

Critically evaluate the
case for and against
global governance



**ASSIGN
BUSTER**

This essay will discuss arguments for and against the phenomenon of global governance with particular reference to existing international governmental structures. Firstly, global governance and globalization will be defined and then their political, economic and environmental aspects will be assessed. Varying ideologies will be evaluated along with their applicability to the present global institutions. Connections between apparently independent entities with independent interests will be scrutinized and will help to explain the present multilateralist trend in world politics.

The scope of this essay is enormous, and it is not possible to cover all aspects in requisite detail in a short essay, however, the main points in this debate will be addressed. In 1995, the Commission on Global Governance defined global governance as, “ the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken.

It includes formal... s well as informal arrangements that people and institutions have agreed to or perceive to be in their interest” (cited in Karns & Mingst 2004: 4). Globalization itself is defined by Scholte (1996) as the, “ emergence and spread of a supraterritorial dimension of social relations” (ibid: 21). Held (2004) identifies four main stances towards globalization. Firstly, he divides globalists into two camps - positive and pessimistic. Positive globalists see this transformation as positive progress brought about via increased interaction between cultures producing an overall rise in living standards (2004: 22).

However, the reality of globalization itself is disputed by the internationalists (2004: 170). Pessimists accept the globalization thesis but regard its effects as being largely negative due to the growing inequalities within society (2004: 48). Meanwhile transformationalists view globalization as being an attempt by hegemonic states of hijacking the global system for their own benefit. Ultimately, they believe that globalization is an occurring phenomenon but dispute “ the inevitability of its impact” (2004: 23).

Keohane (1998) believes this is the only way to explain why states cooperate within the international system.

There are a growing number of ‘ anti-globalizationists’ or ‘ new unilateralists’ who see globalization as the method by which the elites are attempting to create a world government or a “ New World Order” in their favour. They argue that the neo-liberalist agenda involving the deregulation of financial markets serves the elites’ interests by opening up previously state-owned enterprises (SOEs) to foreign direct investment (FDI) and hostile takeover by multinational corporations (MNCs) as well as securing access to oil and mineral reserves (Jones 2007; Burchill et al. 009: 78).

When political and economic pressures do not work, military action is taken, as has taken place in many states who have refused to open up their economies to exploitation by the West. Curtis (2003) cites many examples of this mode of action throughout his book *Web of Deceit*. A short history of global governance will now be given, with particular emphasis on the past 40 years but to understand this in full we need to go back to the origins of the modern nation-state in Europe.

At the Treaty of Westphalia in 1648, the state system was born at the conclusion of the Thirty Years War; until, arguably the past decade, states have been the main actors on the global stage (Karns ; Mingst 2004: 15-16). Frequently, however, attempts have been made to overcome nation-state sovereignty including the failed League of Nations which was set up in 1919. The Bretton Woods institutions along with the United Nations were ostensibly created to reduce the chances of further wars breaking out following the end of World War II.

Whilst this may be true to some extent, the Marshall Plan which bailed out Europe had conditions attached that ultimately forced Europe to create the European Union (EU). The creation of the EU was the beginning of what many believe will one day become a one-world government (Aubourg 2003; Estulin 2009: Ch. 5). It was argued that from the 1970s a huge increase in trade linkages began to appear until the 1990s when a previously unseen political, cultural and social integration emerged (Karns ; Mingst 2004: 21). Most notably, this was seen through the continuing integration of the EU (Cini 2007: 31).

Other continents have also created their own Regional Trade Agreements (RTAs) including the North American Free Trade Agreement (NAFTA) between the USA, Canada and Mexico (Damro 2006: 28-29). Furthermore, a Transatlantic Free Trade Agreement (TAFTA) is currently being discussed which would produce a free trade area between NAFTA and the EU (Razeen 2010). This is a troubling development as the EU started out as a trade agreement but then its competencies ' spilled over' into other disciplines (Cini 2007: 193-195).

<https://assignbuster.com/critically-evaluate-the-case-for-and-against-global-governance/>

A pattern is therefore emerging of that of a creation of a potential world government (Jones 2007; Estulin 2010: 2 ; Ch. 5). Further to these political and economic ties, the elites from multiple nations are also creating a network of social and cultural networks, including interest groups and many well-known NGOs, both MNCs and not-for-profit organizations (Karns ; Mingst 2004: 12). The private rating agencies Moody's and Standard & Poor's have considerable influence as they can threaten to reduce a country's credit rating if they refuse to carry out reforms as designated by the northern hemisphere elites (ibid: 14).

