enforcement operations (or lack of them altogether), their continued dependency on financial support from a few major states, and weaknesses in the policing of global collective action problems. This has been dominance based on a ‘club’ model of global governance and legitimacy. Policy at the international level has been decided by a core set of powerful countries, above all the ‘G1’, G5 and G7, with the rest largely excluded from the decision-making process.

### *Towards a multipolar world*

Today, however, that picture is changing. The trajectory of Western dominance has come to a clear halt with the failure of dominant elements of Western global policy over the past few decades. The West can no longer rule through power or example alone. At the same time, Asia is on the ascent. Over the last half-century, East and Southeast Asia has more than doubled its share of world GDP and increased per capita income at an average growth rate almost two and a half times that in the rest of the world (Quah, 2008). In the last two decades alone, emerging Asian economies have experienced an average growth rate of almost 8 per cent – 3 times the rate in the rich world (*Economist*, 2009).

As a result, Asia has been both a stabilizing influence on and a steady contributor to world economic growth.

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According to the IMF, China alone accounted for around a third of global economic growth in 2008, more than any other nation, and its economy was the only one of the world's 10 biggest which expanded in the wake of the financial crisis (IMF, 2009). Other Asian economies have bounced back from the financial crisis far more quickly than anyone expected. As an article in the *New York Times* (2009) points out, the United States has always led the way out of major global economic crises, but this time the catalyst came from China and the rest of Asia. These countries are no longer simply beholden to the US and other Western countries as recipients of their exports, and this decoupling has to some extent allowed Asian economies to recover more quickly. Boosted by increased consumer spending and massive government-led investment, the region as a whole grew by more than 5 per cent in 2009 – at a time when the old G7 contracted by over 3.5 per cent. Simply put, we are seeing a fundamental rebalancing of the world economy, with the centre of gravity shifting noticeably to the East.

The trajectory of change is towards a multipolar world, where the West no longer holds a premium on geopolitical or economic power. Moreover, different discourses and concepts of governance have emerged to challenge the old Western orthodoxy of multilateralism and the post-war order. At the same time, complex global processes, from the ecological to the financial, connect the fate of communities to each other across the world in new ways, requiring effective, accountable and inclusive problem-solving capacity. How this capacity can be ensured is another matter.

*The paradox of our times*

What I call the paradox of our times refers to the fact that the collective issues we must grapple with are of growing cross-border extensity and intensity, yet the means for addressing these are weak and incomplete. While there is a variety of reasons for the persistence of these problems, at the most basic level the persistence of this paradox remains a problem of governance.

We face three core sets of problems – those concerned with (i) sharing our planet (climate change, biodiversity and ecosystem losses, water deficits); (ii) sustaining our humanity (poverty, conflict prevention, global infectious diseases); and (iii) developing our rulebook (nuclear proliferation, toxic waste disposal, intellectual property rights, genetic research rules, trade rules, finance and tax rules) (Rischar, 2002). 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 resolved. Yet, the evidence is wanting that we are getting better at building appropriate governance capacity.

One significant problem is that a growing number of issues span both the domestic and the international domains. The institutional fragmentation and competition between states can lead to these global issues being addressed in an ad hoc and dissonant manner. A second problem is that even when the global dimension of a problem is acknowledged, there is often no clear divi-

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sion of labour among the myriad of international institutions that seek to address it: their functions often overlap, their mandates conflict and their objectives often become blurred. A third problem is that the existing system of global governance suffers from severe deficits of accountability and inclusion. This problem is especially relevant in regard to how less economically powerful states and, hence, their entire populations are marginalized or excluded from decision-making.

### *Economic liberalism and international market integration*

For the past two to three decades, the agenda of economic liberalization and global market integration – the Washington Consensus, as it is sometimes called – has been the mantra of many leading economic powers and international financial institutions (see Held, 2004). The thrust of the Washington Consensus was to promote this view and to adapt the public domain – local, national and global – to market-leading institutions and processes (see chapters 5 and 6). 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

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between ‘competition’ and ‘cooperation’ and thus ensure an adequate supply of essential public goods, such as education, effective transportation and sound health;

- the underemployment or unemployment of productive resources in the context of the demonstrable existence of urgent and unmet need; and
- global macroeconomic imbalances and a poor regulatory framework – policies that led to the financial crisis.

