1 Questions of democracy, territoriality and globalisation

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Globalisation is putting democracy in question and is itself being questioned as undemocratic. Its border crossings are undermining the traditional territorial basis of democracy and creating new political spaces which need democratising. 'Global forces' are disrupting the supposedly independent, sovereign states and national communities which have provided democracy's main framework. And these 'global forces' are apparently beyond control or, more specifically, beyond democratic control. The political implications are wide reaching and far from clear.

Global changes are mainly experienced in the realms of economics, consumerism, communications and culture. Economic and cultural globalisation seem to have proceeded much further and faster than political globalisation. Democracy, largely confined to liberal representative democracy and still over-identified with the territory of the so-called 'nation-state', seems to be eroding within its traditional framework. On the other hand, liberal democracy already had its limitations and exclusions – of national and other minorities, for instance, and more generally in separating a private sphere of 'economics' from the public sphere of 'politics' and democracy. While there has been a remarkable global 'triumph of liberal democracy' in recent decades, replacing dictatorships in some cases, it is criticised as neo-liberalism which subordinates the 'state' to the 'market', now the 'world market'. It leaves democracy confined and attenuated within states and largely absent both from the transnational arenas of world politics and more localised cross-border contexts.

But perhaps globalisation should be seen positively as opening up new possibilities – new political 'spaces', both literal and figurative – for radically different conceptions of democratisation? Border-crossing transnationalism could be an escape from the confining rigidity of national frameworks and state territoriality: it might provide new opportunities for more participatory forms of democracy and augment the limited democracy traditionally on offer.

There are indeed widely differing opinions about how national territorial democracy is being affected by 'globalisation' and what should be done within and beyond states. There are disagreements about the feasibility of defending and strengthening national democracy; and about the possibilities of it being supplemented or even displaced by other territorial frameworks such as the

European Union (EU), or by the *non*-territorial politics of 'non-governmental organisations' (NGOs) and transnational social movements. The active exercise of democracy has been assumed to depend on some common 'identity' and 'community', as provided by the territorially defined national community within state borders. But how essential for democracy is such a common identity? Could it just as well be provided by non-territorial communities defined in functional terms? New information technologies, for instance, are facilitating the emergence of such transnational communities and movements, but how viable are they as a basis for democracy? And will they also lead to the creation of larger territorial communities at supra-state levels?

In fact, larger intergovernmental entities like the European Community have so far been noted for *lack* of genuine 'community', and a 'democratic deficit'. And many other multilateral associations between national governments – whether territorial trading blocs like the North American Free Trade Agreement (NAFTA) and MERCOSUR in South America, or non-territorial entities like the Group of Eight (leading industrial/military states) – are even less communal or democratic. In contrast, some of the most novel, vigorous and democratically inspired developments of recent years are to be seen in transnational movements. They point towards a more participatory and *non*-territorial future: organising functionally around a plethora of political issues – from the problems of labour, women, and refugees, to the environment, militarism and Third World debt – they herald a new transnationalism. They have added a qualitatively new dimension to world politics since they came together in the 'anti-globalisation' or 'anti-capitalism' movement which first emerged in the 'Battle of Seattle' against the World Trade Organisation (WTO) in late 1999. But in formal terms they are less 'representative'. The future of globalisation will be fought out by different kinds of self-styled democrats. Different conceptions of democracy are pivotal to the theory and practice of globalisation.

We are far from the vision of a 'borderless world': this is very much an idea whose time has not come. Indeed, not only is this neo-liberal vision highly unlikely, it is also seen as undesirable. State borders are being reconstituted rather than disappearing; and national states are still the main frameworks for the formal democratic accountability currently available, not to be given up lightly despite their limitations. While variable in accountability, they are often more democratic than some of the transnational alternatives currently on offer. But rather than simply counterposing the different forms of democracy, the key question may be how to get them working together? How to articulate participation with representation, the territorial and the non-territorial, the national and the transnational?

This chapter contextualises these questions and raises further ones.[1] First, it outlines how globalisation has put transnational democracy 'on the political agenda', then discusses how it upsets the familiar dichotomy between 'foreign' and 'domestic' affairs and calls for a less state-centric democratic theory. To know what is happening, what is desirable, what is possible, and how to get it, we need theory and, it is argued, a critical political economy approach. The third

section discusses the nature of democracy in capitalism, its representative and participatory forms, and liberalism's partial separation of 'politics' and 'economics'. This contradictory and contested separation is reformulated in terms of the presence/absence of democracy, and in the fourth section it is related back to globalisation and the global hegemony of the liberal democratic state. The separation is central to the problematic relationship between the transnational and the national, a precondition both of economic globalisation and of the state's political claim to absolute territorial sovereignty. The ensuing problems for transnational democracy are seen as rooted in territoriality, and the fifth section argues for redefining sovereignty in popular rather than state territorial terms. The chapter ends by discussing the relatively neglected question of agency for bringing about transnational democracy, focusing on the 'polar opposites' of liberal cosmopolitanism and 'anti-globalisation/anti-capitalism' which frame the range of approaches discussed in this volume.

Globalisation and politics

The return of capitalist crises in the 1970s with the ending of the post-war boom, and the subsequent growth of foreign investment, transnational consumerism and other border-crossing innovations, come together in the term 'globalisation'. Together they have disrupted the familiar state-centric definitions of community, identity and politics on which democracy has depended. The term 'globalisation' is however an ideological construct which should perhaps be permanently quarantined in inverted commas – a hold-all category credited or blamed for all sorts of things, many of them long established. In fact, the general phenomenon was not new in the 1970s, and some apparently 'new' things were simply existing features now more exposed or obvious. 'Globalisation' can be seen as simply a euphemism for 'capitalism' in its contemporary phase (as 'Seattle's' interchangeable 'anti-globalisation/anti-capitalism' label suggests, the latter term indicating that the target is not so much globalisation *per se* as the particular form it is currently taking).

But the concept of globalisation does highlight some genuinely new features which put transnational democracy 'on the agenda'. Besides, it comes in many different versions, usefully classified by David Held *et al.* (1999: 2–10) as 'hyperglobalist' and 'sceptical', with their own version occupying the in-between 'transformationalist' category. We can dispense immediately with 'hyper' versions. The notion of 'some massive and absolute shift, from a *space of places* to a *space of flows* 'makes incorrect assumptions', as Doreen Massey (1999: 22–3) argues;[2] and Ohmae's (1991) neo-liberal vision of a 'borderless world' is a gross exaggeration which mistakenly implies 'the death of the nation-state' (Anderson 1995). On the contrary, transnational democracy can be expected to co-exist and interact with national democracy, rather than replacing it. But that still means some fundamental changes even in the weaker, more 'sceptical' versions of globalisation (for example, Hirst and Thompson 1996), and rather than opting in advance for the 'transformationalist' or 'sceptical' category, it is

better to keep both options open. The choice can vary depending on the context and process, recognising that globalisation is inherently uneven. As already suggested, political globalisation lags behind economic and cultural globalisation, though even (?) in the political sphere there have been some fundamental transformations.

Four interrelated developments have put transnational democracy on the political agenda:

* the weakening of democracy at national state level
* the growth of transnational governance with 'democratic deficits'
* the global hegemony and spread of the liberal democratic state
* the growing demands for democracy in transnational arenas

The weakening of national democracy

National democracy's problems are experienced most immediately in perceptions that the national state is losing its sovereignty to 'outside' bodies and is being infiltrated by them. Actions taken in or by other states are having increasing impact on supposedly 'sovereign' neighbours. State electorates are more directly affected by decisions made in other jurisdictions, including supra-state bodies like the EU. Private multinational corporations have become more powerful, and foreign-owned ones may determine the success or otherwise of national economies. States are losing some of their autonomy, as power 'goes upwards' to other, supra-state, political institutions, 'sideways' to privatised operations, or in some respects 'goes nowhere' or just 'evaporates', as economics outruns politics and political control is simply lost to the global market (Strange 1994a). With democracy conventionally seen as virtually synonymous with electoral representation on the basis of state territory and territorial constituencies, the erosion of *state* sovereignty quickly translates into the loss of 'our' *popular* sovereignty and the whole basis of our democratic mechanisms, obligations and rights.

Furthermore, while state sovereignty is being eroded by globalisation, a gap is seen to be opening up between state and popular sovereignty with the latter doubly disadvantaged. Popular decision making is losing out not only to 'global' forces but more immediately to 'its own' state as well. As Robert Cox has pointed out, states are being 'internationalised' unevenly but to the general detriment of popular sovereignty:

> The state becomes a transmission belt from the global to the national economy, where heretofore it had acted as a bulwark defending domestic welfare from external disturbances...Power within the state becomes concentrated in those agencies in closest touch with the global economy – the offices of presidents and prime ministers, treasuries, central banks. The agencies that are more closely identified with domestic clients...become subordinated.
>
> (Cox 1992: 30–1)

The more powerful sections of the state and their respective elites tend to monopolise participation in the growing field of transnational governance, transmitting 'top down' from 'the global' rather than 'bottom up' from the 'domestic clients' (the electorate they supposedly represent). The latter suffer a loss of power simultaneously to 'the global' and to the parts of the state most remote from popular involvement. As these state elites have become more important, and more involved in the secret decision-making of transnational institutions, the lack of democratic input and accountability has become more pronounced. There has been a widely perceived transfer of power to government departments and ministers from legislative assemblies and 'ordinary elected representatives', and the electorate at large is even more excluded.

Thus globalisation is posing very serious political questions even within the limited terms of reference of conventional liberal democracy. It challenges taken-for-granted assumptions that there is a sharp dichotomy between 'domestic' and 'foreign' politics, that 'political community' is co-terminous with state territory (seen most obviously in the conflation of 'nation' and 'state' in the 'nation-state'), and the idea that these are the necessary and sufficient frameworks for democracy. These now outdated assumptions are a legacy of what was clearly in retrospect a relatively short and *untypical* period in the history of states, and mainly western European states at that. From the late nineteenth century, and especially in the more 'state interventionist' middle decades of the twentieth century – in the protectionist inter-war period and the post-war boom years of the 'welfare-warfare' state up to the 1970s – such assumptions had considerable plausibility (even if always questionable). It could be assumed that the state constituted and represented an independent, sovereign political community; and that its elected representatives formed governments which represented and protected its interests. But contemporary globalisation casts grave doubts on this simple story, presenting a major challenge to liberal democracy and its hold on legitimacy.

