

## Chapter 4

# The political dimension of globalization

Political globalization refers to the intensification and expansion of political interrelations across the globe. These processes raise an important set of political issues pertaining to the principle of state sovereignty, the growing impact of intergovernmental organizations, and the future prospects for regional and global governance, and environmental policies affecting our planet. Obviously, these themes respond to the evolution of political arrangements beyond the framework of the nation-state, thus breaking new conceptual and institutional ground. After all, for the last few centuries, humans have organized their political differences along territorial lines that generated a sense of 'belonging' to a particular nation-state.

This artificial division of planetary social space into 'domestic' and 'foreign' spheres corresponds to people's collective identities based on the creation of a common 'us' and an unfamiliar 'them'. Thus, the modern nation-state system has rested on psychological foundations and cultural assumptions that convey a sense of existential security and historical continuity, while at the same time demanding from its citizens that they put their national loyalties to the ultimate test. Nurtured by demonizing images of the Other, people's belief in the superiority of their own nation has supplied the mental energy required for large-scale warfare—just as the enormous productive capacities of the modern state have provided the material means necessary to fight the 'total wars' of the last century.

Contemporary manifestations of globalization have led to the partial permeation of these old territorial borders, in the process also softening hard conceptual boundaries and cultural lines of demarcation. Emphasizing these tendencies, commentators belonging to the camp of 'hyperglobalizers' have suggested that the period since the late 1960s has been marked by a radical 'deterritorialization' of politics, rule, and governance. Considering such pronouncements premature at best and erroneous at worst, 'globalization sceptics' have not only affirmed the continued relevance of the nation-state as the political container of modern social life but have also pointed to the emergence of regional blocs as evidence for new forms of territorialization. Some of these critics have gone so far as to suggest that globalization is actually accentuating people's sense of nationality. As each group of global studies scholars presents different assessments of the fate of the modern nation-state, they also quarrel over the relative importance of political and economic factors.

Out of these disagreements there have emerged three fundamental questions that probe the extent of political globalization. First, is it really true that the power of the nation-state has been curtailed by massive flows of capital, people, and technology across territorial boundaries? Second, are the primary causes of these flows to be found in politics or in economics? Third, are we witnessing the emergence of new global governance structures? Before we respond to these questions in more detail, let us briefly consider the main features of the modern nation-state system.

## The modern nation-state system

The origins of the modern nation-state system can be traced back to 17th-century political developments in Europe. In 1648, the Peace of Westphalia concluded a series of religious wars among the main European powers following the Protestant Reformation. Based on the newly formulated principles of

sovereignty and territoriality, the ensuing model of self-contained, impersonal states challenged the medieval mosaic of small polities in which political power tended to be local and personal in focus but still subordinated to a larger imperial authority. While the emergence of the Westphalian model did not eclipse the transnational character of vast imperial domains overnight, it nonetheless gradually strengthened a new conception of international law based on the principle that all states had an equal right to self-determination. Whether ruled by absolutist kings in France and Prussia or in a more democratic fashion by the constitutional monarchs and republican leaders of England and the Netherlands, these unified territorial areas constituted the foundation for modernity's secular and national system of political power. According to political scientist David Held, the Westphalian model contained the following essential points:

1. The world consists of, and is divided into, sovereign territorial states which recognize no superior authority.
2. The processes of law-making, the settlement of disputes, and law enforcement are largely in the hands of individual states.
3. International law is oriented to the establishment of minimal rules of co-existence; the creation of enduring relationships is an aim, but only to the extent that it allows state objectives to be met.
4. Responsibility for cross-border wrongful acts is a 'private matter' concerning only those affected.
5. All states are regarded as equal before the law, but legal rules do not take account of asymmetries of power.
6. Differences among states are often settled by force; the principle of effective power holds sway. Virtually no legal fetters exist to curb the resort to force; international legal standards afford only minimal protection.
7. The collective priority of all states should be to minimize the impediments to state freedom.

The centuries following the Peace of Westphalia saw the further centralization of political power, the expansion of state administration, the development of professional diplomacy, and the successful monopolization of the means of coercion in the hands of the state. Moreover, states also provided the military means required for the expansion of commerce, which, in turn, contributed to the spread of this European form of political rule around the globe.