NGO's, such as Human Rights Watch, are financially sponsored by business tycoons and Bilderbergers such as George Soros (Estulin 2010: 102). There are also close ties between " UN agencies and corporations" who have been the chief proponents of Private-Public-Partnerships (PPPs) (Utting ; Zammit 2009). This shows how it is not so difficult to reach consensus in the various UN conventions as posited by Karns ; Mingst (2004: 28). So, the elites own the banks, the MNCs, the NGOs and effectively ' own' many weaker states via propping up their leaders with IMF loans in return for opening up their economies to the ' free market'.

This has meant subsequently that the interests of the northern hemisphere elites and those of their puppets have become aligned thereby creating a " transnational elite" (Carroll ; Carson 2003). In consideration of these elites and the influence they exert, Carroll ; Carson (2003) identify their five main organs. The Bilderberg Group are the central control group. Members include David Rockefeller; government officials; royalty; business leaders and academics. They meet annually in secret in order to discuss issues of the day

<https://assignbuster.com/critically-evaluate-the-case-for-and-against-global-governance/>

openly without fear of being quoted by the press (Carroll ; Carson 2003; Jeffers 2009: 9; Estulin 2010: 1-17).

Secondly, the International Chamber of Commerce (ICC) meets to push the agenda of “ corporate self-regulation” to small and medium-sized businesses. There is then the Trilateral Commission (TC) containing business leaders from North America, the EU and Japan who meet several times a year. The World Economic Forum (WEF) convenes annually and involves many CEOs of MNCs as well as heads of the Bretton Woods institutions. Finally, the World Business Council for Sustainable Development (WBCSD) meets to promote corporate responsibility and “ eco-efficiency” (Carroll ; Carson 2003).

In addition, the Council for Foreign Relations is considered to be the public relations arm of the Bilderberg Group. They heavily influence governmental decisions and publish intellectual journals such as Foreign Affairs (Estulin 2009: 83). It is important to consider the philosophies which underlie this multilateral trend and also of their opponents. Hobbes and Locke teach us that once we were in a “ state of nature” which was akin to anarchy, until man, through his rational nature, gave up his individual liberty for the sake of the collective and thereby brought about “ civilization”.

This way of thinking was brought about due to the West’s Enlightenment (Friend 2004). This innate fallacy drives all of our intellectual thinking. That our once primitive natures were somehow tamed by the forming of governments at crucial points in history such as by the signing of the Treaty of Westphalia. Machiavelli (2009: 55) painted a more accurate picture of

<https://assignbuster.com/critically-evaluate-the-case-for-and-against-global-governance/>

human behaviour in *The Prince* when he stated that “ how one lives and how one ought to live are so far apart that he who spurns what is actually done for what ought to be done will achieve his ruin rather than his own preservation. ”

In response to the above, realists hold the Hobbesian belief of an anarchic system of states, who compete in a continually fluctuating hierarchy of power to defend their interests. (Burchill et al. 2009: 233). Traditionally realists have been allied with unilateralism though in contemporary society institutionalists have come to rely on realist ideology to underpin their theories (Mearsheimer 1994/95). As such, liberal institutionalists hold the Kantian view that, “ representative governments working together through a world federation could conceivably banish conflict forever” (Schlesinger 2003: 18).

However, recent discourse has shown how neither of these positions can explain the present international environment. The main problem is posed by the realists’ view of power: “ the interaction amongst governments, nongovernmental organisations and IGOs has produced a regulatory network that enmeshes and constrains governments. ” Furthermore, “ power is shared and negotiated among diverse forces and agencies at many levels, from the local to the global. ” This has led some to refer to the new state of affairs as an “ emerging polity” (Armstrong et al. 2004: 12-13).

According to Estulin (2009: 49), the Bilderbergers are Fabianists. The Fabian Society believes in a “ gradual rather than revolutionary means for spreading socialist principles. ” (Free Dictionary 2010). Although this describes the

pace of globalization, the concept of economic fascism fits perfectly with the elites' agenda: " there was also an economic policy component of fascism, known in Europe... as " corporatism,"... [which] was held up as a " model" by quite a few intellectuals and policy makers in the United States and Europe.