This is a challenge which liberal democracy is peculiarly ill-equipped to resist because of its 'minimalist' commitment to 'limited government' (see the chapter by Parekh in this volume). Indeed its whole point may be to *not* resist globalisation. As we shall see, that is precisely why liberal democracy is central to the neo-liberal globalist strategy of leading powers such as the Group of Eight. That is why the liberal democratic state has recently achieved 'global hegemony'. On such criteria it is of course responding to globalisation with great success, but they are liberal *rather than* democratic criteria. They leave out of account the challenge to democratic legitimacy among electorates led to expect not only a democratic say in decisions affecting them, but also effective state protection of their interests whether from internal or external threats. Despite considerable efforts to 'dumb down' such expectations (for example, the ideology of the 'overloaded state'), the question of legitimacy is surfacing in the growing concerns about the low turnout in elections, and the lack of effective democracy in national as well as transnational arenas. At best, liberal democracy evades rather than meets this democratic challenge,[3] and ironically the liberal democratic state

is achieving 'global hegemony' just the point when world conditions for its existence are beginning to disappear.

Moving beyond liberalism, we shall see that the 'crisis' of democratic legitimacy is crucially conditioned by an economic dimension which liberal democracy engages with in contradictory ways. Globalisation is often experienced as foreign direct investment (FDI), bringing jobs and wealth, or, alternatively, responsible for the loss of jobs, taxes and state subsidies on departure, but always foreign-owned capital managed from elsewhere. Given the prevalence of nationalism, this highlights the fact that it is not amenable to democratic control over investment and what and where to produce/not produce. In this lack of democracy it is of course exactly the same as indigenously owned private capital which in liberal regimes is not subject to democratic control either. But there is the political difference that 'foreign' decision making highlights the relative helplessness of national decision makers. The government is more likely to be put in the position of protecting explicitly 'national' interests, but if its aptitude and appetite for intervention have been weakened by neo-liberalism, it fights with its hands tied and 'globalisation' typically becomes an excuse for ineffectiveness. In a contradictory relationship, liberalism will triumph at the expense of national legitimacy, or vice versa.

Transnational governance and its 'democratic deficits'

The second factor putting transnational democracy on the political agenda has been the spectacular increase in transnational governance, with its equally spectacular 'democratic deficits'. Contemporary globalisation is being accompanied by huge growth in a range of new, or newly powerful, non-state actors. They include multinational corporations; supra-state regional trading blocs; sub-state regions and transnational associations of regions; multilateral economic institutions of global governance such as the WTO, World Bank and International Monetary Fund (IMF); and NGOs and transnational social movements.[4]

This transnationalisation can be seen negatively as national states increasingly having to share 'their' traditional power and a shrinking world stage with these 'non-state actors'. But in fact some of them are better seen as supporting or strengthening rather than weakening state power – an important reason for being sceptical about the 'decline', never mind 'death' of the state. However, as we saw with states being 'internationalised' unevenly, such strengthening of the state does not necessarily mean a strengthening of democracy. On the contrary, it can mean the reverse if the 'external supports' are less democratic, which some clearly are.

Looked at positively, on the other hand, there are compensations such as the growing vigour of sub-state regionalism with local authorities now becoming 'international actors' on their own behalf rather than working through their respective national states (Anderson 2001b). The growth of other territorial entities, such as regional blocs, and of IGOs and INGOs, provides an institutional framework for developing a 'transnational (or global) civil society', a prerequisite

for a more developed transnational democracy. Furthermore, while many of the IGOs are more noted for their 'democratic deficits', this very fact is a stimulus for transnational movements calling for democratisation (for example, of the WTO; see McGrew in this volume). The EU, for instance, already has its European Parliament, state-like central institutions and well-developed sub-state regionalisms; but its 'democratic deficit' makes it a key test case for transnational democracy, including local democracy in 'cross-border regions' (see the chapters by Newman, Painter and O'Dowd in this volume).

Liberal democracy's global hegemony and 'anti-globalisation'

Our third and fourth developments putting democracy on the agenda show, in their very different and opposing ways, that democratisation is an integral part of globalisation. The remarkable geographical diffusion of the liberal democratic state (or approximations) in the so-called 'third wave of democratisation' from the mid-1970s to the 1990s – replacing dictatorships in southern Europe, 'Second World' centrally planned economies, and military regimes in 'Third World' countries – has been energetically encouraged by the USA and its European allies. Democratic elections have become globalised as the test of legitimacy (Arblaster 1994: 52–4). However, as explained later, this global hegemony of the liberal democratic state has mainly been propagated in the self-interest of the world's leading powers rather than in the interests of the countries themselves. The 'victory' has been at the expense of more interventionist social democratic regimes as well as dictatorships. The democratisation is limited and applies to individual states, rather than to the transnational arena in which the process was propagated; and it is part of the western neo-liberal agenda which is opposed on democratic grounds by the 'anti-globalisation' movement.

This movement, the most widespread radicalism since the '1968' upsurge thirty years earlier, does focus on the transnational arena, its undemocratic nature and western domination of it. Like the earlier movement which radicalised a generation of 'capitalist cadre' in the 1970s, the current movement could have a similar impact on these key personnel of the transnationalisation process (see van der Pijl in this volume, as well as the chapters by Hirsch and Goodman). The institutions of global governance, and liberal democracy in general, are seen as preserving the interests of the rich and powerful in a world of grotesque and widening divisions between rich and poor – a world where according to the United Nations *1996 Development Report*, the richest 358 people owned as much wealth as the poorest two and a half billion (Taylor and Flint 2000: 2).

We have here two conflicting conceptions of 'democracy': firstly ,the mainly national, formal representative democracy of the elected world leaders who would like to dismiss the 'anti-globalisation' protesters as an unrepresentative, unelected and violent rabble with confused ideas about an amorphous mass of different problems and causes; and secondly, the largely transnational, informal,

participatory democracy of the protesters who are coming to see the capitalist world system as the common denominator and root cause of the different problems.

Their conflict makes democratisation the key issue of globalisation, but arguably both have a questionable hold on democracy. Formal representation increasingly lacks inclusivity and legitimacy, particularly in global arenas. For instance, the Group of Eight leaders represent less than 15 per cent of the world's people and stand accused of doing violence to the rest of the world (and some to their own electorates). On the other hand, informal participation lacks representative mechanisms and the means to do more than sporadically influence the political agenda. But might these matching weaknesses provide a basis for democratic complementarity and progress?

Globalisation and theory

> IBM is Japan's largest computer exporter, and Sony is the largest exporter of television sets from the United States…a Japanese concern assembling typewriters in Tennessee, brings an antidumping case before the U.S. International Trade Commission…against an American firm that imports typewriters into the United States from its offshore facilities in Singapore and Indonesia.
>
> (Ruggie 1993: 172)

A world turned inside out

If you find these facts rather odd, even unsettling, it is because they go against our usual political assumptions about 'domestic' and 'foreign', the internal and the external, belonging and not belonging. The facts flout the familiar inside/outside dichotomy and the traditional assumptions of democratic theory and international relations. Conventional theory cannot cope with a world at least partly turned 'inside out and outside in', if not (yet?) upside down. It was already impoverished by its acceptance of the dichotomy, and now globalisation and the increasing overlaps and ambiguities between the 'internal' and the 'external' are making a nonsense of what was always to some extent a misleading separation.

The dichotomy gave rise to an academic division of labour between Political Science, focused on the internal study of 'the state' in the singular (Barker, n.d.), including democracy, and a separate field of international relations between many states (Walker 1993). Both have suffered from a somewhat paradoxical 'state centrism'. Democratic theory focused almost entirely on the territorially delimited state 'community', effectively in isolation from other communities and states. The state is the analytical starting point, and democracy in liberal theory has been almost completely confined to relations inside the state territory, ignoring international relations (with the significant exception of David Held's cosmopolitan democratic theor; see below). States are also the starting point in the (generally separate) field of international (i.e., inter-state) relations; and it was widely assumed that states are the most, indeed sometimes the only, important

'international' actors. But paradoxically, this analytically crucial 'state' was largely unexamined particularly with respect to international relations. Here states were often seen as 'black boxes' or treated as self-sufficient, internally motivated institutions, as if they were autonomous 'individuals', and the typical categories of social science such as social classes and interest groups generally got a 'back seat', and sometimes no seat at all.

State-centrism collapsed most issues to the one level of the state, and when other alternatives were considered – as in debates about 'the death of the state' – they were almost invariably state-like bodies at other levels 'above and below'. The assumption was that any serious threat or replacement could only come from state equivalents – the state 'writ large', as in a federal 'United States of Europe' for example (see Agnew in this volume), or 'writ small', as in separate 'regional governments' and a utopian 'Europe of the Regions' (Anderson 2001b). Here the only real changes are of geographical scale or territorial extent (bigger or smaller), with no recognition that political processes and institutions at different scales are likely to be qualitatively (not just quantitatively) different in their character and interrelationships: the 'Gulliver fallacy' named after the societies Gulliver met in his 'travels': one a society of giants, the other of midgets, but both exact replicas of human society.

Moreover, the notion of separate 'levels' is itself questionable. Formal government may be based on discrete territories at different 'levels', but actual social processes span different 'levels' and their political regulation – and its democratisation – need to do likewise. The 'levels' perspective hardly captures this 'vertical' dimension of connection, or the more informal, participatory and *non*-territorial aspects of democracy which may be crucial in linking the 'levels' or in their own right. The perspective needs to be reformulated in terms of '*multi*-level' governance (see Painter in this volume). Furthermore, while the state is increasingly having to share the stage with other 'actors' (and not just other state-like 'levels'), it is not simply the 'cast' which is changing but the 'stage' as well. The ground is shifting under established institutions and assumptions as different forms of authority grow, overlap and inter-penetrate, developments imperfectly captured in the idea of 'neo-medieval' territorialities (Anderson 1996). As far as democratisation is concerned, the 'medieval model' is to say the least unhelpful, except perhaps in the negative sense of warning that democracy is under serious threat.

