

## Globalization, Global Governance and the *Bonnum Commune*: a Conceptual Investigation

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### A. Introduction

A discussion which centers on three contested terms may turn out to be a formidable undertaking. The terms addressed in the title of this contribution are contested with respect to their meanings, causes and implications. Nevertheless, their indisputable conjuncture points at an important phenomenon, namely the challenge to identify the common good in a changing world, rethink the role of the state in its provision and to move beyond the terminological boundaries of “methodological nationalism”<sup>1</sup> in our academic approximations.

This article does not seek to explain the dynamics of globalization, nor does it claim to take a position with respect to the ‘real’ meaning of these processes. Rather, it seeks to present a structured discussion of the ‘state of the art’ in political science literature on globalization and the common good, point out some taken-for-granted, implicit assumptions in this literature and thereby highlight potential avenues for further research. Particular attention will be paid to the socio-economic dimension of globalization, as

the main task or function of the contemporary state is the promotion of economic activities, whether at home or abroad, which make firms and sectors located within the territory of the state competitive in international markets.<sup>2</sup>

This article is structured in three parts. The next section (Section B) presents an international political economy (IPE) conceptualization of the *bonum commune* and discusses the various ways and means in which globalization challenges the provision of the common good at the national level. Section C takes the notion of the *bonum commune* to the global level and introduces the concept of international governance as a means of providing and distributing worldwide common goods. The concluding section (Section D) adopts a critical perspective on the IPE literature and points at three challenges: the challenge to move beyond purely functional definitions of the common good, the issues of legitimacy and democracy in the framework of global governance, and the need to recast basic analytical categories of political science.

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<sup>1</sup> P. Cerny, *Globalization, Governance and Complexity*, in A. Prakash & J. A. Hart (Eds.), *Globalization and Governance* 188 (1999).

<sup>2</sup> *Id.*, at 199.

## B. Defining the *Bonum Commune* under the Condition of Globalization

Socially desirable outcomes and the conditions for reaching them are common concerns to all major social sciences. However, the terms for these outcomes may vary according to discipline. In economics it may be wealth, in macro-sociology social integration and in political science public welfare or *Gemeinwohl*, the *bonum commune* of all.<sup>3</sup> In contrast to the rulers in Plato's or Aristotle's social philosophy, who knew what is just and lies in the public interest,<sup>4</sup> the meaning of public welfare today has become a contested concept, challenged by the plurality of social groups within a national community and the dissolution of national boundaries under the influence of globalization. This section discusses the mainstream approach to the analysis of the *bonum commune*, as it has developed in political science and in the analysis of domestic politics, before addressing the main challenges that the processes of globalization pose to our understanding of public welfare.

### I. The Conceptualization of the *Bonum Commune* as Common Goods

The standard conceptualization of the *bonum commune* or *Gemeinwohl* in political science is the notion of common goods. Being somewhat more specific than the concept of public welfare or *Gemeinwohl*, which describes a system-wide outcome, common goods can be broadly conceived of as individual goods which, when properly supplied together, constitute the overall state of public welfare or *bonum commune*. Strongly influenced by notions developed in economics especially public finance, common goods have been defined – in contrast to private goods – as goods which cannot be optimally produced by the market. This distinction is seen to result from objective properties inherent in different classes of 'goods', relatively independent from the social values, orientations and political options available in a given society.

In this article the term 'common goods' is used generically for different kinds of public goods irrespective of whether they are formally defined as 'pure' public goods or 'impure' public goods – the latter resting between wholly private and completely public goods.<sup>5</sup> The common characteristic of these goods is that they lack incentives for their provision in the private sector and that it is traditionally the task of the state to produce and provide them.

<sup>3</sup> R. Mayntz, *Common Goods and Governance*, in A. Héritier (Ed.), *Common Goods. Reinventing European and International Governance* 15 (2002).

<sup>4</sup> *Id.*

<sup>5</sup> P. A. Samuelson, *The Pure Theory of Public Expenditure*, 36 *Review of Economics and Statistics* 387-389 (1954); R. A. Musgrave, *The Theory of Public Finance* (1959); M. Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups* (1965).

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This dilemma of common goods derives from two core properties which have been singled out as a characteristic of public goods: nonrivalry in consumption and nonexcludability.<sup>6</sup> Nonrivalry means that the good can be consumed indefinitely and that one person's consumption does not reduce the total available to others. Nonexcludability means that the usage of the good cannot be reserved to a particular person or group, unless at prohibitive costs.<sup>7</sup> Usually, in practice, only one of these two characteristics will be exhibited completely, which is the case of 'impure' public goods. One type of 'impure' public goods are club goods which are nonrivalrous in consumption but excludable. Within a limited group of persons, these goods can be used indefinitely. Although the criteria of excludability contrast with the general public appeal of the *bonum commune*, this distinction is important since it points at the possibility of separate boundaries of what constitutes public welfare within and between societies. Hence what we define as 'public' or 'common' is a matter of definition. Indeed, from a global perspective, one may legitimately ask whether the national demarcation of the common good within territorially bound nation states and their populations is not an instance of 'clubs' (see below). A second type of 'impure' public goods exists when no person can be excluded from their usage but their consumption is rivalrous. Therefore these goods are defined as common pool resources. Without rules that regulate their usage such goods are subject to congestion or depletion, also referred to as the "tragedy of the commons".<sup>8</sup>

Differentiation on the basis of excludability and rivalry has been used to identify two distinct types of collective action problems involved in the supply of common goods. In the case of common pool resources, production is usually naturally given but the problem rests in their scarcity pointing to the collective action difficulty in regulating their consumption (and not their provision). In contrast, the problem of 'pure' public goods is to produce them in the first instance. However, once produced, scarcity is not a problem. These supply problems of the *bonum commune* derive from the rational choice foundations of the public goods literature (as developed in economics) which describes situations where the individual rationality of actors departs from the collective rationality of a society or humanity as a whole. There are two central concepts used to outline these collective action problems, both well known from game theory. Firstly, there is the problem of free-riders, describing the incentives to avoid

<sup>6</sup> Samuelson, *id.*, at 387 defines a public good as one "which all enjoy in common in the sense that each individual's consumption of such a good leads to no subtraction from any other individual's consumption of that good."

<sup>7</sup> A classic example of a 'pure' public good is the traffic light: if one person crosses a street safely thanks to a well-functioning traffic light, this does not lessen the light's utility for other persons, hence the usage of the traffic light is nonrivalrous. At the same time, it would be politically and socially very difficult to reserve usage of the traffic light for one person only (nonexcludability). One could also argue that the traffic light's benefits to each individual multiply as more people obey its signals. Similarly, peace, law and order or good macroeconomic management have been defined as pure public goods.