A version of economic fascism was... dopted in the United States in the 1930s and survives to this day. In the United States these policies were not called " fascism" but " planned capitalism. " The word fascism may no longer be politically acceptable, but its synonym " industrial policy" is as popular as ever" (DiLorenzo 1994). Additionally, three groups of critical theorists have their own perceptions. Those influenced by the Frankfurt School have tried to understand present trends using scientific methodologies. Marxists see globalization as the global economic exploitation by the ruling capitalist classes.

And feminists see global governance as particularly detrimental to women (Armstrong et al. 2004: 13-14). This feminist stance is surprising as the advancement of equal opportunities for women has been one of globalization's success stories (Murphy 2000; Burchill et al. 2009: 243). Empirical analysis carried out by Kearney by constructing a Globalization Index has categorically shown that the more globalized a country is, the greater the inequality in prosperity (Karns ; Mingst 2004: 23). This analysis clearly demonstrates that the Marxists provide the most accurate account.

In order for an international organization to remain free of tyranny and not be imperial or hegemonic, it must consist of independent political communities (Armstrong et al. 2004: 1). As has been shown above, the

various actors within the global arena are very far from being independent, with the USA, the one remaining superpower and its allies, leading the agenda on every issue (Karns ; Mingst 2004: 4).

However Karns ; Mingst then contradict themselves by arguing that, “ global governance is not global government... it is not a top-down, hierarchical structure of authority” (ibid. . Conversely, Brauer ; Haywood (2010) assert that, “ Most of the extant forms of global governance are based on arrangements by and for states. Treaty organizations... are held hostage to sovereign interests rather than to the common interests of the global community. ” Although Danaher informs us that these treaties are not created by the states themselves but rather by their elites (2004: 62-63). This hegemonic situation shows the lack of democracy present in global governance (Marchetti 2006; Utting ; Zammit 2009).

The idea of collective security (Mearsheimer 1994/95; Damro 2006: 34-35) has been criticized by Urpelainen (2010: 1) who argues that due to the huge asymmetry in power relations between the larger and smaller states that, “ states must accept constraints on the use of power, as opposed to simply maximizing the supply of collective enforcement power. ” A major criticism of public international law is that it does not have corresponding enforcement mechanisms (Karns ; Mingst 2004: 6). For example, the UN does not yet have an army, although NATO is set for the role (Jeffers 2009: 122).

This is also in response to the belief that, “ NATO must either disappear or reconstitute itself on the basis of the new distribution of power [since the

end of the Cold War]” (Mearsheimer 1994/95: 14). Many international human rights and humanitarian laws are presently in place but are routinely flouted. This is particularly the case where Private Military and Security Companies (PMSCs) are concerned (Liu 2010). Chandler (2003) believes that it is too big a task to enforce human rights via an international legal system.

In contrast, Karns ; Mingst (2004: 12) note how in the case of regimes that actors “ feel compelled to honour them. Because this is “ governance without government,” they comply because they accept the legitimacy of the rules and the underlying norms, and the validity of the decision-making process. ” So although on the negative side treaties are discernibly difficult to put into effect, on the positive front, compliance with regimes seems immeasurably higher.

The agenda pushed by the multilateralists is political democracy and economic neo-liberalism which can be summarized thus: Commercial traders should be allowed to exchange money and goods without concern for national barriers. There should be few legal constraints on international commerce, and no artificial protection or subsidies... where goods and services can pass freely across national barriers, should be the objective of policy makers in all nation-states. Only free trade will maximize economic growth and generate the competition that will promote the most efficient use of resources, people and capital” (Burchill et al. 2009: 75).

In order to help developing countries liberalize their economies, the IMF and World Bank offer loans with structural-adjustment policies attached. As yet, there have been no success stories (Danaher 2004: 67). This is not surprising

as historically all developed nations were built upon state-interventionist models (ibid: 72). Even amongst the most developed nations in the world, certain industries are still protected by subsidies with the most obvious case being the EU's CAP. The resulting imbalance should be resolved via the GATT's dispute settlement system.

The official purpose of establishing the GATT was to increase trade liberalization globally which would help poorer countries to take advantage of the reduction in trade barriers (Heywood 2004: 110-111). In reality, however, the purpose of removing protectionism and trade barriers has been a political manoeuvre (Estulin 2009: 139). There has, nevertheless, been some disagreement among members of the TC, most notably during the Uruguay Round negotiations where the CAP was of particular contention.

The US argued that the enormous subsidies paid to EU farmers damaged the prospects of non-EU countries, whereas the EU retained its protectionist stance alongside Japan (Cini 2007: 346). According to Anderson (2010), until recently the WTO and GATT have failed to prevent trade distortions owing to protectionism, particularly within the agricultural sector. Until the Uruguay Round, rules pertaining to subsidization only covered the industrial sector. This was a huge omission.