The modern nation-state system found its mature expression at the end of World War I in US President Woodrow Wilson's famous 'Fourteen Points' based on the principle of national self-determination. But his assumption that all forms of national identity should be given their territorial expression in a sovereign 'nation-state' proved to be extremely difficult to enforce in practice. Moreover, by enshrining the nation-state as the ethical and legal pinnacle of his proposed interstate system, Wilson unwittingly lent some legitimacy to those radical ethnonationalist forces that pushed the world's main powers into another war of global proportions.

Yet, President Wilson's commitment to the nation-state coexisted with his internationalist dream of establishing a global system of collective security under the auspices of a new international organization, the League of Nations. His idea of giving international cooperation an institutional expression was eventually realized with the founding of the United Nations in 1945. While deeply rooted in a political order based on the modern nation-state system, the UN and other fledgling intergovernmental organizations also served as catalysts for the gradual extension of political activities across national boundaries, thus undermining the principle of national sovereignty.

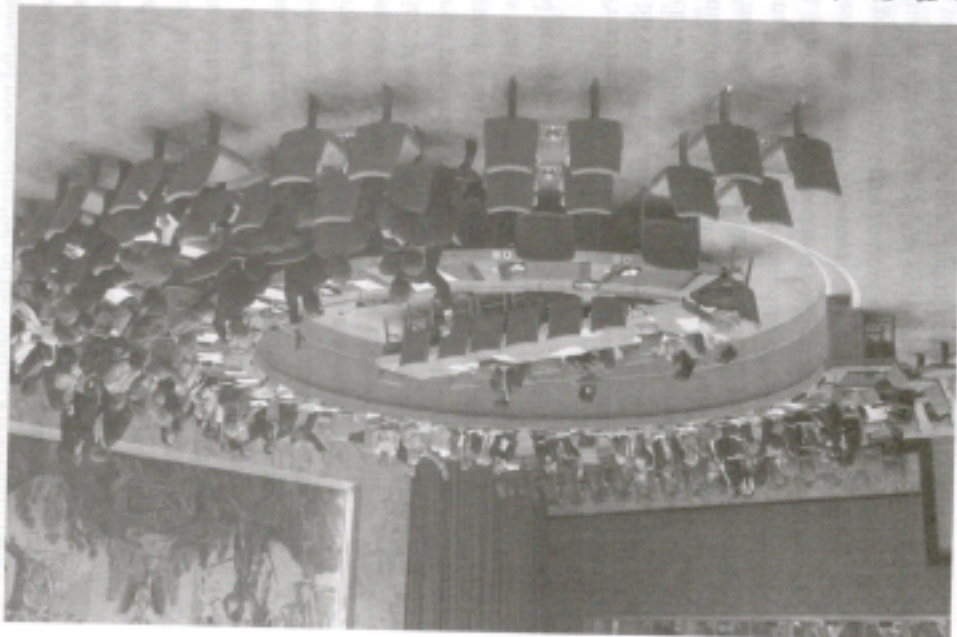
As globalization tendencies grew stronger during the 1970s, it became clear that the international society of separate states was rapidly turning into a global web of political interdependencies

that challenged conventional forms of national sovereignty. In 1990, at the outset of the Gulf War, US President George H. W. Bush effectively pronounced dead the Westphalian model by announcing the birth of a 'new world order' whose leaders no longer respected the idea that cross-border wrongful acts were a matter concerning only those states affected. Did this mean that the modern nation-state system was no longer viable?

### The demise of the nation-state?

Hyperglobalizers respond to the above question affirmatively. At the same time, most of them consider political globalization a mere secondary phenomenon driven by more fundamental economic and technological forces. They argue that politics has been rendered almost powerless by an unstoppable techno-economic juggernaut that will crush all governmental attempts to reintroduce restrictive policies and regulations. Endowing economies with an inner logic apart from, and superior to, politics, these commentators look forward to a new phase in world history in which the main role of government will be to serve as a superconductor for global capitalism.