<sup>8</sup> G. Hardin, *The Tragedy of the Commons*, 162 Science 1243-1248 (1968). Classic examples are the *Allmende*, fish-stocks or other not infinitely renewable common resources.

contributing personal resources to common endeavors.<sup>9</sup> Secondly, the prisoner's dilemma, describing situations in which individuals would profit from cooperation for the provision of common goods, but in absence of institutions and common rules, they face stronger incentives not to cooperate, thus leading to suboptimal outcomes. The solution to these collective action problems is seen in 'governance' through common institutions which stabilize actors' expectations and allow for the pursuit of communal ('Hicks-Kaldor superior' or 'Pareto-superior')<sup>10</sup> in contrast to collectively suboptimal individual goals. This is where the state or, from an international relations perspective, international institutions and regimes come in.<sup>11</sup>

## II. The *Bonum Commune* in Domestic Economies

Although the concept of common goods can be applied to a wide range of economic, environmental or social problems, it has acquired a more specific meaning in the context of western-style, "embedded liberalist"<sup>12</sup> domestic economies. This domestic formulation provides a useful point of departure for the discussion of the more economic relationship between globalization and the *bonum commune*, which is the purpose of this article. In an analogy to Theodore Lowi's famous distinction between three categories of public policy – regulatory, distributive and redistributive<sup>13</sup> – Philip Cerny<sup>14</sup> has distinguished three kinds of traditionally-conceived common goods.

The first category is 'regulatory' common goods which involve the establishment of a workable market framework for the ongoing operation of the sys-

<sup>9</sup> Olson, *supra* note 5, at 113. *See also* Hardin, *supra* note 8, at 1244.

<sup>10</sup> 'Hicks-Kaldor superior' is an outcome that generates net benefits at the aggregate level. 'Pareto superiority' is defined as the outcome that puts at least one participant better off and no participant worse off than the status quo.

<sup>11</sup> At a general level, institutions facilitate collective action by encouraging information flows, by providing arenas for bargaining and by establishing mechanisms for monitoring and enforcing rule-conforming behavior. (R. O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (1984); O. Young, *International Regimes* (1989)). From a more sociological perspective, institutions may also shape the perceptions and interests of actors in the first place, thereby exerting a constitutive impact (P. DiMaggio & W. Powell, *The New Institutionalism in Organizational Analysis* (1991)).

This ideational foundation of institutions is also reflected in the classic definition of international regimes as sets of implicit or explicit principles, norms, rules and decision-making procedures around "which actors' expectations converge in a given area of international relations", S. D. Krasner, *Structural Causes and Regime Consequences: Regimes as Intervening Variables*, in S. D. Krasner (Ed.), *International Regimes 2* (1983). For a comparison of the different strands of new institutionalism, *see* P. Hall & R. Taylor, *Political Science and the Three New Institutionalisms*, 44 *Political Studies* 936-975 (1996).

<sup>12</sup> J. G. Ruggie, *International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order*, in S. D. Krasner (Ed.), *International Regimes* 491-517 (1983).

<sup>13</sup> T. Lowi, *American Business, Public Policy, Case Studies, and Political Theory*, 16 (4) *World Politics* 677-715 (1964); T. Lowi, *The End of Liberalism: Ideology, Polity, and the Crisis of Public Authority* (1969).

<sup>14</sup> P. G. Cerny, *Globalization and the Changing Logic of Collective Action* (1994), at 30 *et seq.*

tem as a whole. Traditionally, this has included the establishment and protection of private (and public) property rights, a stable currency and the abolition of internal barriers to production and trade within the national market. It also includes the standardization of various facilitating structures such as systems of weights and measures, a legal system to sanction and enforce contracts as well as adjudicating disputes, regulatory measures to stabilize and coordinate economic activities, a system of trade protection and various mechanisms to counteract serious market failures such as 'lender of last resort' facilities, emergency powers etc.

The second category of common goods relates to state-controlled or state-sponsored activities of production and distribution, also referred to as 'productive/distributive' goods. Conventionally, this included the full or partial public ownership of certain industries, the direct or indirect provision of infrastructure and public services, direct or indirect involvement in finance capital and public subsidies.

The third type of 'redistributive' common goods, are directly linked to the development of the welfare state and include health and other benefits, employment policies and environmental protection.

According to Philip Cerny, a central dynamic behind this traditional conception of common goods lies in the specific historical context of what he refers to as the Second Industrial Revolution state.<sup>15</sup> This form of 'embedded' liberal welfare state, which became common in (western) Europe after World War II, was shaped through corporatism by the convergent and parallel development of political and economic structures at the level of the nation state and the development of links between the two.<sup>16</sup> In some respects, the era of globalization might point to the end of this convergence, as expresses in the growing disparity between the geographical reach of economic processes and the territorial scope of the state as well as a greater divide between the agents and bearers of the positive and negative externalities of economic activity.

### III. How Globalization Challenges the *Bonum Commune*

From an economic point of view, globalization can be understood as the process by which an international economy (with movements in trade, investments, and payments crossing national frontiers and regulated by states and the international organizations created by them), is gradually moving towards a world economy (with production and finance being organized in cross-border networks, partly beyond national and international regulatory powers).<sup>17</sup> Notwith-

<sup>15</sup> Drawing on Polany's 'Great Transformation' (1944), the Second Industrial Revolution refers to the shift from the First Industrial Revolution's attempt to establish a self-regulating market for the corporate, social democratic and national welfare state which emerged in the 1930s and became dominant in western Europe after World War II. See Cerny, *supra* note 14, at 22 *et seq.*

<sup>16</sup> *Id.*, at 29 *et seq.*

<sup>17</sup> B. Madeuf & C.-A. Michalet, *A New Approach To International Economics*, 30 (2) International Social Science Journal 253-283 (1978). More recent definitions stick to this distinction, *see*,

standing the impressive ‘inflation’ of the term globalization, political scientists are strongly divided over its scope and implications. The globalization debate is split between the globalists who observe a decline of the state in the face of denationalized economies,<sup>18</sup> and the skeptics, who refute the unprecedentedness of current levels of interdependence and underline the continuity of states’ interventionist powers.<sup>19</sup> An alternative view is proposed by the ‘transformationalists’ (the term is taken from Held<sup>20</sup>). Without worrying too much about the end-state of these processes ‘transformationalists’ regard globalization as a historically unprecedented transformation in which states and societies across the world face the challenge of adapting to the gradual dissolution of the distinction between international and domestic boundaries as well as external and internal affairs.<sup>21</sup> While a comprehensive discussion of the contents and limits of the notion of globalization would exceed the scope of this article, a preliminary general definition taken from Held *et al.* regards globalization

as a process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions – assessed in terms of their extensity, intensity, velocity and impact – generating transcontinental or interregional flows and networks of activity, interaction, and the exercise of power.<sup>22</sup>

The main economic manifestations of globalization are the emergence of worldwide trade and markets, international financial markets and corporate power in worldwide production networks. The effects of these processes on a government’s capacity to ensure national prosperity are manifold. The increased

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*e.g.*, Keohane and Nye’s definition of ‘globalism’ as “state of the world involving networks of interdependence at multicontinental distances” in contrast to ‘simple’ interdependence between nation states. R. O. Keohane & J. S. Nye, *Globalization: What’s New? What’s Not? (And So What?)*, 118 *Foreign Policy* 105 (2000).