Today, there are strong grounds for doubting that the standard liberal economic approach delivers on promised goods and that global market integration is the indispensable condition of development. The implementation of such policies by the World Bank, the IMF and leading economic powers has often led to counter-productive results at national and global levels. The countries that have benefited most from globalization are those that have not played by the rules of the standard liberal market approach, including China, India and Vietnam.

Leaving markets alone to resolve problems of resource generation and allocation neglects 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 fortunes 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 destabilize national economies, and the

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development of serious transnational problems involving the global commons.

The financial crisis is a case in point. High levels of consumer spending in the West, fuelled by easy access to credit, underwritten by high rates of savings in exporting countries in the East (especially China) and aided by China's fixed exchange rate and the accumulation of reserves in sovereign wealth funds, created a global liquidity overflow. The resulting asset bubbles and excess leverage which eventually caused the crisis were, however, not due to these factors alone. The key fault-line can be traced to a 'light touch' regulatory system that encouraged risk-taking and allowed money to be diverted into very specific areas: mortgage securitization and off-balance sheet activity (Blundell-Wignall et al., 2008). The fallout, when it came, was devastating – and while many financial institutions have emerged relatively unscathed, the damage to Western economies has been huge. The financial crisis has to be understood as part of the structural weakness of the Anglo-American model of capitalism – a model which recently sought to reshape the post-war welfare state through privatization and deregulation in the name of promoting economic efficiency and market success (Lim, 2008).

### *Security*

From the period following the Second World War until 1989, the nature of national security was shaped decisively by the contest between the United States and the

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Soviet Union. The dominance of these world powers, and the operation of alliances like NATO and the Warsaw Pact, constrained decision-making for many states in the post-war years. In the post-Cold War world of the 1990s and the 2000s, the constraints upon state security policy have not been eradicated so much as reconfigured. Instead of bipolarity, the global system now exhibits characteristics of a multipolar distribution of political-economic power. Within this more complex structure, the strategic and foreign policy options confronting an individual state are still significantly defined by its location in the global power hierarchy. But there is much more uncertainty and indeterminacy in the system.

The war against Iraq in 2003 gave priority to a narrow security agenda which was at the heart of the post-9/11 American security doctrine of unilateral and preemptive war. This agenda contradicted most of the core tenets of international politics and international agreements since 1945, and had many serious implications. Among them was a return to an old realist understanding of international relations, in which states rightly pursue their national interests unencumbered by attempts to establish internationally recognized limits (such as self-defence or collective security) on their ambitions. But if this 'freedom' is granted to the US, why not also 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



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and legal arrangements. In either event, America's unilateralist moment proved to be short-lived – Iraq and Afghanistan have subsequently revealed the dangers of such a strategy. The US and its allies generalized the wrong warfare model – the Cold War model – onto an era of fragmented, complicated conflicts, and stalled at best, lost at worse.

Most armed forces of the world – military/air/navy – are still developed on a model of nation-states at war with one another, based on the organizational principle of conflicting geopolitical state interests. And global military spending, fuelled by such preconceptions, has been on a sustained upward trend. Total global military expenditure in 2008 is estimated to have reached \$1.464 trillion, representing an increase of 4 per cent in real terms compared to 2007, and of 45 per cent over the 10-year period 1999–2008 (SIPRI, 2009: 179). To put this in perspective, the total is:

- 2.4 per cent of global GDP, or \$217 for every person on the planet;
- 13 times the total spent on all types of development aid;
- 700 times the total amount spent on global health programs;
- roughly the same as the combined total GDP of every country in Africa;
- only the total cost of the financial crisis, eight times as large, dwarfs it.