Pronouncing the rise of a 'borderless world', hyperglobalizers seek to convince the public that globalization inevitably involves the decline of bounded territory as a meaningful concept for understanding political and social change. Consequently, this group of commentators suggests that political power is located in global social formations and expressed through global networks rather than through territorially based states. In fact, they argue that nation-states have already lost their dominant role in the global economy. As territorial divisions are becoming increasingly irrelevant, states are even less capable of determining the direction of social life within their borders. For example, since the workings of genuinely global capital markets dwarf their ability to control exchange rates or protect their currency, nation-states have become vulnerable to the discipline imposed by economic



8. The Security Council of the United Nations in session. The Council is comprised of 15 states, five of which—the USA, the UK, France, Russia, and China—are permanent members. According to Article 25 of the UN Charter, member nations must comply with Security Council resolutions

...the Security Council shall have primary responsibility for the maintenance of international peace and security, and for that purpose it shall take such action as it deems necessary, including the use of armed force, to bring about peace and security.

choices made elsewhere, over which states have no practical control. Hyperglobalizers insist that the minimalist political order of the future will be determined by regional economies linked together in an almost seamless global web of production and exchange.

The group of globalization sceptics disagrees, highlighting instead the central role of politics in unleashing the forces of globalization, especially through the successful mobilization of political power. In their view, the rapid expansion of global economic activity can be reduced neither to a natural law of the market nor to the development of computer technology. Rather, it originated with political decisions to lift international restrictions on capital made by neoliberal governments in the 1980s and 1990s. Once those decisions were implemented, global markets and new technologies came into their own. The clear implication of this perspective is that territory still matters. Hence, globalization sceptics insist on the continued relevance of conventional political units, operating either in the form of modern nation-states or global cities.

The arguments of both hyperglobalizers and sceptics remain entangled in a particularly vexing version of the chicken-and-the-egg problem. After all, economic forms of interdependence are set into motion by political decisions, but these decisions are nonetheless made in particular economic contexts. As we have noted in previous chapters, the economic and political aspects of globalization are profoundly interconnected. There is no question that recent economic developments such as trade liberalization and deregulation have significantly constrained the set of political options open to states, particularly in the global South. For example, it has become much easier for capital to escape taxation and other national policy restrictions. Thus, global markets frequently undermine the capacity of governments to set independent national policy objectives and impose their own domestic standards. Hence, we ought to

acknowledge the decline of the nation-state as a sovereign entity and the ensuing devolution of state power to regional and local governments as well as to various supranational institutions.

On the other hand, such a concession does not necessarily mean that nation-states have become impotent bystanders to the workings of global forces. Governments can still take measures to make their economies more or less attractive to global investors. In addition, nation-states have retained control over education, infrastructure, and, most importantly, population movements. Indeed, immigration control, together with population registration and monitoring, has often been cited as the most notable exception to the general trend toward global integration. Although only 2 per cent of the world's population live outside their country of origin, immigration control has become a central issue in most advanced nations. Many governments seek to restrict population flows, particularly those originating in the poor countries of the global South. Even in the United States, annual inflows of about 1,400,000 immigrants during the 2000s only equalled the levels recorded during the first two decades of the 20th century.

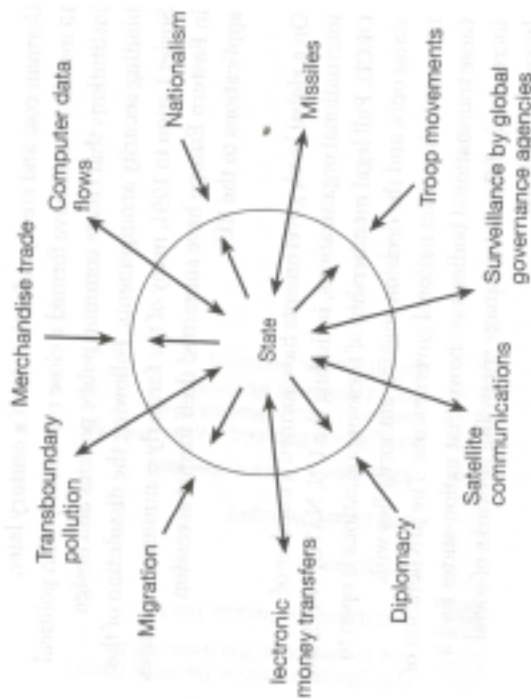
Finally, the series of drastic national security measures that were implemented worldwide as a response to the terrorist attacks of 9/11 reflect political dynamics that run counter to the hyperglobalizers' predictions of a borderless world. Some civil rights advocates still fear that the enormous expansion of national security measures around the world might enable states to re-impose restrictions on the freedom of movement and assembly. At the same time, however, the activities of global terrorist networks have revealed the inadequacy of conventional national security structures based on the modern nation-state system, thus forcing national governments to engage in new forms of international cooperation.