<sup>18</sup> For instance, S. Gill (Ed.), *Globalization, Democratization and Multilateralism* (1997); K. Ohmae, *The Borderless World: Power and Strategy in the Interlinked Economy* (1990); K. Ohmae, *The End of the Nation State: The Rise of Regional Economics. How New Engines of Prosperity are Reshaping Global Markets* (1995); S. Strange, *The Retreat of the State. The Diffusion of Power in the World Economy* (1996). Within the globalist camp, of course, there is deep normative divergence, on the one hand between, the neoliberals who celebrate the victory of the market principle and of individual autonomy over state power, and critical or neo-Marxist theorists on the other hand, who criticize the global triumph of capitalist forces over the state and social welfare. In any case, these different views converge in the suggestion that globalization yields the end of the Westphalian and welfare state (*see also* Prakash & Hart, *supra* note 1, at 12 *et seq.*).

<sup>19</sup> R. Boyer & D. Drache (Eds.), *States Against Markets* (1996); P. Hirst & G. Thompson, *Globalization in Question. The International Economy and the Possibilities of Governance* (1996); S.D. Krasner, *Economic Interdependence and Interdependent Statehood*, in R.H. Jackson & A. James (Eds.), *States in a Changing World* (1993).

<sup>20</sup> D. Held, A. McGrew, D. Goldblatt & J. Perraton, *Global Transformations. Politics, Economics and Culture* (2000).

<sup>21</sup> A. Giddens, *The Consequences of Modernity* (1990); J. Rosenau, *Turbulence in World Politics* (1990); J. Rosenau, *Along the Domestic-Foreign Frontier* (1997); J. G. Ruggie, *Territoriality and Beyond: Problematising Modernity in International Relations*, 47 (1) *International Organization* 139-174 (1993).

<sup>22</sup> Held, *supra* note 20, at 15.

intensity of trade relations makes national economies more vulnerable to international fluctuations, thereby limiting the impact of national macroeconomic management. This is intensified by the liberalization of capital flows which has increased pressure on most OECD countries to pursue tight domestic monetary policies. Especially in the light of persistent budgetary deficits, expansionary macroeconomic policies bear the risk of higher inflation or higher taxes, which may induce either capital flight or higher interest rates.<sup>23</sup>

With regard to the traditional common goods in western 'embedded liberal' economies summarized above, it should be pointed out that many regulatory issues can no longer be effectively dealt with at the national level and require international coordination. In some areas, regulatory challenges can be met through intergovernmental cooperation (e.g. WTO) or transnational private actors (e.g. international standards setting, see Mattli<sup>24</sup> or transnational economic disputes, see Lehmkuhl<sup>25</sup>). However, other areas of global interdependence lack effective and coordinated regulatory policies (e.g. financial and currency markets). At the same time, traditional macroeconomic instruments available to national governments within their own domestic economies have lost much of their regulatory impact. This trend is strengthened by the rise of multinational corporations (MNC). With their capacity to shift production across national borders, the operations of MNC may impact on the effectiveness of the traditional tools of economic management in several ways. The possibility to siphon off rising revenues in one country by shifting investment elsewhere may reduce the impact of demand management policies on unemployment and output. The effectiveness of national monetary policies gets circumscribed when MNCs take the opportunity to borrow funds from abroad when domestic interest rates are high or take advantage of low domestic interest rates to finance projects overseas. Moreover, the capacity to shift production elsewhere may limit the country's capacity to tax capital, thus reducing the tax base and eventually shifting the burden of taxation on to less mobile factors such as labor.<sup>26</sup> and, therefore, impinging upon redistributive issues (see below).

Another effect on domestic common goods, which is linked to the process of globalization, relates to productive/distributive goods and concerns the privatization of formerly 'strategic', publicly owned industries such as the railway, air-transport, telecommunications or basic energy industries. On the one hand, these industries are no longer perceived as 'strategic', i.e. "as core industries without the *domestic* control of which a national economy would become both

<sup>23</sup> Of course, it must be said that many of these processes are not promoted by 'globalization' alone but also by other forces such as a trend towards decentralization, fiscal constraint, distrust of government, increasing participation by special interests etc.

<sup>24</sup> W. Mattli, *Governance and International Standard Setting*, 8 (3) Journal of European Public Policy: Special Issue 328-344 (2001).

<sup>25</sup> D. Lehmkuhl, *Structuring Dispute Resolution in Transnational Trade: Competition and Co-evolution of Public and Private Institutions*, in M.-L. Djelic & S. Quack (Eds.), *Globalisation and Institutions – Redefining the Rules of the Economic Game* 278-301 (2002).

<sup>26</sup> Held, *supra* note 20, at 276 *et seq.*

structurally weak-and, indeed, military weak.”<sup>27</sup> On the other hand, public ownership is increasingly being regarded as less efficient than the market in providing these goods. As a result, former state monopolies have been transformed into competitive markets with a shift from the public to the private provision of common goods.<sup>28</sup> Finally, perhaps the most controversial impact of globalization on domestic economies concerns its direct or indirect effects on the state’s capacity to provide redistributive public goods. Global financial markets are seen to induce convergence of political and social agendas among governments irrespective of partisan relationships towards ‘market friendly’ policies. According to existing literature, this is seen in the context of a more general commitment to price stability, low public deficits and expenditures (especially on social policies) and low direct taxation or labor market de-regulation.<sup>29</sup> According to some observers, capital mobility has reached a point where it is undermining the ability of the state “to generate the public resources needed to finance social insurance schemes.”<sup>30</sup> This trend is paralleled by the rise of MNCs whose ability to organize transnationally is seen to lead to a global *Standortwettbewerb*, which increases corporate power relative to the power of labor and may exert a downward pressure on social and environmental standards, wages, working conditions and taxes. Other redistributive effects of globalization result from the asymmetrical benefits of foreign trade on factors of production,<sup>31</sup> sectors or industries,<sup>32</sup> and firms.<sup>33</sup> Whereas empirical studies show that overall welfare spending has not decreased,<sup>34</sup> a shift can be observed in the political emphasis and funding of welfare provisions.<sup>35</sup> Perhaps, the stability of the overall amount of welfare spending is in itself an indication of the impact of globalization, since its asymmetrical effects call for institutionalized mechanisms for redistribution to balance the benefits of the ‘winners’ of globalization against the ‘losers’.

<sup>27</sup> Cerny, *supra* note 14, at 33.

<sup>28</sup> E. Grande & B. Eberlein, *Regulation and Infrastructure Management: German Regulatory Regimes and the EU Framework*, 1 (1) German Policy Studies/Politikfeldanalyse 39-66 (2000); A. Héritier, *After Liberalization: Public-Interest Services in the Utilities*, Working Paper of the Max Plank Project Group Common Goods (1998); K. König & A. Benz, *Privatisierung und Staatliche Regulierung - Bahn, Post und Telekommunikation, Rundfunk* (1997).

<sup>29</sup> R. Cox, *Economic Globalization and the Limits to Liberal Democracy*, in A. McGrew (Ed.), *The Transformation of Democracy? Globalization and Territorial Democracy* 49-72 (1997); S. Gill, *Globalization, Market Civilization, and Disciplinary Neorealism*, 24 (3) *Millennium* 399-423 (1995); F.W. Scharpf, *Demokratie in der transnationalen Politik*, in W. Streek (Ed.), *Internationale Wirtschaft, Nationale Demokratie. Herausforderungen für die Demokratietheorie* 151-174 (1998); Strange, *supra* note 18.