In this context, and with the 'inside/outside' dichotomy becoming untenable, theory as usual has to 'catch up' with reality. Globalisation has thrown the shortcomings of theory into sharp relief, and particularly in the dichotomised disciplines of political science and international relations (more affected by the dichotomy than studies of political geography, sociology or anthropology for instance). But it is also in the former two disciplines that the weaknesses and appropriate remedial actions have been most forcefully discussed, by for example William Connolly (1991), Rob Walker (1993), Justin Rosenberg (1994), Ellen Wood (1995), David Held (1995), John Hoffman (1998) and Hazel Smith (2000). We need a theory appropriate to a world turning 'inside out'. As Susan Strange (1994b) put it in the marvellously haughty title of an article criticising a realist

theorist of international relations: 'Wake up, Krasner! The world *has* changed'.[5] We need a less state-centric theory; and given the importance of economic globalisation, we need to see the 'international realm' in a broader political economy perspective.

Conceptions of space and politics beyond the state

This means finding alternatives to the state as the analytical starting point; and a less dichotomised, limited and limiting conception of political space. On political space, some of the options (and some of the problems) can be summed up in six terms commonly used (or misused) to refer to 'society', or social relations including democracy, beyond the state. They are *global*, *cosmopolitan*, *supra-state* or *supranational*, *international* and *transnational*, and here the latter is the preferred choice. The other alternatives are too specific, too sweeping, or both.

Global is clearly too extensive in that some of the border-crossing processes which raise questions of democracy are not global at all. They are spatially limited to particular parts of the world, such as the EU, or smaller cross-border regions. Even if our ultimate interest is global democracy, we would not want to exclude these more limited phenomena, and not least because they may provide pointers to global democracy. Besides, ideas of 'global society' (or 'global civil society') can conceal the huge discrepancies and growing gap between rich and poor countries, and the rich and poor people within them. The poorest are being excluded from 'global society' by, ironically enough, globalisation, which is not only extremely uneven but also contradictory in its effects.

Cosmopolitan, implying a worldwide political community and shared, universal political values, has some of the same problems as *global*, implying both too much and too little. There are many interesting developments in cross-border democracy with an actual scope well short of cosmopolitan and not motivated by any cosmopolitan ideal of humanity as a whole. Moreover, given the unevenness of globalisation and the neo-liberal agenda, the reality may well be Western, hegemonic or imperialist values masquerading as a fake universalism.

Supranational or *supra-state* (effectively the same, as in English 'nation' and 'state' are linguistically conflated) do not have the same universalist aspirations or pretensions and can refer to more ideologically modest and spatially limited cases. But they directly suffer from the problems of the 'levels' perspective already outlined. They counterpose supra-state to state and sub-state levels; and at least implicitly reinforce state-centrism. Similarly, whereas a lot of border crossing is by other 'non-state actors', the more traditional term *international* is loaded with connotations of relations between states, and it also reinforces the 'domestic/foreign' or 'national/international' dichotomy.

Transnational can of course also be given such connotations, but in general it is more inclusive and for our purposes more accurate than the other terms. It comes with less historical 'baggage' than *international*, and it can in principle include all of the other options. It does not prejudge geographical scope like *global*, nor does it have the universalist pretensions of *cosmopolitan*, but both these

terms can be subsumed under *transnational*. With its prefix *trans*, meaning 'across', it has less of a 'levels' flavour than *supra-state*. Instead of implying a counter-posing of different territorial levels, it arguably gives more sense of including state, supra-state and sub-state in a multi-level conception which can also accommodate *non*-territorial phenomena. Thus transnational democracy can be seen as involving state and non-state actors operating across different territorial levels, rather than as something separate from 'national' democracy. The term implies including and *trans*cending 'the national' – a crossing of borders and a bridging of dichotomies. That at least is the way it is being used here.

Finding an alternative to states as the analytical starting point is to treat them as a 'second order' category which needs explaining, rather than taking states as 'pre-existing givens'. It means seeing them as continually contested historical constructions rather than timeless essences; and as Hazel Smith (2000: 4) argues, 'a serious problematisation of the state [offers] ways into understanding the pursuit of democratisation in post-Cold War international politics'. For this we need to get beyond Weber's political conception of the state as an administrative-coercive apparatus which claims a monopoly of the legitimate use of violence within its sovereign territory. As already implied, the states' relations with private sector production and the world market are of key importance as well. And here the Marxist conception of states as a 'second order' category set within a mode or system of production is particularly appropriate. For this conception is firstly 'internationalist' (or in our terminology 'transnationalist') rather than 'nationalist'. States are primarily seen as nodes within complex social relations of production, shaped by, as well as shaping, the 'forces and relations of production', the outcome and the site of an ongoing history of class struggles between different groups within and without the state territory (Smith 2000: 23–6). These conflicts between different social classes (and fractions of classes) are the primary analytic focus.

States as 'second order' categories can be explained in these terms, and that includes their territorial configurations. The conflicts take place within, between and across territorial borders. The borders themselves are a product of past class struggles, and they are used to further the interests of dominant classes as the winners of the struggle (albeit usually 'on points' with the result contested). They are a means of class control – used for instance to control international flows of labour – and giving up this control for a 'borderless' (i.e., stateless or single state) world is entirely implausible (Anderson 2001a). This is especially so because structural conflict in capitalism is not only between classes, it is also between different capitalists who are in competition with each other for raw materials, labour and markets, and this competition is spatialised in terms of particular capitalist interests being located in different places or countries. This was even more clearly the case when 'national economies' were the 'building blocks' of the world economy, and with globalisation is now less obvious. But there is still a very strong geographical dimension to capitalism's highly uneven development – a lot of 'fixed' as well as 'footloose' capital – and this feeds into the continued reproduction both of nationalist sentiment and state territoriality.

With (inter- and intra-) class conflict the primary analytical category, there is no longer any reason to always or necessarily privilege the state over other 'second order' sites. As we shall see, explaining the global hegemony of liberal democracy requires an understanding of how other sites of struggle as well as states are being (re)constituted in the context of globalisation, something which state-centric international relations cannot explain (Smith 2000). Such an understanding is likewise required for redefining sovereignty in popular democratic rather than state territorial terms (Hoffman 1998). But first we need to problematise the concept of democracy in a capitalist context.

Democracy and capitalism

The strengths and weaknesses of democracy in capitalism can be outlined in terms of the dominant liberal representative tradition and alternative participatory or direct forms. Liberal democracy has been confined to a 'public' realm of politics from which the 'private' spheres of personal life and of economic production were largely excluded. There is a partial and contested separation or 'contradictory unity' of 'politics' and 'economics' in capitalism, and this can more accurately be reformulated in terms of the presence/absence of democracy.

Liberal and participatory democracy

Democracy literally means 'rule by the people', the demos, but what it actually means in practice is highly debatable. The problems arise as soon as we ask 'what people', 'who decides', 'what sort of rule', and 'over what'? Is it rule by the people themselves, or their representatives, or a majority of their representatives, or a majority of those who bother to vote, and what rights do minorities have, however defined? But despite its problems, the alternatives to democracy are worse. Democracy, however imperfect, can allow the ruled to put some constraints on their rulers; it may allow the rulers to know what the ruled want. It allows more collective and equitable decision making, more people have a say in setting agendas, and their social cohesion and overall effectiveness may be increased. Power rests with the people as 'popular power', 'popular sovereignty', 'the people' as the final political authority.

This is undoubtedly to be preferred to non-democratic decision making. Yet up to the nineteenth century the rich and powerful openly opposed it as 'rule by the mob' (and no doubt many of them still think that way even if they do not admit it). Anthony Arblaster (1994: 8) suggests that democracy lost its 'mob' image because it was modified to accommodate the earlier suspicions and hostility. In the seventeenth century democracy was associated with participation in public meetings of some of the citizens, but by the nineteenth century it meant meetings of elected representatives which could encompass larger, including national, communities, albeit indirectly.

Direct participation within and against undemocratic social structures, including political agitation for democracy by the so-called 'mob', was an

essential, if not *the* essential element in the origins of modern representative democracy. Yet decision making was effectively distanced from 'the people' in various elitist ways. Direct participation was seen as less practical, especially with the advent of full 'mass democracy' for adult men and women by the early twentieth century. Liberal government meant government limited in relation to basic individual rights, particularly economic property rights and 'market freedoms' guaranteed by state law. In the USA, for example, an elaborate division of powers between different parts of the federal system was designed to restrain popularly elected assemblies (see the chapter by Agnew in this book); while for J.S. Mill, representative democracy provided safeguards against the dangers inherent in more direct forms (Arblaster 1994: 38–9). Clearly safeguards are needed against a 'dictatorship of the majority' (as Northern Ireland demonstrates; see Anderson and Hamilton in this volume). But it does seem that as democracy was widened to include more people it became shallower in content; and now it seems that the 'global hegemony' of liberal democracy comes just when national democracy is losing more of its content.

This suggests that there is considerable scope for deepening it. Writing in the 1990s, Arblaster (1994: 103) found that he could not improve on E.H. Carr's 1951 conclusion:

> Mass democracy is a difficult and hitherto largely uncharted territory; and we should be nearer the mark, and should have a far more convincing slogan, if we spoke of the need, not to defend democracy, but to create it.