The United States accounts for the majority of the global increase – representing 58 per cent of the global increase since the turn of the century, largely due to the

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wars in Iraq and Afghanistan, which have cost around a trillion dollars thus far (ibid.: 185). However, the US is far from the only country to pursue such a determined course of militarization. China and Russia have both nearly tripled their military expenditure, while other regional powers – such as Algeria, Brazil, India, Iran, Israel, South Korea and Saudi Arabia – have also made substantial contributions to the total increase. Of the five permanent members of the UN Security Council, only France has held its spending relatively steady, with a rise of just 3.5 per cent in the first decade of the twenty-first century. The effects of the global financial crisis – in particular, growing government budget deficits and the economic stimulus packages that are aimed at countering the crisis – seem to have had little impact so far on military spending, with most countries, including the US and China, remaining committed to further increases in the years ahead.

Yet, according to the 2009 SIPRI yearbook, the most comprehensive open-source account of developments in global conflicts and security, of the 16 major armed conflicts that were active in 15 locations around the world in 2008, not one was a major interstate conflict (ibid.: 69).

Militaries remain organized on a national, rather than regional or multilateral basis, with vast duplication, overlap and waste of resources. In countries like the UK and the US, spending levels are now far in excess of any plausible *defensive* needs, and are no longer justified on such grounds. With the exception perhaps of the US and China, no country is capable of acting independently in major conflicts or of intervening against regimes that

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threaten global peace and security. There is something quite baroque about existing armaments, defence positions and tactics (Kaldor, 1982, 2007). Against this background, the way we conduct military spending looks increasingly anachronistic. It bears pointing out that total global spending on multilateral operations such as peacekeeping forces was \$8.2 billion, or 0.56 per cent of total global military expenditures (SIPRI, 2010).

Learning has been slow, but now some of the world's most senior military figures have taken up the challenge and are changing the way warfare is conceived. In a speech at Chatham House, the new head of the British Army, General Sir David Richards, warned that traditional methods and forms of warfare are becoming redundant (*Guardian*, 2009). According to Richards, globalization is increasing the likelihood of conflict with non-state and failed state actors, and reducing the likelihood of state-on-state warfare. Despite the use of impressive amounts of traditional combat power, the US and NATO, 'the most powerful military alliance in the history of the world', has failed to impress or deter opponents with recourse to asymmetric tactics and technology (*ibid.*). Similarly, General Stanley McChrystal, formerly NATO's most senior commander in Afghanistan, has warned that the West's military strategy is failing, and that a new approach is necessary. He is reported to have said that the initiative may have been handed to the Taliban by NATO forces charging like bulls at 'matador' insurgents and haemorrhaging with each thrust of the sword (*Independent*, 2009).

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What might such an approach look like? For a start, armed forces of the future will have to deal with new types of weapons systems and methods of warfare. According to General Richards, the lexicon of today is ‘non-kinetic effects teams, counter-IED, information dominance, counter-piracy, and cyber attack and defence’ (*Guardian*, 2009). Armed forces of the future will need to be relevant to emerging security challenges and the increasingly sophisticated adversaries they face. Moreover, General David Petraeus, until recently head of the US Central Command, and the man who oversaw the 2007 and 2008 ‘surge’ in Iraq, has pointed out that new techniques of warfare are not enough. He stresses the importance of a more comprehensive approach to conflict. By this he means that while the traditional military approach to high ground, bridge crossings and key infrastructure remains valid to varying degrees ‘the terrain that matters most is the human terrain’ (2010: 116). He emphasizes that ‘we have to understand the people, their culture, their social structures, and how systems to support them are supposed to work – and how they do work. And our most important tasks have to be to secure and to serve the people, as well as to respect them and to facilitate the provision of basic services, the establishment of local governance, and the revival of local economies’ (ibid.).

### *The impact of the global financial crisis*

The financial crisis and its after-effects are a particular instance of both of the themes discussed so far – the end of the Washington Consensus and the decline of inter-

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state conflict. It will put further pressure on budgets, and put in sharp relief trade-offs on public expenditure. Of course, such trade-offs are nothing new. The issue is less about the contraction of available money as it is about a shift in public priorities. Security threats are in the process of being downgraded, and at the top of the agenda are now unemployment, finance and low carbon growth, as well as ring-fenced domains such as health services. In short, a time is rapidly approaching when defence budgets will not only taper off as war supplements disappear, but will also compete against ballooning mandatory spending programmes for fewer and fewer tax resources – all, of course, amidst an uncertain path to recovery in the US and Europe.