<sup>30</sup> D. Rodrick, *Has Globalization Gone Too Far?* 73 (1997).

<sup>31</sup> R. Rogowski, *Commerce and Coalitions: How Trade Affects Domestic Political Alignments* (1989).

<sup>32</sup> J. A. Frieden, *Invested Interests: the Politics of National Economic Policies in a World of Global Finance*, 45 (4) *International Organization* 425-451 (1991).

<sup>33</sup> H. Milner, *Resisting Protectionism: Global Industries and the Politics of International Trade* (1988).

<sup>34</sup> T. Bernauer, *Staaten im Weltmarkt* (2000); P. Pierson, *Dismantling the Welfare State? Reagan, Thatcher, and the Politics of Retrenchment* (1996).

<sup>35</sup> Cerny, *supra* note 14, at 35.



This is more evident in a world-wide perspective, where a growing divide between the industrialized and the developing world has left increasing part of the third world in dire poverty.

With the increasing global integration of markets and, consequently, the global reach of positive and negative externalities beyond national borders (especially on developing countries and the environment) the question arises as to whether the Westphalian state is still the most appropriate unit for safeguarding the 'common goods'. Moreover, we begin to have a clearer picture as to how far have new forms of "governance without government"<sup>36</sup> come to supersede the classic functions of government. As a preliminary conclusion, it can be said that economic globalization implies a deep transformation of the role and the shape of the nation-state and the context in which common goods are produced and distributed. Drawing on the existing literature, five trends can be discerned.<sup>37</sup>

Nation states no longer operate autonomously in the realm of foreign policy or international relations. Instead, they are increasingly enmeshed in complex multilevel systems in which resources and responsibilities are shared with agencies at the international and subnational level.

The traditional distinction between domestic and foreign policy as "not part of the same universe"<sup>38</sup> is no longer clear cut. With regard to the processes described above, regulation of global financial markets, threats to the tax base of individual countries and the absence of capital control dissolve the boundary between domestic and international economic policy.

Globalization transforms core aspects of statehood, namely sovereignty (both with regard to its internal and external legitimacy), resources (especially the capacity to raise taxes or hold discussions on the imposition of taxes on common goods such as capital transactions) as well as the formulation and realization of the goals of government. These issues are increasingly defined at the international level, with the nation-states taking the task of implementation.<sup>39</sup>

A fourth trend refers to power shifts between states, the economy and what is commonly referred to as civil society, with private actors acquiring increasing influence in the provision of the common good.<sup>40</sup>

The shifting boundaries of economic processes and political action are paralleled by a transformation of the notion of a political community or society,

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<sup>36</sup> J. N. Rosenau & E. O. Czempiel (Eds.), *Governance without Government. Order and Change in World Politics* (1992).

<sup>37</sup> Rosenau, *supra* note 21; Giddens, *supra* note 21; Ruggie, *supra* note 21; W. H. Reinicke, *Global Public Policy. Governing without Government?* (1998); M. Zürn, *Regieren jenseits des Nationalstaates. Globalisierung und Denationalisierung als Chance* (1998).

<sup>38</sup> Lowi, *supra* note 13, at 689.

<sup>39</sup> Zürn, *supra* note 37, at 329 *et seq.*

<sup>40</sup> A. Héritier, *Common Goods. Reinventing European and International Governance* (2002); C. Knill & D. Lehmkuhl, *Private Actors and the State: Internationalization and Changing Patterns of Governance*, 15 (1) *Governance* 41-63 (2002).

which can lesser and lesser be located within the boundaries of a single nation-state.<sup>41</sup>

### C. Taking the *Bonum Commune* to the Global Level

Although the scope and implications of the processes discussed in the previous section are contested, it can be argued that the globalization of trade, finance and production transforms both *the conditions* under which wealth and the *bonum commune* is created and distributed as well as *the context* in which, and the instruments through which, state power and authority are exercised. The traditional division of labor between the two pillars of the postwar grand design, the Keynesian welfare state at the national level and the system of free trade at the international level, has become blurred.<sup>42</sup> Welfare states face more and more difficulties in streamlining the distributional consequences of free trade and safeguarding social justice through full employment and social policies (wages, education, social safety...). At the same time, the expected convergence in economic performance by all states as a consequence of free trade (i.e. comparative advantages), foreign aid, investment and technology flows and preferential tariffs has not occurred, thus creating a growing gap between industrialized and developing countries.

In summing up the results of this section it can be said that the generic structure of social problems (who causes a problem), their impact structure (who benefits and who suffers from it), and their coping structure (who engages in the solution of the problem) no longer overlap.<sup>43</sup> Thus, two concepts need to be re-considered:

- firstly, our definition of the social problems which need to be solved, that is our understanding of the common good;
- secondly, our conception of the institutional mechanisms designed to cope with these problems, that is the creation and the distribution of the common good.

#### I. Global Common Goods

The procedures of economic globalization sketched above illustrate a decline in the capacity of the state to provide traditional common goods and point at a

<sup>41</sup> M. Albert, *Zur Politik der Weltgesellschaft. Identität und Recht im Kontext internationaler Vergesellschaftung* (2002); V. Bornschier, *Weltgesellschaft. Grundlegende soziale Wandlungen* (2002).

<sup>42</sup> E. B. Kapstein, *Distributive Justice as an International Public Good. A Historical Perspective*, in I. Kaul, I. Grunberg & M. A. Stern (Eds.), *Global Public Goods. International Cooperation in the 21<sup>st</sup> Century* (1999); J. H. Mittelman, *The Dynamics of Globalization*, in J. H. Mittelman (Ed.), *Globalization. Critical Reflections* 1-19 (1997).

<sup>43</sup> Mayntz, *supra* note 3, at 23 *et seq.*

change in the relationship between our understanding of common and private goods. According to Cerny,

many of what were thought to constitute collective [or common] goods at the time of the Second Industrial Revolution are either no longer controllable by the state because they have become transnational in structure and/or constitute private goods in a wider world marketplace.<sup>44</sup>

This confronts us with the necessity to rearticulate our notion of the *bonum commune* in the context of globalization.

The concept of global common goods is relatively new and has achieved prominence with the recent publication by the United Nations Development Programme UNDP entitled *Global Public Goods*.<sup>45</sup> In this volume, the concept of global common (or public) goods is presented as a tool to cope better with global international crises and to ensure the provision of such diverse goods as market efficiency, equity, health, environmental sustainability, and peace. The underlying idea is that the transformation of the national context for the provision of common goods implies that the contents of these goods can be defined less and less within national boundaries, and that “today international, and particularly global, public goods are becoming more central to national and individual well-being.”<sup>46</sup> The criteria for identifying such goods are relatively open, and basically draw a direct analogy with the classical criteria of nonrivalry and nonexcludability developed in economics. The global common goods in the economic sphere identified in this volume include market efficiency and financial stability. These goods are seen to be more than just national because with “increased economic openness and market integration” they have gained universal purpose, that is they benefit “all countries, socio-economic groups and generations.”<sup>47</sup> In analogy to Samuelson, Musgrave and others the essential definition of these goods as ‘common’ (in contrast to ‘private’) is derived from “the existence of a provision problem, by their nature, they cannot easily be provided by the “invisible hand” of the market.”<sup>48</sup> According to this logic, the very ‘globality’ of these common goods exacerbates the supply (or collective action) problems since the beneficiary groups “are likely to be extremely large” and diverse, with states acting internationally “like private actors, motivated by national self-interest.”<sup>49</sup>

While the examples provided in this article are still fairly general, the concept of global goods has found recognition as ‘a powerful one’ since “it helps us

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<sup>44</sup> Cerny, *supra* note 2, at 199.