These conclusions referred to national democracy and are given added weight when the focus is widened to transnational democracy. Conventional liberal democracy mainly relies on the infrequent election of representatives for fixed, contiguous and bounded territories and their enclosed 'communities'. In contrast to more participatory democracy, it tends to encourage a passive individualism, rather than active or collective citizenship, and a negative conception of freedom *from* government interference, rather than freedom *to* achieve various objectives with help from an enabling state. But the democratic process can and sometimes does involve much more than the formalities of territorially based voting. It can also involve the shaping of political agendas – deciding what issues get considered – not just voting once some other people have decided the question. It can be expressed through various forms of participatory democracy, involving, for instance, social movements, political campaigns, NGOs, local community groups, associative democracy and work-based organisations including trade unions (see for example Held 1993). Rather than relying on party politicians elected every four or five years, participatory democracy can involve a wide variety of organisations and associations in civil society, some of which are responsive to continuous internal democratic pressures from their own members. Many people, and perhaps especially women and younger people, are excluded or alienated from conventional 'party politics', but are nevertheless

active in the 'small p politics' of civil society. And their participatory democracy with its more varied, flexible and often non-territorial, functional social basis is inherently better suited than conventional representative democracy for crossing territorial borders. Yet territorially based liberal democracy retains its dominance, often to the point of monopoly, and therein lies much of the problem.

The partial separation of 'economics' and 'politics'

Liberal democracy's biggest exclusion is of economic production and decisions on what needs to be produced, where to invest, buy, sell and so forth. This exclusion underpins 'production for profit rather than need' and is based on the partial separation of 'economics' and 'politics', or their 'contradictory unity' in capitalism (Wood 1995; Amin 1996). This has profound implications for democracy, allowing formal political equality to co-exist with, and to some extent cover up, gross material inequalities, exploitation and oppression, while also effectively putting the latter outside the scope of democracy.

The partial separation is a central theoretical and practical issue in the functioning of capitalist society, fought over for instance in issues of state ownership and privatisation. It underpins and partly overlaps the related and more familiar distinctions between 'state' and 'market', 'state' and 'civil society', the 'public' and 'private' spheres or sectors. At the simplest level, the separation involves a 'public sphere' of 'politics' and the state, which is territorially delimited, and a 'private' sphere of economic production, distribution and exchange which can straddle state borders. As such, it has direct implications for democracy, territoriality and globalisation.

However, we have to re-cast this separation as not so much between 'politics' and 'economics', or 'state' and 'civil society', but more precisely as the exclusion of democracy from the realm of economic production whether privately owned or state operated. Democracy tends to stop at the gates of workplaces in both sectors.

The separation is structural to capitalism and is materialised in separate 'political' and 'economic' institutions and arenas, rather than being simply ideological. In capitalism, unlike other social systems, production and the allocation of labour and resources are generally separated off from the arena of 'politics' and displaced to a separate 'non-political' sphere of 'economics'. This uniquely capitalist separation, rather than being contingent, is structurally rooted in the capitalist mode of production where surplus is extracted from the direct producers by the 'apolitical' mechanisms of 'the free market', rather than by political force or other non-economic means. This contrasts with pre-capitalist modes where surplus was extracted from generally 'unfree' producers by political or 'non-economic' methods – by military force, whether wielded by individual slave-owners, feudal lords, or tribute-taking centralised administrations, and/or through religious obligation or other traditional ideological processes. Similarly, resources in capitalism are not generally allocated by political direction, but by anonymous and democratically unaccountable 'market forces'. Thus political

sovereignty was rendered practical through the differentiation of a supposedly 'non-political' economic sphere in civil society where the principle did not apply, or at least not with the same force or comprehensiveness. The separation of 'economics' from 'politics' underpinned the political dichotomy between internal and external affairs.

At the same time, and conversely, the separation facilitated the external expansion of economic production across the political dichotomy. The global expansion of capital – 'the empire of civil society' – has increasingly rested on the partial separation of the 'economic' sphere from the political sphere of sovereign independent states. Constituting capitalist relations of surplus extraction as 'non-political' in a separate sphere of 'economics' encouraged their increasing extension beyond the borders of a given state, and allowed the exploitation of productive labour within the supportive 'political' sphere of other, foreign states. Economic interests and actors, not defined in territorial terms (though they may pose as 'patriots'), could thus cross state borders and get the political protection (at least in principle) of whatever state they happened to be operating in (for example, the case, above, of the Japanese-owned typewriter firm in Tennessee bringing an anti-dumping case before the US state authorities, against a US firm importing typewriters into the US from its factories in Asia). Rosenberg (1994: 87) suggests that uniquely under capitalism the extra-territorial extension of 'political' power is not essential for economic expansion beyond borders. While this will need qualifying, it is generally true that the 'politics/economics' separation has enabled modern capitalism, and more specifically production as distinct from simply trade, to expand transnationally much more freely than under earlier systems of production. Its reaches its apogee with 'third wave democratisation' and the global hegemony of the liberal democratic state.

Towards the hegemony of liberal democracy

This can be seen from the overall historical progression of political regimes as capitalism developed. It helps explain the dynamism of capitalist globalisation and why liberal democracy has become its preferred political form. When absolute territorial sovereignty was first introduced in sixteenth-century Europe, it really was 'absolute' in that newly sovereign states wanted to control everything, which not surprisingly led to various interesting problems and threatened to seriously impede all sorts of international exchange. For instance, should the Catholic ambassador of a Catholic country worship as a Protestant when resident in a Protestant state? This 'embassy chapel controversy' was solved by treating the embassy premises as 'extra-territorial' and in effect part of the territory of the ambassador's own country. In general, absolute sovereignty was tempered by such territorial devices, including international fairs and customs-free zones. But in time the general reliance on such devices was replaced by more fundamental changes in the nature of the states system, the forms of imperialism and how surplus was extracted from foreign labour.

The early empires of still-feudal Portugal and Spain, for example, relied mainly on slave labour in overseas mines and plantations; and these were politically managed from Lisbon and Castile in a direct territorial extension of their political and military power: the colonies were considered an integral part of the 'home country' on the model of the Roman Empire. By contrast, the later British Empire was a looser, more politically varied entity where slave labour became less important, and semi-free indentured labour and eventually free labour predominated with slavery finally outlawed. Furthermore, Britain's 'informal empire' (for example, in Latin America) did not involve direct British political rule (apart from the occasional 'gunboat'). In the twentieth century, US imperialism has continued this trend, its 'empire' almost all 'informal': the internationalisation of its production has depended mostly on private US corporations with 'free labour forces and private property rights upheld by alien state authorities' (Rosenberg 1994: 169, 171). As contemporary hegemon, the USA has actively promoted the separation of 'private economic' and 'public political' spheres across the world (for example, through privatisation programmes). Generally it has supported sovereign state independence (whether or not democratic) against (other imperialisms') formal empires, and it has opposed post-colonial radical nationalist regimes and centrally planned economies whose statism would exclude American private capital.

The global development of 'free' labour and of 'free' states are indeed opposite sides of the same coin, both dependent on the 'economics/politics' separation, and a necessary (though not sufficient) condition for liberal democracy. The transnational global economy and the system of sovereign national states have common origins and are structurally interdependent. As with the 'economics/politics' divide in the abstract, their separation is only partial and they constitute a 'contradictory unity' (with, for instance, private firms still dependent on state help despite neo-liberal rhetoric). Indeed the 'economics/politics' separation is crucial for circumventing the main contradiction in the global system, namely the trend towards a world market but with the stubborn persistence of a multiplicity of states.

Political power continues to extend across borders, but it now does so predominantly in the 'non-political' economic sphere (Rosenberg 1994: 172). However, while in capitalism the extra-territorial extension of 'political' power may not be *essential* for cross-border economic expansion (Rosenberg's (1994: 87) suggestion above, my emphasis), or necessary in all cases, it still occurs on a very substantial scale, and several important qualifications are in order. Firstly, while border-crossing economic expansion has depended less on direct political control, there has been a general counter-tendency in leading powers having progressively larger bounded territories as their 'home base' (for example, the historical sequence of hegemonic powers from the city state of Genoa, through the Dutch United Provinces and Britain, to the continental-scale USA). And recently this historic tendency has been boosted by the creation of regional economic blocs involving direct political control, most notably NAFTA and the EU. It raises the question of whether or not the tendency is towards a single

'world state' – the traditional ideal for transnational democracy? But the answer is likely to be negative (see also Hirsch in this volume), partly because, as already mentioned, spatialised capitalist competition and the highly uneven development of 'fixed' capital help reproduce nationalism and state territoriality.[6] Secondly, political agencies of transnational governance such as the World Bank, the IMF and the WTO, all dominated by the hegemonic USA and its allies, exercise political leverage on individual states, leverage related to the 'economic' sphere but not reducible to it. Thirdly, there is still substantial direct 'political' control in the conventional sense of political or military intervention, whether used as a threat or actually carried out by client states, or as an 'action of last resort' by leading powers themselves (such as the high altitude bombing of Iraq; or US helicopter gunships as the equivalent of nineteenth-century British gunboats).

With these qualifications, the overall historical tendency for economic globalisation to depend less on direct political control has culminated in the contemporary hegemony of liberal democracy. For economic expansionists, liberal democratic states are clearly preferable to more interventionist ones, whether or not democratic, and especially to nationalistic states (including many military dictatorships) which prioritised the interests of indigenously owned and state capital (for example, Brazil). There was also the added bonus that privatisation programmes, to make such states more liberal, offered state-owned assets at bargain prices. But 'third wave democratisation' is not dismissable as mere ideological window-dressing (though it can be that as well). As Hazel Smith (2000: 28) points out with respect to the EU's encouragement of democracy abroad, there is a real commitment to democracy (albeit liberal and limited) in line with its own economic interests, and 'not merely a superficial or hypocritical gloss designed to mask…old-fashioned imperialism'. Leading powers want to ensure a stable and secure political environment for their own business interests abroad; to ensure that foreign states where they invest will uphold the rule of law, particularly private property rights and contracts; and also individual rights for workers and voters in the interests of political stability – emphasising, in short, the liberal aspects of liberal democracy as opposed to notions of collective democratic participation. Indeed, the latter may well be diminished as the 'sovereignty of alienated individual Rights displaces the sovereignty of local community loyalties…and notions of…human emancipation' (Smith 2000: 28–9). By no means all the states transformed were dictatorships; and some of 'the people' may have had more say *before* liberal democratisation became the global norm, not least because the neo-liberal agenda involves a more thoroughgoing exclusion of 'economics' from 'politics'. The neo-liberal commitment is thus to a very particular – and from a local viewpoint, not necessarily appropriate – form of individualised democracy. As Bell and Staeheli (2001: 191) conclude, it emphasises formal institutions and procedures rather than substantive outcomes and political identities. Rather than democratisation fitting specific geographical-historical contexts, societies are forced to adapt to 'universal' (i.e., Western) norms.