The financial crisis has also resulted in the emergence of the G20 as the new de facto governance coalition of powerful states – with the US and China at the forefront of all negotiations. While both countries still acknowledge the significance of multilateralism, the shift from the G1, G5 and G8 to the G2 and the G20 reflects the changing balance of power in the world.

### *Shared problems and collective threats*

Today, there is a newfound recognition that global problems cannot be solved by any one nation-state acting alone, nor by states just fighting their corner in regional blocs. As demands on the state have increased, a whole series of policy problems have arisen which cannot be adequately resolved without cooperation with other states and non-state actors. There is a growing

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recognition that individual states are no longer the only appropriate political units for either resolving key policy problems or managing a broad range of public functions.

The policy packages that have largely set the global agenda – in economics and security – have been discredited. The Washington Consensus and Washington security doctrines have dug their own graves. The most successful developing countries in the world are successful because they have not followed the Washington Consensus agenda, and the conflicts that have most successfully been diffused are ones that have benefited from concentrated multilateral support and a human security agenda. The future of organized force in countries like the UK is through regional and international organizations. Cooperation between states is still important, if not more so, but what has changed is the rationale, which is now deeper and more complex. The old threat was the ‘other’; the new threat is shared problems and collective threats. Here are clear clues as to how to proceed in the future. We need to follow these clues and learn from the mistakes of the past if democracy, effective governance and a renewed multilateral order are to be advanced.

Or, to sum up, realism is dead; long live cosmopolitanism!

### *A cosmopolitan approach*

Just as there is not one form of liberalism or one single way to conceptualize democracy, there is not one unified

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or monolithic understanding of cosmopolitanism (see Brown and Held, 2010: Introduction). The first sustained use of the term ‘cosmopolitan’ can be traced to the Stoics. Their main aspiration was to replace the primacy of the individual’s relation to the polis with the idea of the cosmos as encompassing the whole of humanity in an ideal of universal belonging. A second significant meaning can be dated back to the Enlightenment. Kant connected the idea of cosmopolitanism with the standpoint of public reason. An individual’s entitlement to enter the realm of public reason is mirrored in the right to free membership in the global community of argument. A third and more recent understanding of cosmopolitanism involves three key elements: (i) egalitarian individualism, (ii) reciprocal recognition, and (iii) impartialist reasoning (see Barry, 1999; Pogge, 1994a; Beitz, 1979). The first element simply states that individuals are the ‘ultimate units of moral concern’. The second implies that the equal moral worth of persons should be recognized by all. Finally, the third mandates that each person’s claims are to enjoy impartial consideration in public deliberation and argument.

The specific model of cosmopolitanism I defend draws on elements of all three of these accounts. It recognizes each person as an autonomous moral agent entitled to equal dignity and consideration. The acknowledgement of each person as the ultimate unit of moral focus does not deny the importance of local affiliations (Pogge, 1994b). Rather, it is a way of setting limits to what the latter can entail. The model also promotes a way of translating individual agency into collective political enterprises. It sets down consent, deliberation

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and collective decision-making as the essential mechanisms for the creation and development of cosmopolitan institutions and forms of governance. These are vital for non-coercive, legitimate political processes. Finally, the model identifies the prevention of ‘serious harm’ and ‘sustainability’ as the main instruments to prioritize urgent need and resource conservation. The latter function as tools for the orientation of public decision-making in critical cases (for further discussion of these principles, see chapter 2).

While my account aims at being universal, it tries to address cultural and political specificity seriously. Universal moral principles play a defining role, yet the hermeneutical necessity of interpreting their precise meaning in the local settings in which they operate is recognized. It is in the intersection of principle and pluralism – in the space where the former creates the conditions for the latter, and the latter elucidates the former – that regulative cosmopolitan principles and democracy conjoin. I call this a layered cosmopolitan approach (see chapters 2 and 3).