<sup>45</sup> I. Kaul, I. Grunberg & M. A. Stern (Eds.), *Global Public Goods. International Cooperation in the 21st Century* (1999).

<sup>46</sup> I. Kaul, I. Grunberg & M. A. Stern, *Defining Global Public Good*, in Kaul, Grunberg & Stern (Eds.), *supra* note 45, at 9.

<sup>47</sup> *Id.*, at 10.

<sup>48</sup> *Id.*, at 14.

<sup>49</sup> *Id.*, at 15.

think through the special responsibilities of the international community.”<sup>50</sup> Apart from its academic appeal, this concept has also become influential in policy contexts, as reflected in a recent report issued by the *Enquete Kommission* of the German *Bundestag* on Globalization. This 600 pages document, which summarizes the main results of some forty experts’ reports reached over a period of three years, adopts the notion of ‘global common goods’ developed by Kaul, Grunberg and Stern and identifies the following issues as global common goods: the protection of the climate and the ozone layer, the preservation of biological diversity, a global health infrastructure and stable financial markets.<sup>51</sup>

## II. Providing Global Common Goods: Global Governance

This shift of the notion of the *bonum commune* from domestic to global level involves a reconceptualization of the locus of government. While to a certain degree, states can maintain authoritative power over the creation and distribution of common goods through intergovernmental cooperation, this capacity is circumscribed through the dynamics of globalization. If both the internal capacity of states to provide domestic common goods and their external capacity to make credible international commitments in the ‘anarchical’ international system are undermined, then we need to rethink the traditional division of labor between the domestic and the international inherent in the Westphalian state system and the political theory that followed it. The notion of global common goods challenges both familiar views of hierarchical government within national boundaries and traditional understandings of the structure of international relations, in particular the anarchical world view proclaimed in mainstream (neo-)realist approaches.<sup>52</sup>

The new buzz-word that has emerged to face this extraordinary challenge is that of ‘global governance’. Although this concept is still very open and diffuse,<sup>53</sup> its advocates often advance it via a negative definition that contrasts with

<sup>50</sup> Joseph Stiglitz quoted in R. Gardiner & K. LeGoulven, *Sustaining Our Global Public Goods*, in Heinrich Böll Foundation (Ed.), *Towards Earth Summit Economic Briefing No. 3* (2002), at 1.

<sup>51</sup> Bundestag, *Schlussbericht der Enquete Kommission Globalisierung der Weltwirtschaft – Herausforderungen und Antworten* 416 *et seq.* (2002). According to the report, the global good of stable financial markets should entail at the global level i.e. the stabilization of currency markets, re-regulation of national and international financial markets to reduce the volatility of capital mobility (in particular through surveillance or monitoring, prudential behavior, transparency and cooperation), the regulation of offshore centers, the reform of international financial institutions, measures to counter development problems and the debt crisis (*id.*, at 90 *et seq.*).

<sup>52</sup> Yet, it is important to note that mainstream IR theory has been very much influenced by US academic discourse. A good example of a more Grotian world view is the so-called English School which underlines the rule based, ‘societal’ character of international relations, see H. Bull, *The Anarchical Society* (1977). For a critical discussion of the underpinnings of mainstream International Relations see B. Jahn, *The Cultural Construction of International Relations: The Invention of the State of Nature* (2000).

<sup>53</sup> L. S. Finkelstein, *What is Global Governance*, 1 (3) *Global Governance* 367-372 (1995); R. Latham, *Politics in a Floating World: Toward a Critique of Global Governance*, in M. Hewson & T. J. Sinclair (Eds.), *Approaches To Global Governance Theory* 23-53 (1999).

other. suboptimal strategies to deal with the challenges of globalization. These suboptimal strategies include defensive intervention (i.e. protectionism), offensive intervention (i.e. de-regulation), subsidies or other unilateral measures to increase national competitiveness, regional integration<sup>54</sup> and state-centered intergovernmental cooperation, which finds its limits in the increasingly cross-sectoral character of many global problems. These problems are due to their high degree of complexity and sensitivity vis-à-vis strongly heterogeneous societal groups.<sup>55</sup> The Commission on Global Governance (CGG), which was established in 1992 on the initiative of the former German Chancellor Willy Brandt, defines 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 cooperative action may be taken.<sup>56</sup>

In short, global governance has the following characteristics: it is based on the action of multiple arenas (public and private, including both NGOs and economic actors) and multiple levels of policy making (local, national, regional and international) and occurs through the coordinated action of global policy networks linking these various actors.<sup>57</sup> Furthermore, in contrast to the term cooperation, governance implies a system of rules that exceeds the voluntarism implicit in the term cooperation.<sup>58</sup> Although not negating the important role played by states, the notion of global governance includes some elements that guide the activities of states and make them stick to a collective framework of action. However, in contrast to hierarchical modes of government, a distinctive characteristic of global governance is the emphasis on more informal types of political action or “policy-making without legislating”.<sup>59</sup> These include legally non-binding ‘soft law’, the exchange of best practices, benchmarking, voluntary codes of conduct, private public partnerships or more generally mutual persuasion and learning.

<sup>54</sup> It is notable that regional integration, especially its advanced form in the European Union, is often discussed as a model for global governance, see D. Messner, *Globalisierung und Global Governance – Entwicklungstrends am Ende des 20. Jahrhunderts*, in J. Siegelberg & K. Schlichte (Eds.), *Strukturwandel in den Internationalen Beziehungen* 369 *et seq.* (2000).

<sup>55</sup> T. Brenner, A. Obser, W. H. Reinicke & J. M. Witte (Eds.), *Global Public Policy: Chancen und Herausforderungen vernetzten Regierens*, 4 *Zeitschrift für Politik* (2001).

<sup>56</sup> Commission on Global Governance, *Our Global Neighbourhood* (1995), at 2f.

<sup>57</sup> Reinicke, *supra* note 37; Brenner, *supra* note 55; Héritier (Ed.), *supra* note 40; M. Hewson & T. J. Sinclair (Eds.), *Approaches to Global Governance Theory* (1999). A. Prakash & J. A. Hart, *Globalization and Governance: an Introduction*, in Prakash & Hart (Eds.), *supra* note 1. For a good overview of the genesis and structure of the debate on global governance see H. Mürle, *Global Governance. Literaturbericht und Forschungsfragen*, INEF Report Heft 32 (1998).

<sup>58</sup> This is where the debate on the legalization of international relations comes in, see special issue of 54 (3) *International Organization on Legalization and World Politics* (2000).