The US-led global hegemony of liberal democracy is part of the '*new-fashioned imperialism*'. It once was said that 'What's good for General Motors is

good for America', but now – like it or not – it is deemed good for the world. The dominant sections of capital worldwide have found that a system of liberal democratic states, with individual states kept on track where necessary by *illiberal* intervention from the leading powers, provides the 'best shell' for corporate globalism. Given its minimalism, 'shell' is perhaps the operative word, for it is limited and limiting democracy in three senses. Firstly, it is shallow where applied within the territory of individual states, emphasising *negative* freedom from minimal government, rather than the *positive* freedoms from an enabling state which might be more helpful to the world's poor majority. Secondly, it has served to exclude economic issues (such as growing world inequalities) from the public realm of 'politics' and effective political debate (de-politicising them being perhaps capitalism's 'most effective defence mechanism'). And thirdly, neo-liberal democratisation does not apply to the global system as a whole where it might well conflict with the minority interests of the world's elite. Hence the 'anti-globalisation' opposition in the name of democracy.

Territory and sovereignty

Globalisation is challenging the traditional territorial basis of democracy and exposing its limitations. The state's claim to a monopoly of legitimate force is incompatible with the cross-border sharing of authority and 'multi-level' democracy. Sovereignty needs to be democratised in terms of popular rather than state sovereignty. But the problems are easier to specify than rectify. We need to see the advantages of territoriality as well as its disadvantages in (re)defining 'political community' or the demos of democracy: its advantages create problems of inertia in replacing existing territorialities. The problems in reconstituting political communities – whether in territorial or non-territorial, functional terms – are highlighted by the paradox that national democracy generally had undemocratic origins (Kratochwil 1986) and this may be repeated with transnational democracy.

Repeating democracy's undemocratic origins?

The paradox, as William Connolly (1991: 464–6) argues, is that democratic polities require democratic institutions for the ongoing functioning of democracy, but democracy is generally absent until the institutions are established, and undemocratic origins must be 'forgotten' if democracy is to be accepted as legitimate. As already suggested, establishing democratic institutions required action – including action by 'the mob' – within and against undemocratic social structures, and inevitably the democracy which emerges is at least partly shaped by non- or even anti-democratic forces. This initial absence of democracy applies to the delimitation and institutionalisation of democracy's territorial framework – whether this involves accepting existing borders or creating or imposing new ones. Typically it is violence or the threat of force, rather than democracy, which is embodied in state borders whether established before or after the advent of mass democracy. But the legacy of undemocratic and often violent origins –

whether in national conflict, political revolution or the slaughter of native populations – needs to be concealed for territorial democracy to perform its legitimising functions. The contemporary relevance of these origins has to be officially denied by the hegemonic interests in what Connolly (1991: 465) calls 'a politics of forgetting'.

The problem surfaces most clearly where people cannot or will not 'forget' and the legitimising 'forgetting' does not (yet) operate. This is quintessentially the case in national conflicts where territories and borders are contested; their origins, however ancient, are not 'forgotten' (or they are re-invented, which amounts to the same thing). They are a contemporary not simply an historical problem. Their stories or conflicting stories are daily retold. A new, more appropriate territorial framework for democracy which might resolve the conflict cannot be agreed because the framework bears directly on the conflict (for example, determining the outcome of conventional majority decision making), which of course is usually why there was conflict over territory and borders in the first place (see the chapter by Anderson and Hamilton in this book).

The same problem (albeit less charged) applies in principle to the framing of any new territorial configuration, decision-making community or constituency. The paradox is repeated. The decision on the new institutional framework for democracy – deciding who should decide – is not itself amenable to democracy (or involves a regress to undemocratic beginnings); the framework's origins, being new or in the process of creation, clearly cannot be forgotten; and thus it may lack legitimacy or general acceptance. For instance, a new community, territorial or functional, might be more appropriate than the pre-given framework of the state, or its existing territorial sub-divisions, for taking substantive decisions on a particular issue (for example, an environmental matter affecting only some parts of a state and/or only particular functional interests such as agriculture, but also affecting adjacent parts of a neighbouring state or states). But how, or by whom, would a more appropriate community be delimited? Creating a new decision-making framework may increase legitimacy problems and add a prior dispute about the framework (as in national conflicts where the all-consuming disagreement about borders takes over and energies are deflected from other substantive issues). Where generally accepted, pre-given frameworks while in theory less appropriate may in practice be better: their origins are probably already 'forgotten', and, even if not, they gain legitimacy precisely because they were *not* created specially to decide the particular issue.

For transnational democracy, however, there generally are no 'pre-given frameworks'. Again, the new ones may have unforgotten origins and lack legitimacy, with substantive decisions more likely to be disputed. It seems that in some senses Connolly's paradox of undemocratic origins has to be repeated in implementing transnational democracy – the existing territorial frameworks for democratic representation are inadequate, the controlling powers are unwilling, and the participatory oppositional agents of democratisation (some again seen as 'the mob') have not been constituted democratically. But the criteria of 'undemocratic origins' refer more to the absence of formal representation than

to the presence of informal participation. Maybe we should concentrate on the destination rather than origins, with the agents defined as 'democratic' by virtue of their objectives and participation, rather than where they are coming from or who they 'represent'.

Territoriality and community

Territoriality's advantages and disadvantages for democracy can be briefly outlined.[7] Territoriality is a mode of social organisation which operates by delimiting geographical 'territories' and controlling movements between them (see Sack 1986: 21–34). It is a 'spatial strategy' which uses territory and borders to control, classify and communicate – to express and implement relationships of power, whether benign or malign, peaceful or violent (for example, locking people in, or out; or giving voting or other rights to people in specified areas but not others).

Its advantages include simplifying issues of control, giving relationships of power a greater tangibility, and providing easily understood symbolic markers 'on the ground' – to denote possession, rights to privacy, inclusion, exclusion. Interestingly, its main modern manifestations are the territorial state and 'private property', corresponding to our two main realms of democracy's presence/absence. It provides representative democracy with a pre-given, 'all-purpose' territorial community whose adults have voting rights on a whole range of issues deemed to effect the territory, rather than the constituency of voters having to be decided issue by issue according to the people actually affected. As we have seen, the need to delimit the 'relevant political constituency' each time – difficult, time-consuming and perhaps impossible to achieve by purely democratic means – is obviated by having the standard 'pre-given framework'; and it gains legitimacy from being created before and independently of particular contemporary issues. It is further distanced from particular issues through having a more abstract or general spatial basis in territory rather than in social attributes. It avoids a recurring 'problem of origins' and the regress of 'who decides the decision makers'.

But territoriality's strengths are also its weaknesses. While simplifying control, territoriality over-simplifies and distorts social realities, and it arbitrarily divides and disrupts social processes, its barrier effects at borders often indiscriminate or unintended in their consequences. While giving greater tangibility to power relationships, it de-personalises and reifies them, obscuring the sources and relations of power. It sharpens conflict and generates further conflict as its assertion encourages rival territorialities in a 'space-filling process'.

Territoriality defines 'political community' by area, on the assumption that people who share contiguous physical space also interact socially and share common benefits, problems and interests. But this means that strangers with nothing in common except a location inside particular borders are allocated to the same 'community'. Conversely, *non*-territorially defined communities, based on shared functions or interests irrespective of geographical location, and those

who do interact but across the borders, are disadvantaged or excluded. Territoriality can be crudely inefficient in delimiting communities.

These weaknesses or limitations are increasing with globalisation. While the 'all-purpose' territorial community obviously still has its uses, it makes even less sense than previously to see 'politics' or 'political communities' as stopping at state borders. With intensified though uneven transnational integration, people sharing the same *physical* pieces of territory are, in at least some respects, becoming less likely to share the same *social* spaces. With huge advances in space-spanning technologies for moving people and information, but with continuing unequal access to them, people's actual social communities are more likely to be spatially *dis*continuous, less territorially delimited, or defined by function rather than territory; and their communities are also increasingly likely to vary, or vary more widely, for different functions or purposes. People are increasingly likely to have as much in common with individuals and groups living in another part of their city or country, or across the border in another country, than with their next-door neighbours. In consequence, as the traditional territorially based 'all purpose' social community weakens, the social base for territorially defined democracy becomes less coherent.

These increasing problems are cause for thought in considering alternative and particularly other territorial bases for political community. With social space becoming more 'relativised', and the territorial state's monopoly on democracy becoming increasingly problematic, other territorial bases are thought more appropriate, including the EU, or its constituent sub-state regions. But is this perhaps to fall for the 'Gulliver fallacy', if problems of state territory are replicated in other territories? Indeed, in some respects they may be worse. Some sub-state regions do retain more coherence than states, but in general they are weaker, highly varied and even more problematic (Anderson 2001b). Larger blocs are the more common alternative, but re-creating a coherent community may be even more difficult in new, larger territories which lack the degree of common history, language and political culture of the traditional state, and in fact the EU lacks its own public sphere separate from the national arenas of the member states (Buchmann 1995). And this is despite the space-spanning technologies which make transnational communication much easier. Indeed these same technologies and the other forces which are disrupting traditional territorial communities also disrupt at the larger scale.