Every moral and political outlook calls for justification. The historical and geographical origin of cosmopolitanism in the West should not per se disqualify its reach; origin and validity are separate issues (see Weale, 1998). Two fundamental metaprinciples bear the justificatory weight of my account. They are the metaprinciple of autonomy (MPA) and the metaprinciple of impartialist reasoning (MPIR). I see these two principles as organizing notions of ethical discourse. The MPA represents a crystallization of the historical process that understands citizens in democracies as free and equal



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individuals entitled to moral autonomy and political self-determination. The MPIR characterizes the basic philosophical interpretation of reciprocity when it comes to the elaboration of political and moral principles that all should be able to endorse and adopt. The two meta-principles constitute side-constraints on the elaboration of my cosmopolitan account and form the basis of its justificatory shape and force.

### *Democratic public law and sovereignty*

At the core of the transition from cosmopolitan principles to the real world of politics lies the entrenchment of these principles in what I call ‘democratic public law’ – the precondition of a cosmopolitan order. This involves a redefinition of the idea of sovereignty as it has been commonly developed in international relations. From terrorism to climate change, from global economic turmoil to the financial crisis, the nation-state and the international governance structures are often ineffective and lacking in accountability and democratic legitimacy. Yet, if we learn the lessons of past policy failures and the limits of current institutional developments, the way ahead is not unclear.

At the heart of democratic public law lies the protection of certain fundamental human interests in self-determination and autonomy. As I have argued elsewhere, what is crucial to the goal of democratic autonomy is the ability of democratic public law to address different spheres of power (Held, 1995: 189ff.). Democratic public law needs to address all obstacles to

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citizens' ability to fully participate in the democratic process. If citizens are to make effective use of their democratic rights, to paraphrase the late John Rawls, all sources of important influence over the vital aspects of their lives must be within reach of their decision-making abilities (Rawls, 1971). Yet, today more than ever, the elusive fit between those who make decisions and those whose vital interests are affected by those decisions cannot be assumed to exist at the national level. In a world of complex interdependences, the actual prospects of people depend more on forces that are external (rather than internal) to the nation-state. Put simply, by concentrating on the state alone, irrespective of the circumstances in which the latter operates, there is a risk of focusing on the wrong level of analysis and governance.

The entrenchment of democratic public law at the global level requires a revision of the traditional understanding of sovereignty. In the classic model of sovereignty the state has effective and untrammelled power over a unified territory. Following the Second World War, and the creation of the human rights regime, the classic model of sovereignty was challenged by what I call the liberal model of sovereignty. At its core, the liberal model of sovereignty recasts the relationship between the state and its citizens. It anchors the state's legitimacy to the protection of basic human rights which become the essentials of political legitimacy. But the current state of global political relations mandates a further revision. The liberal model of sovereignty needs to be replaced by what I call a cosmopolitan model of sovereignty. The latter recasts the attribution of legiti-

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mate political power altogether. Cosmopolitan sovereignty challenges the very idea of fixed borders and territories governed by states alone. It sees sovereignty as the networked realms of public authority shaped and delimited by an overarching cosmopolitan legal framework (see chapter 3). In this model bounded political communities lose their role as the sole centre of legitimate political power. Democratic politics and decision-making are thought of as part of a wider framework of political interaction in which legitimate decision-making is conducted in different loci of power within and outside the nation-state.

The bottom line is that we can no longer ignore our common problems and destiny. We need a framework of political and moral interaction in order to coexist and cooperate in the resolution of our shared (and pressing) problems. From ecological disasters to financial meltdowns, there is no other solution but to find a common solution. If this is correct, then a cosmopolitan approach is not a form of Western yearning for a form of ideological dominance or imperial control. Rather, it is a framework of ideas and principles that can guide us towards the governance of the challenges we face. Cosmopolitanism is, contrary to popular criticism, the triumph of difference and local affiliations. Insofar as a cosmopolitan institutional project aims at the entrenchment of law-governed relations, it creates the requirements for political autonomy that each person and group needs in order to foster its ideas of the good life. Without such a framework, solutions will not be adopted on the basis of deliberation and law, but on the basis of power and economic strength. A world without

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cosmopolitan principles is not a world in which communal differences are entrenched and valued for their own sake, but rather a world in which power (in its different manifestations) drives the resolution of what I have called the pressing issues of our time.