<sup>59</sup> A. Héritier, *New Modes of Governance in Europe: Policy-Making without Legislating?* in Héritier (Ed.), *supra* note 40, at 185-206.

For advocates of global governance in political<sup>60</sup> and academic discourse, international rule is the political answer to the challenges of globalization.<sup>61</sup> To a certain degree, global governance is also presented as a corrective force to the neoliberal *Zeitgeist* and as a means to redress the “negative economic, social, and environmental tendencies of international markets.”<sup>62</sup> The contents of global governance are deliberately left open, subject to the ‘innovative’ interchange between civil society and political actors.<sup>63</sup> Linking up with the work of Kaul, Grunberg and Stern, global governance can be understood as an answer to three key weaknesses in the current relationship between domestic politics and international relations in the provision of the common good:<sup>64</sup>

- the jurisdictional gap between national jurisdictions and global challenges;
- the participation gap between international, mainly intergovernmental, structures of cooperation and voiceless groups as well as increasingly influential private actors; and
- the incentive gap, reflecting the need for equitable benefits for all participating actors.

#### D. Global Common Goods and Global Governance: For Whom and For What Purpose?

In a famous quote, Robert Cox warned that “theory is always for someone and for some purpose. All theories have a perspective. Perspectives derive from a position in space and time, specifically social and political time and space.”<sup>65</sup> In this section of the article, I shall discuss the notions of global common goods and global governance from a critical perspective highlighting some implicit assumptions in these concepts. Far from advancing an alternative or denying the important challenges that globalization poses to our understanding of the *bonum commune*, this section shall draw attention to some weaknesses in the current debates, and propose some directions for further research. This section starts

<sup>60</sup> More politically oriented work on global governance at the international level includes the activities of the Commission for Global Governance (CGG), see [www.cgg.ch](http://www.cgg.ch); the Club of Rome, see [www.clubofrome.org](http://www.clubofrome.org); the OECD, see [www.oecd.org/puma/](http://www.oecd.org/puma/); the world bank, see [www.worldbank.org](http://www.worldbank.org). For discussions on the reform of the UN, see V. Rittberger (Ed.), *Global Governance and the United Nations System* (2002).

<sup>61</sup> Accordingly, the Enquete Kommission of the German Bundestag notes: “Auf den einfachsten Nenner gebracht bedeutet ‘Global Governance’, den Prozess der Globalisierung politisch zu gestalten.” (Bundestag, *supra* note 51, at 415).

<sup>62</sup> Bundestag, *supra* note 51, at 418 (own translation).

<sup>63</sup> See Brenner *et al.*, *supra* note 55, at 7; Bundestag, *supra* note 51, at 417.

<sup>64</sup> I. Kaul, I. Grunberg & M. A. Stern, *Conclusion. Global Public Goods: Concepts, Policies and Strategies*, in: Kaul, Grunberg & Stern (Eds.), *supra* note 45, at 466 *et seq.*; I. Kaul, I. Grunberg & M. A. Stern, *Introduction*, in: Kaul, Grunberg & Stern (Eds.), *supra* note 45, at xxvi *et seq.*

<sup>65</sup> R. W. Cox, *Social Forces, States, and World Orders: Beyond International Relations Theory [1981]*, in: R. W. Cox & T. J. Sinclair (Eds.), *Approaches to World Order* 87 (1996).

with a critique of the concepts of global governance and global common goods in literature and then goes on to address the questions of political legitimacy and democratic accountability. It concludes with a reflection on the challenges that these concepts pose for the political science agenda and the analytical tools it has at its disposal.

### **I. How Do We Know a Global Common Good When We See One?**

The main criticism of the literature on global common goods and global governance is its functionalist argumentation which derives the contents of the *bonum commune* from allegedly objective properties inherent in different classes of goods, relatively independent from social values and orientations. Drawing on concepts developed in economics, the definition of common goods rests on two criteria which are seen to be fixed in nature and independent from human judgment: non-rivalness and non-excludability. But if we accept David Easton's dictum that politics is about the "authoritative allocation of values",<sup>66</sup> then either the provision of common goods is not political or these presumably objective criteria are the wrong point of departure for clarifying the definition of common goods. A purely functionalist approach ignores that the classification debate between Samuelson, Musgrave and Olson "was associated with major policy issues over the role of government in allocating resources"<sup>67</sup> and that ultimately, "a public good is one that the public decides to treat as a public good."<sup>68</sup> In other words, the distinction between public or common and private goods is socially constructed; it is dependent on the political values and orientations prevailing in a given society and on the political options available in a given cultural and historical context. While this objection has been stated with regard to domestic politics,<sup>69</sup> it is also crucial from the point of view of international relations under the influence of globalization since "today, the heart of political debate is about choosing among competing conceptions of what should be treated as public and what should not."<sup>70</sup> It is crucial because the concept of common goods is ultimately about the role of government and carries "a normative statement about how the world should be."<sup>71</sup>

In the light of the intensifying polarization of the globalization debate, the grounding of the notion of global governance on a functionalist understanding of the common good is at the very least surprising. With its implicit connotations on what governments should do, such an understanding of global govern-

<sup>66</sup> D. Easton, *The Political System. An Enquiry into the State of Political Science* (1971).

<sup>67</sup> E. Ostrom, *Property-Rights Regimes and Common Goods: A Complex Link*, in A. Héritier (Ed.), *Common Goods. Reinventing European and International Governance* 29 (2002).

<sup>68</sup> J. Malkin & A. Wildavsky, *Why the Traditional Distinction Between Public and Private Goods Should Be Abandoned*, 3 (4) *Journal of Theoretical Politics* 355-378, at 372 (1991).

<sup>69</sup> Malkin & Wildavsky, *supra* note 68.

<sup>70</sup> Cerny, *supra* note 2, at 99.

<sup>71</sup> Malkin & Wildavsky, *supra* note 68, at 373.

ance could easily be instrumentalized by the growing anti-globalization movement as an alternative to the dominant neoliberal *Zeitgeist*.<sup>72</sup> Conversely, a presumably value-free, objective handling of the concept could also attract the critique of neo-Marxist approaches for being yet another representation of a hegemonic discourse dominated by Western business elites.<sup>73</sup> In the words of Robert Latham, the attraction of global governance lies in its “open and diffuse, if not a little noncommittal” appearance, which

may just fit too neatly into the global *Stimmung*, or mood of the times, match too closely the rhetoric of policymakers and bureaucrats, and make us too complacent about what is at stake in structures and practices that can sometimes be oppressive.<sup>74</sup>

In fact, there is a tendency among some academics to treat virtually every instance of functional, more or less institutionalized, coordination among private and public actors at different levels of governance as a successful form of global governance (especially in the work coordinated by Wolfgang Reinicke). Such a functionalist view, however, overlooks the fact that, even if objectively this opinion could be contested, international institutions can be “seen as serving the vested interests of the powerful and privileged.” This is more true as we shift towards global institutions in a heterogeneous world.<sup>75</sup> These observations point at the question of legitimacy in a framework of global governance, and the problem of democratic accountability.