The CAP is the primary vector by which the EU protects its agricultural market with annual estimates put at i?? 42billion. This creates surplus produce which is then dumped on developing countries undercutting local producers who cannot compete (Flint 2003). There is disagreement over whether protectionism is helpful or not to the LDC farmer. Panagariya (2004)

explains that EU protectionism has a depressing effect on prices which LDCs can take advantage of as importers. She also explains that LDCs have far higher tariffs than developed nations.

Despite poorer countries being net importers; they are importing these goods at lower prices than they are exporting and consequently their GDPs are rising by approximately 6% per annum. Ferreira (2006) believes that quantitative restrictions should be used much more widely both from an environmental perspective and for economic reasons. This measure not only eases the burden on natural resources, but where implemented it produces an optimum trading climate with an increase in social benefits. Conversely, where free trading exists, the environment is degraded without benefitting the local community.

When suboptimal quantity instruments are used, the harvest is restricted. This results in a corresponding increase in price per item, without ruining the environment which improves the welfare of the local populace (Krishna & Panaragiya 2000). It can therefore be seen that trade liberalization is able to produce some positive results contrary to the opinion of many scholars in the field (Ferreira 2006). The World Bank deems that as most of the world's poorest communities work in agriculture that they would benefit from an increase in their manufacturing industries.

This has been one of the ideas put forward to ease poverty via the Doha Development Round (Hertel & Winters 2006: 4-5). However, Burchill (2009: 76) explains how MNCs have in fact moved their manufacturing bases to developing countries purely to increase their profits. This has been achieved

by the relatively low wages demanded created by the complete lack of regard for the health and safety of workers in these regions. One area of global governance often thought of as having brought about a positive change has been the environment.

For example, efforts to stem the release of sulphur dioxide through global co-operation were effective (Helm & Sprinz 2000). However, regimes such as the EU's Emissions Trading Scheme (EU ETS) have produced devastating results, except for those gaining from the trade of carbon credits and the production of inefficient wind turbines. The Kyoto Protocol allows countries to set their own emissions targets. So whilst Blair set the UK's target below current rates, prudent Germany set hers higher.

Germany has thus not only been allowed to continue to increase carbon output but has profited off the back of countries who have tried to make genuine concessions (Fli?? m 2008). However, one would hope that the money passed on to developing nations via the EU ETS has helped to close the gap between richer and poorer countries but this has not materialised. Many developing countries are run by dictators (where they are propped up by IMF loans and covertly supported by the West), particularly in Africa, who do not use the money obtained from the sale of carbon credits for social programmes (Dowden 2009: Ch.). In addition, as they have sold off their carbon allowance, industry is not allowed to prosper (Skeptics Global Warming 2009). In conclusion, given the agenda of the elites to continue to push forward for a one-world government, Karns & Mingst (2004: 24) have probably got it right when they ask, " The question is not will globalization be governed, but rather, how will globalization be governed? " In this essay, it <https://assignbuster.com/critically-evaluate-the-case-for-and-against-global-governance/>

has been shown how the UN is slowly becoming the world's central government and is not the democratic instrument it purports to be.

The huge asymmetry in power relations between richer and poorer states ensures the current hegemonic situation will remain. States are merely the tools by which the elites are widening their ever-dominant position. It is obvious that states will continue to have an impact on each other. However, the exploitation of the global south by the global north via the Bretton Woods institutions must be scaled back considerably. Co-operation between states should be retained, however, for the mutual understanding between differing cultures and for the prevention of war.

Contemporary realist thinkers are ridiculed as being too simplistic when discussing international relations. But it has been shown in this paper how the international world behaves in reality. The corporate world, traditionally Western yet increasingly heralded from other quarters such as China, with its defiance in upholding the rule of law in public yet circumventing every known international law in practice to secure the natural resources of other sovereign states. To what end?

To create more corporate profit and preserve their hegemonic status. Communism's brutality during the twentieth century proved that Marx did not have the answers to these difficulties yet he certainly outlined the problems inherent in capitalist society. With a one-world government looming it is pertinent as never before to remind ourselves of Edmund Burke's quote, " When bad men combine, the good must associate; else they

will fall one by one, an unpitied sacrifice in a contemptible struggle”

(Quoteland. com 2010).