Overall, then, we ought to reject premature pronouncements of the impending demise of the nation-state while acknowledging its increasing difficulties in performing some of its traditional functions. Contemporary globalization has weakened some of the conventional boundaries between domestic and foreign policies while fostering the growth of suprateritorial social spaces and institutions that, in turn, unsettle traditional political arrangements. In the second decade of the 21st century, the world finds itself in a transitional phase between the modern nation-state system and postmodern forms of global governance.

### Political globalization and global governance

Political globalization is most visible in the rise of suprateritorial institutions and associations held together by common norms and interests. In this early phase of global governance, these structures resemble an eclectic network of interrelated power centres such as municipal and provincial authorities, regional blocs, international organizations, and national and international private-sector associations.

On the municipal and provincial level, there has been a remarkable growth in the number of policy initiatives and transborder links between various sub-state authorities. For example, Chinese provinces and US federal states have established permanent missions and points of contact, some of which operate relatively autonomously with little oversight from their respective national governments. Various provinces and federal states in Canada, India, and Brazil are developing their own trade agendas and financial strategies to obtain loans. An example of international cooperation on the municipal level is the rise of powerful city networks like the World Association of Major Metropolises that develop cooperative ventures to deal with common local issues across national borders. 'Global Cities'



### E. The nation-state in a globalizing world

Source: Jan Aart Scholte, 'The globalization of world politics', in John Baylis and Steve Smith (eds.), *The Globalization of World Politics*, 2nd edn. (Oxford University Press, 2001), p. 22

like Tokyo, London, New York, and Singapore tend to be more closely connected to each other than they are to many cities in their home countries.

On the regional level, there has been an extraordinary proliferation of multilateral organizations and agreements. Regional clubs and agencies have sprung up across the world, leading some observers to speculate that they will eventually replace nation-states as the basic unit of governance. Starting out as attempts to integrate regional economies, these regional blocs have, in some cases, already evolved into loose political federations with common institutions of governance. For example, the European Community began in 1950 with French Foreign Minister Robert Schuman's modest plan to create a supranational institution charged with regulating French and

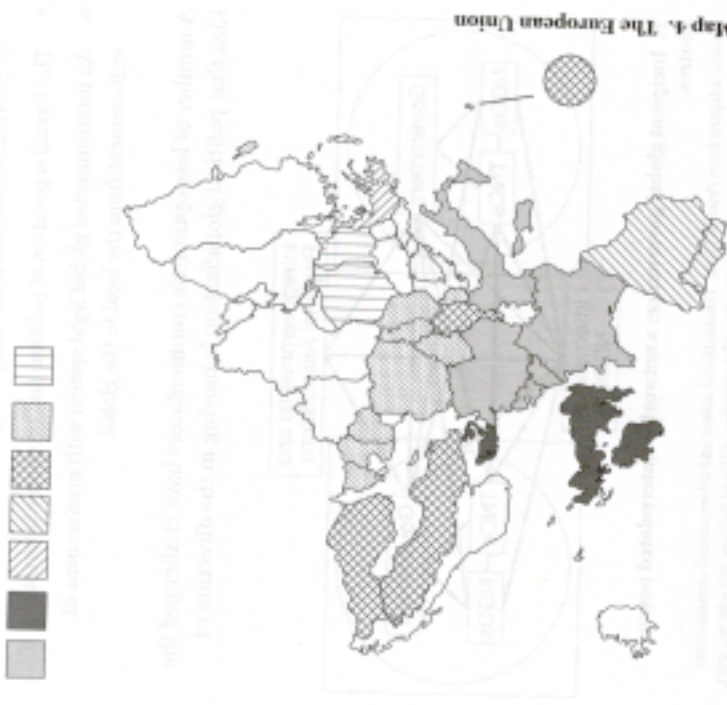
German coal and steel production. Half a century later, 15 member states have formed a close community with political institutions that create common public policies and design binding security arrangements. Following the dissolution of the Soviet Union in 1991, many of the formerly communist countries in Eastern Europe have submitted their formal accession applications to the EU.