## II. Global Governance – Legitimate and Democratic?

From a political science perspective, every discussion about governance – be it local, national, or global – would be incomplete without some reflection on its legitimacy and democratic underpinnings. The predominantly functionalist approach to common goods and global governance discussed above tends to neglect the importance of these problems by focusing on the output legitimacy of global public policy, and the idea that universal problems can only be solved by global solutions.<sup>76</sup> Input legitimacy, or the participatory side of democracy, is implicitly warranted through the very definition of global governance which, by

<sup>72</sup> U. Brand, A. Brunnengräber, L. Schrader, Ch. Stock & P. Wahl, *Global Governance. Alternative zur neoliberalen Globalisierung* (2000).

<sup>73</sup> E.g. M. Hardt & A. Negri, *Empire* (2001); N. Klein, *No Logo: No Space, No Choice, No Jobs* (2001). The same polarization can also be observed in the globalization debate in which neoliberal globalists have been criticized for using the discourse about the fatality of internationalism as a ruse to undermine the power of labor and other supporters of an activist state (see e.g. I. R. Douglas, *Globalization as Governance: Toward an Archeology of Contemporary Political Reason*, in Prakash & Hart, *supra* note 1; N. Paech, *Grundlagen einer Global Governance. Gutachten für die Arbeitsgruppe “Global Governance” der Enquete Kommission “Globalisierung der Weltwirtschaft” des Deutschen Bundestags* (AU Stud 14/14) (2001).

<sup>74</sup> Latham, *supra* note 53, at 24, 25.

<sup>75</sup> R. O. Keohane, *Governance in a Partially Globalized World. Presidential Address*, 95 (1) *American Political Science Review* 1-13, at 7 (2001).

<sup>76</sup> I. Kaul, I. Grunberg & M. A. Stern (Eds.), *supra* note 45.



integrating the major public and private stakeholders in global policy networks, should ensure that those who decide are the ones affected by global governance.<sup>77</sup>

From the point of view of democratic theory five points of caution can be raised. The first, most general point refers to the implicit assumption of a global public, which implies that certain (global) problems require the same (global) solutions everywhere in the world, so “that all social situations are or should be much the same in their essentials and that political rule and capital investment have universal functional needs.”<sup>78</sup> However, “[t]he heterogeneity of the world’s population makes it impossible to imagine any single ideology providing the basis for a coherent, value-based system of global governance.”<sup>79</sup> The assumption of a good as global implies that people must consume that good and cannot avoid doing so. For instance, industrialized countries seeking to maintain financial stability may invest in tighter financial supervision and regulation of currencies and investors and even take action to encourage other countries to do so. However, developing countries can be overburdened by such activities and feel that dealing with more immediate domestic problems such as health, food, security, indebtedness etc. would be more useful for them. The same could apply to environmental sustainability. Industrialized countries (the main culprits of global warming) may decide to allocate resources to act upon it, while developing countries may not necessarily be persuaded of their share of the responsibility and have other priorities. In short, the concept of global governance suggests a harmonious world in which, in line with the basic assumptions of classic liberalism, there are certain universal interests of mankind (and, by analogy, states).

The absence of a homogeneous public and the difficulty in defining the common good at a global scale lead to a second objection, which originates from the manner in which international cooperation has evolved after World War II. The remarkable success of cooperation and institution-building at the international level and the capacity of states to respond to transnational challenges through intergovernmental negotiations, were premised on a particular form of interaction. Keohane and Nye have called this the ‘club model’ of multilateral cooperation.<sup>80</sup> Beginning with the Bretton Woods agreement, international regimes have usually worked in a technocratic and exclusionary manner, with “cabinet ministers of the equivalent, working in the same issue-area, initially from a relatively small number of relatively rich countries, got together to make rules.”<sup>81</sup> This raises a question as to how far traditional ‘club’ institutions

<sup>77</sup> See Reinicke, *supra* note 37; Brenner *et al.*, *supra* note 55.

<sup>78</sup> T. J. Sinclair, *Synchronic Global Governance and the International Political Economy of the Commonplace*, in M. Hewson and T. J. Sinclair (Eds.), *Approaches to Global Governance Theory* 158 (1999).

<sup>79</sup> Keohane, *supra* note 75.

<sup>80</sup> R. O. Keohane & J. S. Nye, *The Club Model of Multilateral Cooperation and the World Trade Organization: Problems of Democratic Legitimacy*. Working Paper of the John F. Kennedy School of Government 4 (2001).

<sup>81</sup> *Id.*, at 2.

such as the IMF, the World Bank or the WTO will adapt to the newer notions of global governance, and whether this will involve a broadening of the ‘club good’ of cooperation towards outcomes which are recognized as beneficial by all. This question is affected by the tension between the higher efficiency of more limited circles of cooperation and the more legitimate or democratic appeal of global governance, which will need to be balanced in practice.

The representative aspect of global governance networks requires as much close attention as the constellations of power within these networks. It is generally accepted that globalization has increased the relative influence of the economic sector vis-à-vis the political and, even more, the societal sector.<sup>82</sup> On the one hand, transnationally operating economic actors can, to a certain degree, transcend the reach of national regulations. On the other hand, the logic behind the actions of economic actors usually follows individual, economic gain rather than the common good. This means that ‘transnational business elites’ risk being overrepresented in global policy networks and that their ‘structural’ power<sup>83</sup> alters the rules of the game at a more fundamental level thus influencing perceptions and orientations of other actors. From this perspective, it is reasonable to wonder just how far are governments willing to fight for regulations that could reduce national competitiveness. Thus, one could argue that the failure to agree on binding codes of conduct for MNCs is less an expression of the weakness of governments and more the consequence of a dominant market logic which values national competitiveness more than other common goods.<sup>84</sup>

A related problem is that of the democratic legitimacy of public-private policy networks.<sup>85</sup> In particular, this concerns the often undemocratic organizational structures of private actors and the fact that they are not elected and, therefore, have no formal representative mandate to participate in decision-making. This raises a question as to the role that these representatives of civil society (both non-profit and economic actors) would fulfill in the framework of global governance. Is it merely information, consultation or monitoring functions (roles relating to the preparation and the implementation of decisions, but not decision-making proper, or both) that these private bodies perform?

Finally, it can be argued that globalization poses a problem to democratic theory itself, which has to recast central categories of thought that were devel-

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<sup>82</sup> D. Held, *Rethinking Democracy: Globalization and Democratic Theory*, in W. Streek (Ed.), *Internationale Wirtschaft, Nationale Demokratie. Herausforderungen für die Demokratietheorie* 71 (1998); K. D. Wolf, *Globalisierung, Global Governance und Demokratie. Gutachten für die Arbeitsgruppe “Global Governance” der Enquete Kommission “Globalisierung der Weltwirtschaft” des Deutschen Bundestags (AUStud 14/13)* (2001), at 5.

<sup>83</sup> The term ‘structural’ power was coined by Susan Strange and “expresses the power to choose and to shape the structures of the global political economy within which other states, their political institutions, their economic enterprises, and (not least) their professional people have to operate.” S. Strange, *The Persistent Myth of Lost Hegemony*, 41 (4) *International Organization* 551-574, at 565 (1987).