Democracy will not be found by choosing some other territorial 'level' to replace the state as the basis of political community (Anderson and Goodman 1997). As 'places' go, the state may be 'as good as it gets'. Looking for a new 'place' in which to invest political loyalty is to look in the wrong direction. As William Connolly (1991: 480–1) concludes, 'there is no such place – at least if "place" is...defined through...nostalgia'. Nostalgia for 'local communities' developed on 'the assumption that isomorphism between culture and place was "natural" ' (Massey 1999: 22), and Connolly argues that in constituting a barrier to transnational currents, and having a near monopoly on existing democratic accountability, the territorial state encourages

nostalgia for a time when a coherent politics of 'place' could be imagined as a real possibility for-the future...[It] liberates because it organises democratic accountability through electoral institutions. It imprisons because it confines and conceals democratic energies flowing over and through its dikes....

(Connolly 1991: 463–4)

If it is accepted that globalisation has made 'a coherent politics of place' irretrievable, it follows that territorial representative democracy needs to be complemented by other types of border-crossing, participatory democracy, including transnational movements representing non-territorial political communities (for example, particular interest groups and classes, as in 'anti-capitalism'). The state's monopoly on democracy also needs to be replaced by including (rather than choosing) different 'levels', and other 'places' such as city networks (see Taylor in this volume) which differ in character from the state-like 'levels'. But while such a 'multi-level' and multidimensional democracy may be a preferable and ultimately more realistic goal, the problem remains that it is not compatible with territorial sovereignty and the state's continuing claim to a monopoly of legitimate force.

Democratising sovereignty

For a genuine sharing of authority and democracy in 'multi-level arrangements', sovereignty would need to be democratised in terms of popular sovereignty rather than state territoriality. The temptation is to dispense with this elusive and contentious concept, made even more controversial by globalisation, but 'sovereignty' refers to issues in the real world which cannot be defined away (Hoffman 1998: 11–20). It links democracy and state territory, underpinning electoral representation. As already mentioned, there is a widening gap between state sovereignty and popular sovereignty; and rather than ignoring the concept, it may be preferable to redefine it in less state-centric and more democratic terms. This confronts the assumption that the state is the only framework, and it is compatible with taking class struggle rather than the state as our primary category. Conversely, it needs to be recognised that the state, because of its unique claim to sovereignty and a monopoly of legitimate force, is not just another 'level' among others, much as we might wish it. States as presently constituted have an irreducible element of absolutism in their assertion of 'sovereignty'. 'Monopoly' does not easily square with border crossings and multi-level sharing.

This issue has been addressed by John Hoffman partly through a critique of David Held's model of cosmopolitan democracy, widely regarded (by, for example, Falk 1995; Hoffman 1998; Smith 2000) as a major contribution by one of the few democratic theorists who have taken international relations seriously. Held (1995) persuasively argues for a complex set of new transnational institutional structures for cross-border democracy at various different levels. Drawing mainly on liberalism, he emphasises the extension of 'cosmopolitan democratic

law', not as the law of states, or between one state and another, but to all in the 'universal community', in 'an expanding institutional framework for the democratic regulation of states and societies' (Held 1995: 232):

> some of the duties and functions of the state are and must be performed at and across different political levels – local, national, regional, and international…the idea of the modern state…[must] be adapted to stretch across borders…Cosmopolitan law demands the subordination of regional, national and local 'sovereignties' to an overarching legal framework, but within this framework associations may be self-governing at diverse levels.
>
> (Held 1995: 234)

In this model the state itself is not 'wholly defunct', but sovereignty is to be 'stripped away from the idea of fixed borders and territories'; cosmopolitan democratic law is 'to provide shape and limits to political decision-making'; specific innovations include various supra-state assemblies such as continental-scale parliaments and a more representative United Nations assembly; and intensive and participatory democracy at local levels complements the deliberative and representative assemblies of the wider global order (Held 1995: 234, 272, 278)

This impressive architecture can be taken as one benchmark for transnational democracy and Hoffman's critique is not of the model overall, but of its treatment of sovereignty in relation to cross-border, multi-level democracy. He suggests that Held does not follow through the radical implications of his own model. Although essentially a transnational extension of liberal democracy, the model is not intentionally state-centric, but Hoffman (1998: 61–4) argues that Held is unwilling to conceptualise sovereignty in a 'post-statist' manner, and there is an unresolved dualism or contradiction between this state-centrism and his cosmopolitanism. On the one hand, states must 'stretch across borders', and he wants the concept of sovereignty to be 'stripped away from the idea of fixed borders and territories' and broadened to embrace different supra- and sub-state levels as well as states. On the other hand, however, he continues to identify it with the state, retaining the conventional statist definition of sovereignty and the state in terms of 'a monopoly of legitimate force'. He is reluctant to define sovereignty in a way which would challenge the centrality of the state; and according to Hoffman (1998: 5, 61–2), his statist 'confusion' leads Held to argue that cosmopolitan democracy has to limit popular sovereignty, and that supranational decision making 'erodes' sovereignty.

For democracy to become a reality at different levels and across borders, the absolutist, monopolistic aspirations of the state have to be confronted. Sovereignty's indivisible character of final decision making has to apply to political communities in which different territorial levels, border-crossing institutions and non-territorial associations and movements can all participate. Popular rule has to be detached from its subservience to hierarchical and repressive state institutions; sovereignty has to be freed from the monopolistic embrace of the state to become compatible with democracy (Hoffman 1998: 62–4). But it will not be

easy to escape what John Agnew (1994) described as 'the territorial trap' – the geographical assumptions of international relations, the inside/outside dichotomising which obscures cross-border processes, and the ahistorical reification of states as fixed units of sovereign territory. Despite its advantages, territoriality *per se* is partly the problem. But because of its advantages, it has a firmly entrenched dominance which will not easily be displaced.

Transnationalism and agency

This, finally, brings us to the crucial question of agency. Who is going to deliver transnational democracy and by what means? Possible agents range from established political forces (though we saw the more powerful have a very limited vision of, or commitment to, democracy), to NGOs and more oppositional transnational social movements. The choice of agents is also a choice of what sort of democracy is desired, and here the range of alternatives to the status quo is framed by the 'polar opposites' of transnational democracy: liberal cosmopolitanism and the 'anti-globalisation' movement, particularly its 'anti-capitalism' manifestations. They present conflicting visions and mutual criticisms, but might their respective and complementary strengths be articulated together? Could 'anti-globalisation' provide cosmopolitan democracy with more critical, participatory 'teeth' and the political agency which it currently seems to lack, while the cosmopolitan model provides some permanent structures of transnational decision making and accountability? One is relatively strong on 'structure' and weak on 'agency', the other vice versa. And in between there are large 'grey areas' where agents might be seen as working within the structures to change them, or alternatively as being co-opted and disempowered.

From liberal cosmopolitanism to 'anti-capitalism'

The architectural plans for cosmopolitan democracy are impressive but who or where are the builders? As Hazel Smith (2000: 18–20) points out, the cosmopolitan model concentrates on the 'ought' at the expense of the 'is'. It has relatively little to say on how to get from the latter to the former. David Held (1995: 237) allows that the impetus for cosmopolitan democracy includes 'grassroots movements' with a transnational focus (on, for example, environmental and human rights issues), and that 'a political basis exists on which to build a more systematic democratic future', but it is unclear who will do his building. Indeed the attention paid to the question of agency in an otherwise very detailed account is minimalist; and the discussion of some potential agents seems to be about what they might do once the 'model' is in operation, rather than how to actually establish it.

Perhaps not surprisingly given his liberal perspective and emphasis on institutional structures, Held seems to put his faith in state elites and is rather dismissive of social movements as having only a marginal and generally more local potential (but see Goodman in this volume). They are seen as diffuse and problematic,

and he cautions against romanticising grass-roots movements, some of which have reactionary, chauvinistic agendas rather than progressive, transnational ones. He wants 'intensive and participatory democracy at local levels as a complement to the deliberative and representative assemblies of the wider global order' (Held 1995: 278–86). But in actuality, 'intensive and participatory' agitation for transnational democracy has been most prominent in the 'wider global' arena thanks to 'anti-globalisation' (and comparatively absent at more 'local' EU levels for instance). It may also be the case that the movement's participants would not accept the 'local/global' dichotomy, seeing themselves as having to be active at both levels and some intermediate ones as well; the language of 'levels', appropriate to territorial representative democracy, is less useful for participatory politics.

Held argues that global governance cannot be delivered through an extension of grass-roots democracy alone; and he is understandably opposed to a simple counterposing of grass-roots associations 'from below' against global governance 'from above'; or of participatory, direct democracy against liberal representative democracy (Held 1995: 283–5). However, the impression given is that cosmopolitanism will mainly come 'from above'. For instance, he argues the need to co-ordinate the fragmentary policies of the IMF, the World Bank and the WTO (Held 1995: 259), but to the 'anti-globalisation' forces from below this might seem like a call to co-ordinate the main anti-democratic forces of neo-liberalism which they are contesting. As Richard Falk (1995: 7) rather acidly observes, 'The only elites…likely to contemplate world government favourably in the foreseeable future are those that currently seem responsible for the most acute forms of human suffering.' He comments that while the cosmopolitan approach is informed in general terms by

> participation, accountability, lawmaking, and agenda-setting by the peoples of the world, through their representatives…it doesn't carry us very far. It doesn't tell us whether and in what circumstances governments are representatives of peoples, thereby satisfying democratic requirements, and when they are not.
>
> (Falk 1995: 119–20)

Falk and others put their faith in the participatory democracy of those transnational movements 'from below' which are 'animated by a vision of humane governance', rather than simply extending liberal representative democracy and the institutional networks of established power beyond state borders. And of course there already were many such autonomous or self-organising movements with an established record of transnational action (Hirsch 1995), as the 'anti-globalisation' alliance now clearly demonstrates. It was these movements which had already begun to organise the transnational consciousness from which the alliance emerged in 1999. As Falk argues, the new institutional arrangements needed for a humane cosmopolitan democracy will only be created, not through the self-motivated agency of established elites who are often

part of the problem, but through transnational mobilisation 'from below' involving a wide variety of non-governmental institutions and social (i.e., political) movements (Falk 1995: 7, 119–20). He goes on to make the more general point that