On a global level, governments have formed a number of international organizations, including the UN, NATO, WTO, and OECD. Full legal membership of these organizations is open to states only, and the decision-making authority lies with representatives from national governments. The proliferation of these transnational bodies has shown that nation-states find it increasingly difficult to manage sprawling networks of social interdependence.

Finally, the emerging structure of global governance shaped by 'global civil society', a realm populated by thousands of voluntary, non-governmental associations of worldwide reach. International NGOs like Doctors Without Borders or Greenpeace represent millions of ordinary citizens who are prepared to challenge political and economic decisions made by nation-states and intergovernmental organizations. We will examine the 'justice-globalist' activities of some of these organizations in Chapter 7.

Some globalization researchers believe that political globalization might facilitate the emergence of democratic transnational social forces anchored in this thriving sphere of global civil society. Predicting that democratic rights will ultimately become detached from their narrow relationship to discrete territorial units, these optimistic voices anticipate the creation of a democratic global governance structure based on Western cosmopolitan ideals, international legal arrangements, and a web of expanding linkages

1957 (Belgium, France, Germany (West), Italy, Luxembourg, The Netherlands)  
 1973 (Denmark, Ireland, The UK)  
 1981 (Greece)  
 1986 (Spain, Portugal)  
 1995 (Austria, Finland, Sweden)  
 2004 (Czech Republic, Cyprus, Malta, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia)  
 2007 (Bulgaria, Romania)

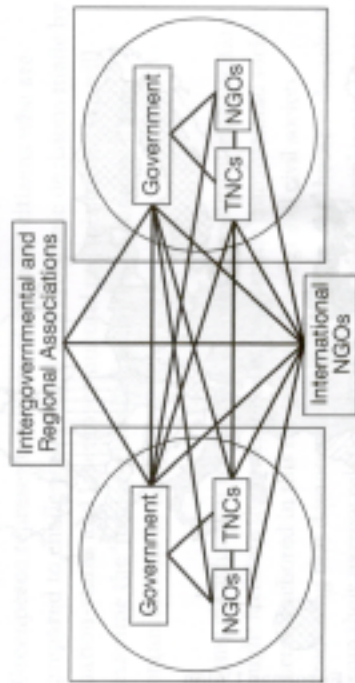


Map 4. The European Union

between various governmental and non-governmental organizations. If such a promising scenario indeed will come to pass, then the final outcome of political globalization might well be the emergence of a cosmopolitan democracy that would constitute the basis for a plurality of identities flourishing within a structure of mutual toleration and accountability. According to David Held, one of the chief proponents of this view, the cosmopolitan democracy of the future would contain the following political features:

1. A global parliament connected to regions, states, and localities;
2. A new charter of rights and duties locked into different domains of political, social, and economic power;
3. The formal separation of political and economic interests;
4. An interconnected global legal system with mechanisms of enforcement from the local to the global.

A number of less optimistic commentators have challenged the idea that political globalization is moving in the direction of



**F. Incipient global governance: a network of interrelated power centres**

Source: adapted from Peter Willets, 'Transnational actors and international organizations in global politics', in Baylis and Smith, *The Globalization of World Politics*, 3rd edition, 2011, p. 338

cosmopolitan democracy. Most criticisms boil down to the charge that such a vision indulges in an abstract idealism that fails to engage current political developments on the level of public policy. Sceptics have also expressed the suspicion that the proponents of cosmopolitanism do not consider in sufficient detail the cultural feasibility of global democracy. In other words, the worldwide intensification of cultural, political, and economic interaction makes the possibility of resistance and opposition just as real as the benign vision of mutual accommodation and tolerance of differences. To follow up on this cultural dimension of globalization, let us turn to the next chapter.