<sup>84</sup> See Paech, *supra* note 73, at 4; for a similar argument see also Scharpf, *supra* note 29.

<sup>85</sup> Wolf, *supra* note 82, at 6f.

oped in parallel with the consolidation of the democratic nation state.<sup>86</sup> This is especially the case for the model of parliamentary majoritarian democracy, which can hardly be transposed onto more horizontal forms of governance in very large and heterogeneous publics. As a consequence, political scientists have shifted their attention towards postparliamentarian forms of democracy, such as cosmopolitan,<sup>87</sup> associative<sup>88</sup> and deliberative-discursive democracy.<sup>89</sup>

### III. The ‘Global’ Challenge to Political Science

The dilemma of democratic theory in a globalized world leads us to a third dimension of ‘global’ challenges, which refers less to policy-makers and more to the categories in which the sub-disciplines of political science have learned to think. In the remainder of this article, I will hint at three challenges that the notions of globalization, global common goods and global governance pose to political scientists: the separation of domestic and international politics, the limits of the rationalist paradigm and the need for normative theory.

Firstly, the gradual lessening of the distinction between international and domestic, external and internal affairs promoted by the processes of globalization challenges the historically grown separation of sub-disciplines, curricula and departments in political science. In particular, the encompassing nature of the processes subsumed under the heading of globalization often exceeds the analytical scope of a particular sub-discipline. Furthermore, their analysis may benefit from a greater integration or coordination of analytical tools developed in studies of government, comparative politics, international relations and political theory. The differentiation of the discipline of political science can be understood as a consequence of rising expertise and ‘competition’, with each subfield trying to establish itself in academic discourse by establishing clear boundaries with the neighboring fields. However, the questions raised by the problems of globalization tend to cut across ontological categories and have led to increasingly convergent agendas in these different areas of the discipline.<sup>90</sup> As a result, ‘synthetic’ approaches have gained momentum which try to overcome simple distinctions such as ‘internal’ and ‘external’, ‘state’ or ‘societal’.<sup>91</sup> Government studies have long abandoned the hierarchical ideal of efficient ‘steering’ (*Steuerung*) and have moved towards more horizontal concepts of policy networks, multilevel and polycentric governance. Yet, at the same time, the subdiscipline of international relations (IR) is gradually moving away from

<sup>86</sup> *Id.*, at 7.

<sup>87</sup> Held, *supra* note 82.

<sup>88</sup> P. Hirst, *Associative Democracy* (1994); Scharpf, *supra* note 29.

<sup>89</sup> J. S. Dryzek, *Discursive Democracy. Politics, Policy, and Political Science* (1990); R. Schmalz-Bruns, *Deliberativer Supranationalismus. Demokratisches Regieren jenseits des Nationalstaats*, 6 (2) *Zeitschrift für Internationale Beziehungen* 185-244 (1999).

<sup>90</sup> E. Grande & T. Risse, *Bridging the Gap. Konzeptionelle Anforderungen an die politikwissenschaftliche Analyse von Globalisierungsprozessen*, 7 (2) *Zeitschrift für Internationale Beziehungen* 235-266 (2000).

<sup>91</sup> *Id.*

the realist worldview of an anarchical international system and is increasingly shifting its attention towards the processes of institutionalization, socialization and legalization at the inter- and transnational level. While this convergence does not imply the total dissolution of academic sub-disciplines, it nevertheless points at the need to reconceptualize the basic categories such as anarchy, order, sovereignty, state, power, government and society.

Secondly, the complexity of the *bonum commune* under the condition of globalization identified above limits the portent of parsimonious rationalist approaches. These theories take the social and institutional foundations of 'interests' and 'utility' as given and build on the presumably objective characteristics of different classes of goods developed in economics. On the one hand, as has been argued above, the distinction between 'private' or 'public' goods does not follow objectively from the social problems at hand but is a function of social construction, dependent on the political values and orientations prevailing in a given society as well as on the political options available in a given cultural and historical context. On the other hand, rational action models developed in game theory can describe a particular collective action problem but are inadequate in explaining the substance of collective action or the outcome of a particular strategic constellation. This is so because in theory, the number of equilibria appearing in interesting games is unlimited or, in Keohane's words: "Equilibria multiply like rabbits in Australia and are about as useful."<sup>92</sup> Thus, "economically rational" responses do not emerge automatically in the political sphere; they are bound up in complex processes of social and political intermediation involving values, identities, and social bonds, all located in particular time/space contexts.<sup>93</sup>

A comparison with our understanding of the *bonum commune* in the Second Industrial Revolution state may provide a useful analogy: here too the rise of Keynesian ideas and 'embedded liberalism' were less the result of strategic calculations and more the expression of a change in beliefs and norms guiding political action.<sup>94</sup> Similarly, today, globalization may be understood as an ideology, a taken-for-granted process that carries particular liberal values with it.<sup>95</sup> Another dimension in which ideas, norms and discourses play a crucial role is the issue of democracy and legitimacy in global governance and the move towards less hierarchical, more horizontal forms of interaction based on communicative action and deliberation.<sup>96</sup> If these processes take place, then rational actor models based on strategic, utility maximizing behavior are ill-suited to enhance our understanding of international authority and they also miss the important processes of persuasion, learning and socialization inherent in the concept of global governance. In sum, these reflections point at the promises of

<sup>92</sup> Keohane, *supra* note 75, at 6.

<sup>93</sup> Cerny, *supra* note 2, at 188.

<sup>94</sup> P. A. Hall, *The Political Power of Economic Ideas* (1989).

<sup>95</sup> R. W. Cox, *A Perspective on Globalization*, in J.H. Mittelman (Ed.), *Globalization. Critical Reflections* 21-30 (1996).

<sup>96</sup> J. Habermas, *Theorie des kommunikativen Handelns*, Vol. 2 Bd. (1988).

more constructivist approaches which, rather than taking problems, interests and identities for granted, investigate the social and historical context in which these problems, interests and identities are perceived, interpreted and framed.<sup>97</sup>

Finally, it appears that any notion of global governance cannot exist without normative theory – both because the concept itself already carries (mainly positive) but hitherto only implicit normative connotations and because without normative theory and conceptions of equity and justice globalization risks further contributions to social closure and deepening inequalities in the world.<sup>98</sup> “So we need to engage in normative as well as positive analysis. To make a partially globalized world benign, we need not just effective governance but the *right kind* of governance”.<sup>99</sup>

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<sup>97</sup> Interesting insights can also be provided by critical (in contrast to problem-solving) theory (Horkheimer) which, by questioning standard categories of political science discourse, may highlight views and means accessible to the actors other than the ones currently vested with power in the international system. This offers emancipatory potential. R. W. Cox & T. J. Sinclair, *Approaches to World Order* (1996). M. G. Schechter, *Our Global Neighbourhood: Pushing Problem-Solving Theory to Its Limits and the Limits of Problem-Solving Theory*, in M. Hewson & T. J. Sinclair (Eds.), *Approaches to Global Governance* 74-98 (1999).

<sup>98</sup> Douglas, *supra* note 73; Latham, *supra* note 73.

<sup>99</sup> Keohane, *supra* note 75, at 1; emphasis in original.

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