> the necessary enlargements of democratization will occur, if at all, only through pressure and struggle. Economic and political elites will not protect the general human interest on the basis of their own values or even through…enlightened self-interest…Only a transnational social movement animated by a vision of humane governance can offer any hope of extending the domain of democracy.
>
> (Falk 1995: 120)

Since that was written, just such a movement emerged and grew with 'Battle of Seattle' against the WTO in 1999, the protest against the World Bank and IMF in Prague 2000, and later demonstrations about global governance. Its significance lies not only in being the most widespread mass radicalism since 1968, but in identifying the capitalist world order as the common cause of global/local problems and a basis for unifying previously separate campaigns and movements. The battle lines are now more clearly drawn, though violence at the demonstrations has 'muddied the waters'.[8]

The difficulties facing democratisation have also been clarified. Research into relations between 'multilateral economic institutions' (MEIs: the World Bank, IMF and WTO) and 'global social movements' (GSMs: the environmental, women's and labour movements) has shown that while the institutions want reforms in order better to achieve their neo-liberal agenda, the movements generally want to radically change the agenda or get more transparency and accountability in their implementation (O'Brien *et al.* 2000: 5–17). But the study's not very optimistic conclusion was that

> global governance is inching towards a more democratic form. However, the degree of responsiveness on the part of MEIs is limited [and] reflects a narrow base in developed countries. Our conclusion is that there has been a very slight move to democratise MEIs, but the emphasis must be on its incremental and tentative nature.
>
> (O'Brien *et al.* 2000: 231–2)

The member states oppose participation by social movements in a more complex 'multilateralism', actively seeking to monopolise transnational arenas themselves and split the transnational opposition along national lines.[9] And the opposition is further divided on political strategy and what the articulation of institutions and movements can mean:

> For those who see moderate social movements as the hope for increasing global democracy, complex multilateralism needs to be strengthened and

supported. People with a more radical agenda seeking greater transformation away from the liberal programme may view complex multilateralism as a threat because of its ability to co-opt parts of the social movement community and deradicalise their project.

(O'Brien *et al.* 2000: 5–6, 231–2)

Conclusions

The future of globalisation is being contested through rival conceptions of democracy. We have seen that the leading state powers adhere to the limited and limiting form of liberal democracy. This peculiarly shallow form of national, territorial representation, and the almost non-existent democratisation of inter-state and transnational relations, suits their neo-liberal and profoundly undemocratic economic globalism. The emphasis is very much on democracy as representation rather than participation, though even in its own terms its representativeness is being seriously compromised by globalisation. As we saw, globalisation is simultaneously weakening the base of national democracy and extending the transnational scope of decision making beyond democracy's existing range. Elevation of the liberal democratic state to hegemonic world norm is part of the 'new imperialism'. It is greatly facilitated by the partial separation of 'economics' and 'politics' in capitalism, a precondition of territorial sovereignty and of economic globalisation, and one which we reformulated in terms of the presence/absence of democracy. Democracy generally stops both at the gates of the workplace and the borders of the state.

On the other hand, the democratic opposition to neo-liberal forces, which by definition lacks the transnational representative institutions it wants to see established, necessarily emphasises participatory democracy. Ideally complementing representation, participatory forms are more amenable to border crossing, escaping the limitations and problems of territoriality and state sovereignty, and 'oiling the wheels' of 'multi-level governance'. However, we saw that state sovereignty with its monopolistic claim to legitimate force, or 'the final say', is ultimately incompatible with a 'multi-level' or, better, a multidimensional sharing of authority across borders and between different territorial and non-territorial entities. It was argued that a less state-centric democratic theory is required. Globalisation has called into question the familiar 'inside/outside' dichotomy and further debilitated the respective fields of liberal democratic theory and international relations to which it gave rise. Rather than being 'prime movers' which can be taken as given, states should be seen as a 'second order' category set within a system of production and relations of social power; and sovereignty needs to be democratised in terms of popular social relations rather than state territoriality.

The democratic opposition which would change politics in this general direction is, however, divided on various lines. Most obviously, the reformists of liberal cosmopolitanism (and many NGOs) try to work within the system to change it, while the radicals of 'anti-capitalism' reject an accommodation with neo-liberal

globalism and seek to build transnational resistance to it; and there are of course other divisions.[10] These differences militate against any easy or automatic articulation of democratising forces. Nevertheless, our 'polar opposites' of radicalism and reform are both working for transnational democracy; and both, albeit to varying degrees, reject or qualify the dominant state-centrism and monopolistic notions of state power and sovereignty. We saw that they have complementary strengths and weaknesses – with respect both to 'agency/structure' and to 'participation/representation'. And the extent to which they combine forces will depend very much on the unpredictable course and levels of future struggles.[11] But just as the international movement of 1968 radicalised a previous generation including key 'capitalist cadres', so the 'anti-capitalist' movement, if it develops, has the potential to re-politicise or subvert a new and more transnational generation, including key cadres within the structures of the transnationalisation process. Like the earlier movement, it will gain 'teeth' when its still largely rhetorical 'anti-capitalism' more centrally involves the power of organised labour, taking democracy through the workplace gates as well as across state borders. Here its potential is significantly greater, not only because transnationalism has grown apace since 1968 but because the contemporary movement is much more 'economic' in its concerns. That helps explain why elected world leaders are so keen to dismiss the radicals of 'anti-capitalism' as an unelected, unrepresentative and violent rabble – 'the mob' of earlier democratic agitations reborn.

Democracy is not a zero-sum game. It is not a matter of choosing 'participation' rather than 'representation', or transnational as against national arenas, the global or the local. An increase in one form of democracy, or in one arena, is likely to stimulate growth in the others, rather than subtract from them. To succeed, transnational democracy must embrace all of them. However, participatory democracy is especially important – indeed essential – for creating new forms and institutions of representation. If agitating for transnational democracy by participation is deemed undemocratic in representative terms, it is only and necessarily repeating the paradox of national democracy's undemocratic origins. And if the rich and powerful see the participants as 'the mob', that on historical precedent is only to be expected.

Notes

1 My thanks to Liam O'Dowd and Ian Shuttleworth who commented on an earlier draft of this chapter, and to the participants in the Newcastle Colloquium where some of these ideas were discussed.
2 It is misleading to imagine space in the past as already divided up into bounded 'places' as if these had always existed in isolated self-sufficiency, rather than being social constructions. Conversely, bounded 'places' are still being constructed, and contemporary globalisation is far from its popular image of unfettered mobility in unbounded space (Massey 1999: 11–15, 23). If true for relatively 'footloose' capital or fluid identity or cultural processes, this is even more true for some political phenomena, such as territorial constituencies or absolutist claims to sovereignty, where borders continue to be of paramount concern.

3 In the 1990s there was some rolling back from the highpoint of neo-liberal ideology in the 'Reagan–Thatcher' 1980s to the 'Third Way' neo-liberalism of the 'Clinton–Blair' era.

4 This 'internationalisation and transnationalisation' can be traced in the growth of intergovernmental organisations (IGOs) – created by two or more governments – and international non-governmental organisations (INGOs). IGOs approximately tripled in number over the second half of the twentieth century (123 in 1955, 337 in 1986; only 37 in 1909), while there was an even more remarkable fivefold increase in INGOs (from around 1,000 in 1950 to 5,500 in the 1990s; 176 in 1909) (McGrew 1995: 29–36; Held *et al.* 1999: 53–4).

5 In homage I started writing an article, 'Slow down Susan, not everything's changed', but unfortunately – or fortunately – I never got beyond the title.

6 Regional economic blocs such as the EU are clearly a response to globalisation, but they may well prove obstacles rather than staging posts to further globalisation. In attempting to theorise state borders (Anderson 2001a), I have further discussed the generally decreasing dependence on direct political control, and the increasing territorial extent of hegemonic states.

7 Wider questions of territoriality are also discussed further in relation to borders in Anderson 2001a.

8 This seems to be intentional, both to scare off some of the protestors and give the others a bad name. Some of the violence has clearly been the work of police *agents provocateurs*, some is blamed on an 'anarchist' group, and there is considerable overlap between the two.

9 For example, member states in the WTO opposed increased participation by NGOs partly by trying to confine their involvement within national frameworks on traditional state sovereignty grounds: groups attempting to lobby the WTO should lobby in their own countries (O'Brien *et al.* 2000: 150).

10 Goodman (in this volume) indicates the heterogeneous nature of the opposition to western 'corporate globalism', distinguishing democratic movements and strategies which seek to build transnational alliances of resistance, and those which confront it on a local and particularistic (or literally 'anti-global') basis. Furthermore, the latter also include some very reactionary, *anti*-democratic movements, such as Afghanistan's Taliban and fundamentalist sects and survivalists in the USA.

11 In the light of this unpredictability, it can be argued that what is needed now are some broad guiding principles for transnational democracy rather than detailed architectural plans. Elitist model-building may provide a sense of direction, but democracy will only be increased by the struggle of others, we/they have to be open to the future, and who knows what wonderful and (to present eyes) weird political forms may be developed in the course of the struggle.

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Globalizations and Democracy

DONATELLA DELLA PORTA

Globalization has been seen as a factor in increasing democratization, but also as one of the main challenges to democracy. The term globalization has been used to indicate various and heterogeneous types of phenomena, all of them producing challenges for traditional, nation-state based models of democracy. Economic globalization as free trade, with devolution of power from the state to the market, challenges the welfare state model of tempered capitalism. Cultural globalization, with intensified communication over borders, challenges the idea of democracy as one based upon a pre-political community of destiny. The social dimension of globalization brings about a fragmentation of social groups and identities, as well as growing transnationalization of civil society organizations and protest campaigns. In the political system, the economic, cultural and political dimensions of globalization reverberate in the increasing complexity of the structure of international organizations and international regimes. The challenge to the power and competence of the nation-state posed by the various instances of globalization brings into sharp relief the democratic deficit of the growing number of international organizations. Normative theories of democracy must insist on the need to create new political institutions that take into account the greatly diminished power of nation-states and the changing definition of relevant political communities.

