The Expert Group on Development Issues, EGDI, was established by the Swedish Government in 1995 with the objective of contributing to an increased understanding of development issues in a global context and increasing the effectiveness of development co-operation policies.

The task of the EGDI is to initiate studies that will have the potential to make contributions to development thinking and policy-making. In order to ensure a close relationship with research and policy communities around the world, internationally renowned specialists with extensive networks in their respective field work as members of the Expert Group.

A secretariat assists the group and a number of reference groups have direct contact with the work in progress. An annual budget is determined by the Swedish Government.

The full study (EGDI Study 2002:2) can be ordered from:
Almqvist & Wiksell International
P.O. Box 7634
SE-106 94 Stockholm
Sweden
Telefax: + 46 8 24 25 43
order@city.akademibokhandeln.se

Ministry for Foreign Affairs
EGDI Secretariat
Department for Global Development
SE-103 39 Stockholm
Sweden
Telephone: +46 8 405 10 00
Telefax: +46 8 723 11 76
egdi.secretariat@foreign.ministry.se
http://www.egdi.gov.se

EGDI
Expert Group on Development Issues

EGDI
Studies in brief
2|02

Global Governance in the 21st Century: Alternative Perspectives on World Order

Björn Hettne and Bertil Odén (eds.)

Contemporary debates on globalisation – what its main features are, whether favourable for human well-being, how states and citizens should relate to the changes, and so forth – also concern a more profound question of current and future world orders.

The study approaches globalisation from that particular view-point. It addresses the question of possible frameworks of global governance, or world orders, with particular regard to development and security. Development assistance and conflict management are two international activities that take place within a politico-juridical framework, which by consequence shapes them. Furthermore, the current state-centric framework is in process of transformation but we do not know into what.

This volume presents four elaborated comments on this situation, each from a different perspective. An inventory of world order scenarios has thus been attempted. The introductory essay by *Björn Hettne* outlines alternative governance frameworks in general terms, with reference to earlier writings on the fundamentals of international order. He identifies four major strands in the literature that serve as useful starting points for the analysis of current realities and future options: *liberal globalism*, *durable disorder*, *assertive multilateralism* or *plurilateralism*, and finally *global cosmopolitanism* combined with a *new regionalism*.

The Liberal Globalist Case

Indra de Soysa and *Nils Petter Gleditsch* argue that an economic liberal order promotes prosperity and peace by increasing the interdependence between states and societies. Although the process of globalisation presents many challenges, it represents a strong opportunity for building a more humane world and for protecting social peace.

The case for liberal globalism is based on the belief that most decisions about resource allocation are best left to the market. However, well-functioning markets also require good governance. Markets and states are in that sense not mutually exclusive. On the contrary, globalisation in the long run is likely to strengthen rather than weaken states and democratic forces.

The authors find a positive correlation between the advance of globalisation and what they consider the major yardsticks of human progress: democracy, development, environment and peace. Increasing globalisation has gone hand in hand with democratisation, improvements in development and a decline in armed conflicts. With regard to environment, prospects look reasonably good too. This progress is not a historical accident and these trends, it is argued, are interrelated.

The debate on globalisation has many similarities with the debate between modernisation theory and the dependency school in the

EGDI Studies in Brief summarise recently published EGDI studies. The responsibility for the summary is with the EGDI secretariat.

1960s and 1970s. Dependency theorists argued, amongst other things, that foreign direct investments in developing countries had negative effects on their growth. The authors argue that such assumptions have proved wrong. The weight of evidence supports the view that trade and foreign investment are more likely than not to benefit poor societies and, in fact, that globalisation already benefits the poor.

Reprising Durable Disorder

Mark Duffield focuses on the "new wars" in developing countries in relation to current priorities in development assistance. The point of departure is the expanded role of private associations in international relations generally, in combination with a political emphasis on embracing such associations as partners.

The notion of durable disorder refers to the idea of a regime of governance characterised by constant crisis management that avoids systemic collapse but cannot solve root problems. This notion has in earlier writings been associated with state enfeeblement. In *reprising*, or reconsidering, durable disorder, Duffield argues the opposite: rather than being enfeebled or enslaved by the private agents of globalisation, the governments of the industrialised world have actively engaged in the networks they have created.

The paradox of globalisation is that the reforms and institutions necessary for its existence also create conditions for increased autonomy and resistance. The end of the Cold War has witnessed several conflict zones in Latin America, Africa and Central Asia. In Duffield's view, these so-called new wars can be interpreted as ambivalent forms of regionalised political struggle and resistance to globalisation.

The response to these wars has been a merger of development and security concerns. Aid has been "securitised" in the sense that development assistance is considered capable of conflict resolution, post-war reconstruction and the promotion of a plural civil society. Not only is this built on a misconception of these conflicts as failures of modernity, it holds out the illusionary promise that organised violence can be massaged away.

Such development assistance also embodies a technology of control. The growing complexity of contractual systems linking donors and aid agencies provides an instrument of risk management in areas perceived as security threats. In this way, state influence is exercised through expanding public-private networks of aid practice. One result has been an insistence on "coherence" between politics and aid.

Multi- and Plurilateral Approaches

Raimo Väyrynen argues that the instruments of global governance need to be strengthened in order to reduce world poverty and redress "systemic" inequalities. At present, institutions and instruments of global governance are in his view under-supplied by national and international actors.

In discussing current trends with regard to the international order, the author favours a reformist model in support of legislation, agreements and other forms of market regulations. In focus are on the one hand the main actors of global governance, on the other the challenges of poverty reduction and debt relief.

One important trend is that new forms of global governance have been fostered in response to the articulation of new demands. Organisations like the WTO, the IMF and the World Bank have gained new powers to regulate governmental policies and corporate behaviour. At the same time, new institutions and instruments of governance have emerged. Many of them are private or "hybrid" in nature, the latter constituting cooperative arrangements between governments, business actors and/or non-governmental organisations to cope with international problems.

A related trend is the emergence of a new global ethic, which is centred on poverty alleviation and also acknowledges that poverty and inequality are interrelated problems. Efforts aiming at debt relief are a concrete manifestation of this ethic.

Initiatives taken by the United Nations in recent years exhibit features of both these trends. The need to combine the global market and equity has repeatedly been stressed by Kofi Annan, and the organisation is actively forging bonds with new actors, in particular with the business community.

Global Democracy

Richard Falk focuses on two trends pointing at a post-Westphalia – i.e. non state-centric – international order: the campaign for cosmopolitan, or global, democracy and new regional tendencies. Of primary concern are the prospects for a "humane global governance" of peace, sustainability, human rights and global community, in a situation when fundamental Westphalia norms, such as the autonomy of the sovereign state, are losing relevance.

"Cosmopolitan democracy" entails an ambition of extending democratic notions of participation, accountability, transparency, rule of law, and social justice to all arenas of human interaction. Falk identifies three promising manifestations of such ambitions at international level:

i) The establishment of an International Criminal Court, with powers to indict even state leaders for abuses of humanitarian international law;
ii) Moves towards a Global Peoples Assembly, according representation to transnational social forces and actors of civil society;
iii) The International Rule of Law, including a greater reliance on third-party procedures for dispute settlement, as visible in the spread of international tribunals in specialised areas like trade, oceans and human rights.

Regionalist understandings posit the significance of non-statist criteria as essential of our image of world order. Their prominence, especially in Europe, according to the author, is evidence of a post-Westphalia emergence. This trend may, however, not necessarily be beneficial, nor may it be irreversible.

Falk concludes that a definite post-Westphalia scenario is not likely to take shape within the next decade or so. Since the leading centres of state power will resist any major challenges to statism, the movement for humane global governance may instead strive to realise the ethical potential of a state-centred world, which would result in what would best be described as a, modified, *neo*-Westphalia order.

Implications for Development Cooperation

In the final chapter, *Bertil Odén* discusses what common features can be traced in the four alternative frameworks of global governance, and what tentative conclusions may be drawn regarding the role of development cooperation according to their perspectives.

Despite strong differences, the authors agree on certain broad trends in analysing the world order: the state will not vanish or disintegrate, but the process of globalisation – however defined – will reduce the impact of homogenous and territorial authorities and increase the impact of non-territorial heterogeneous collectives. Nevertheless, the four contributions clearly diverge from one another when it comes to implications for development cooperation.

From a *liberal globalist* perspective, development is best promoted by integrating the poorest countries into the international economy. An obvious role for development cooperation is to strengthen the capacity of the poor countries to participate in international negotiations and support all efforts to open the markets of rich countries for exports. Development assistance should also be geared at improving the macro-economic policies of developing countries, in line with the recommendations of the international financial institutions.

In *reprising durable disorder*, current priorities in development assistance come under direct criticism, as constituting a new means of controlling the developing countries. The use of performance monitoring and new auditing techniques are, in addition, considered to be completely misplaced in dealing with the dynamics of the new wars. In Duffield's opinion, aid should consequently be "de-securitised" and, in conflict zones, returned to its more modest role of impartial humanitarian assistance. At the same time, the field of diplomacy and negotiation should expand. Political actors need to address the multileveled and transborder nature of network war.

The *multi- and plurilateral approach* gives great scope for institutional development and reform. It fits in well with ongoing capacity and institution-building at the national level among the Heavily Indebted Poor Countries and with arguments for increased support to global public goods. One possible implication of Väyrynen's analysis is the emergence of new compacts and internationally agreed development targets and benchmarks. Hybrid forms of governance have potentially significant implications for the organisation of development cooperation, particularly for aid agencies.

A continued movement towards a *humane global governance* along Richard Falk's lines – including an upgrading of the rule of law and a strong defence of individual security – probably enhances the present trend of allocating an increasing share of official development assistance to improvement of democracy, human rights, governance and related issues. International institutions for providing public goods in these domains would be expected to increase their share of development assistance, at the expense of traditional aid to governments. It would also change the balance between institutions with only the most powerful countries as members, such as G8, and institutions that are also accessible to poorer countries.