Key words: social movements; international organizations; cosmopolitan democracy; international law

Globalizations, Concept-Stretching and Democracy

Globalization has been seen as a factor in increasing democratization, but also as one of the main challenges to democracy. In the last few decades, the number of countries with elected governments has increased–from 39 in 1974, to 117 in 1995, to 193 at the start of the new millennium.[1] The growing influence of international governmental organizations (IGOs) has been seen as supportive of democratic transitions, if not of the consolidation of democracy.[2] But, at the same time, terms such as 'post-democracy' have emerged to define the reduced capacity for intervention by elected politicians, as well as citizens' growing dissatisfaction with their performance.[3] Scholars warn that the 'third wave' of democratization risks ending in a globalized economic war, with an increase in armed conflicts and violence with significant impact on the civic population.[4] As David Held aptly summarized,

> There is a striking paradox to note about the contemporary era: from Africa to Eastern Europe, Asia to Latin America, more and more nations and groups are championing the idea of democracy; but they are doing so at just that moment

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when the very efficacy of democracy as a national form of political organization appears open to question. As substantial areas of human activity are progressively organized on a regional or global level, the fate of democracy, and of independent democratic nation-state in particular, is fraught with difficulties.[5]

Disagreements about the effects of globalization are due, in part, to the imprecise definition of the concept itself. Globalization is associated with the large transformations involved in 'the increasing scope and intensity of commercial, communicative and exchange relations beyond national borders'.[6] Quite a 'stretched' concept, it has been applied to define economic, social, political, and cultural phenomena with quite different characteristics and effects.[7] Indeed, social scientists have often declared their preference for more specific concepts, such as transnationalization[8] or complex internationalism,[9] which specify the arenas where global conflicts take place. In political debate, globalization has been praised or stigmatized, in turn, as free trade and cosmopolitan values, market dominance and global governance, hierarchical processes 'from above' and the development of civil society 'from below'. The distinction in the French language between the more threatening 'globalization' and the more benign 'mondialisation' testifies to these cognitive tensions.

Whatever the definition of globalization, challenges to democracy arise from the necessity to adapt conceptions and practices developed at the national level to a reality in which transnational actors and global events have an increasingly larger influence. The normative conceptions and empirical implementation of democracy developed in and about the nation-state are not easily applied at the supra-national level. Indeed, 'democracy as we know it within countries does not exist in a Globalized Space. More accurately, to the extent that Globalized Space is marked by conventional democratic procedures, these are ad-hoc, non systematic, irregular and fragile.'[10] Not only do IGOs usually have no electoral accountability (the European Parliament is an exception), but a transnational conception of citizenship and citizenship rights is difficult to develop. The fundamental principles of nation-state democracy – such as territoriality, majority principles, and use of coercive power – 'have to be reformulated, if they are to be applied globally'.[11] As Habermas observed, 'one alternative to the forced cheerfulness of a "self-dismantling" neoliberal politics would consist in finding the *appropriate forms* for the democratic process to take beyond the nation-state' (emphasis added).[12]

As will be argued in what follows, the various phenomena that have been included in the unfocused definition of globalization present challenges but also opportunities for democracy. In this vein, the account will discuss the potential effects of globalization in its economic, cultural, social and political components, focusing on both the risks and the opportunities that the heterogeneous processes mentioned under the label of 'globalization' represent for democracy and democratization. It concludes with some remarks on reforms and good practices in the area of global governance.

Economic Globalization and Democracy

Several scholars have defined globalization as mainly an economic phenomenon.[13] Although opinions diverge on the historical origins of economic globalization, as

well as its periodization, the last few decades are seen as characterized by increasing exchanges in the traditional forms of trade in industrial goods and capital investments, as well as in the more innovative forms of financial flows and investment in services.[14] In fact, in the economic system, globalization has been defined as a growing internationalization of financial capital in particular, with an increase in international trade and investment.[15] In the last two decades, the liberalization of the capital market has been reflected in an increasingly integrated financial system – some speak of an 'economy without borders'.

The material aspects of globalization are indeed visible in intensified flows of money, goods and people.[16] Growing interdependence has meant production being transferred to countries with lower wages (in economic theory, the 'de-localisation of production processes'). Economic global interdependence has been a factor in transforming the division of international labour, not only by de-industrializing the North (where the economy is increasingly service oriented) and industrializing some areas of the South (in particular in Latin America and Central Asia and, now, in Eastern Europe), but also by pushing large numbers of people from the south and east of the world to its north and west. It has also meant the growth of multi-national corporations that in the late 1990s controlled 20 per cent of world production, 70 per cent of global trade, and 80 per cent of direct foreign investment.[17]

While the process of global interdependence has its roots in the distant past,[18] the technological revolution of the 1980s contributed to intensifying 'both the reality of global interdependence, and also the awareness of the world as one single unit'.[19] As Manuel Castells notes, 'a technological revolution, centred around information technologies, is reshaping, at accelerated pace, the material basis of society. Economies throughout the world have become globally inter-dependent, introducing a new form of relationship between economy, state, and society, in a system of variable geometry.'[20]

The effects on democracy of these intensified economic flows are debated in the social sciences. A main assumption presented by neo-liberal approaches, especially in economics, is that the moving of capital to poor countries and the opening-up of Western markets to their products spur economic development, and, with it, the pre-conditions for liberal democracy. Private investments are presented as an alternative to state intervention and its potential for corruption. The main hypothesis is that, as in Western democracies, free markets would produce economic development and, in turn, democracy, with a convergence of standards of income and welfare in the North and South.

Sociologists have been more sceptical about the potentially positive effects of globalization as global free market. Economic globalization as 'return to the market' has certainly reduced the potential for state intervention in economic inequalities, challenging the model (previously dominant in Europe, but also in Keynesian political economy) of the need for state involvement to insure economic development, but also social justice. In Habermas's words,[21] 'increased capital mobility makes the state's access to profits and monetary wealth more difficult, and heightened local competition reduces the state's capacity to collect taxes' – reducing the effectiveness of public administration, but also the legitimacy of state institutions. In the last two

decades, the deregulation of financial markets, reduction of taxes, and privatization of public services have indeed been common trends in advanced democracies, although with some differences between European countries and the United States.[22] Globalization as devolution of power from the state to the market has reduced the relevance of territorial control.[23] And, 'as markets drive out politics, the nation-state increasingly loses its capacities to raise taxes and stimulate growth, and with them the ability to secure the essential foundations of its own legitimacy'.[24] Lacking a conception of positive international integration, 'national governments, terrified of the implicit threat of capital flight, have let themselves be dragged into a cost-cutting deregulatory frenzy, generating obscene profits and drastic income disparities, rising unemployment, and the social marginalization of a growing population of the poor'.[25]

Indeed, globalization does not seem to have resolved global inequalities: according to an often quoted report of the United Nations Development Programme (UNDP),[26] member countries of the Organization for Economic Cooperation and Development, with 19 per cent of the world's population, control three-quarters of the internal income, 71 per cent of trade, and 58 per cent of foreign investment. At the turn of the century, there were still 30 million unemployed or under-employed individuals.[27] Globalization has indeed been seen as increasing the polarization between the globalized rich and the localized poor.[28] According to various measures of quality of life, inequalities have also increased within both rich and poor countries with growing numbers of the working poor and severe exploitation of child labour.[29] The turbulence of financial markets and irrational exploitation of natural resources are also viewed as free-market globalization effects that weaken and destabilize democracy.

In the most pessimistic views, politics and governments lose ground or are conquered by privileged elites, and the welfare state – as the product of the mid-century compromise between capital and workers – falls victim to a new, anti-egalitarian conception.[30] With neo-liberalism, a drastic decline of altruism would have undermined the moral basis of capitalism and with it the capacity to define a general interest.[31] Therefore, economic globalization, in this neo-liberal version, challenges a conception of democracy as development of social rights that is deeply rooted in sociological theory.[32] In these interpretations, the effect of deregulation is not a competitive market, but the growth of multi-corporations and oligopolies. Globalization, in these terms, means 'the involution of the state – in other words, the regression to a penal state concerned with repression and progressively abandoning it social function of education, health, welfare'.[33] With economic 'globalization' the state renounces its social role, keeping only its repressive powers.[34]

Cultural Globalization and Democracy

Globalization has also been identified with significant *cultural* changes, the fundamental point being the growing interdependence in today's world. As Giddens suggested, globalization implies the creation and intensification of 'worldwide social relationships which link distinct localities in such a way that local happenings are shaped by events occurring miles away and vice versa'.[35] The shortening of space

and time in communication processes affects the production and reproduction of cultures. Indeed, globalization has been defined 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 extension, intensity, velocity and impact – generating transcontinental or interregional flows and networks of activity'.[36] The new channels of communication lead us to a 'global village' in which we are targeted in real time by messages sent from far away. The spread of satellite television and the Internet has made possible instantaneous communication that easily crosses national boundaries.

In terms of democratic values, globalization has been welcomed as a confirmation of democracy as the only legitimate regime. A human rights regime has developed in the international system, providing support for democratization processes.[37] However, we also see the increasing dominance of a liberal model of democracy based upon an elitist conception of electoral participation for the mass of the citizens and free lobbying for stronger interests, along with low levels of state intervention.[38] It is also debated whether the intensification of transnational communication will bring about homogeneity or fragmentation, increasing tolerance for the diverse or producing a clash of civilizations. According to some scholars, the emerging global culture is cosmopolitan and rich; for others, it is the most developed form of imperialism – according to Pierre Bourdieu, a 'politics of de-politization imposed by international organizations which base their policies on the individualistic, neo-Darwinist historical tradition, embedded in the United States of America'.[39]

One of the perceived dangers of cultural globalization is the predominance of a 'single way of thinking' emerging triumphant from the defeat of 'real socialism'. The international system had been tied to a bipolar structure in which each of the two blocs represented a different ideology. The fall of the Berlin Wall in 1989, which symbolically marked the demise of the Eastern bloc, made Western capitalism seem the only, dominant model. The lack of a concurrent world power has certainly curtailed, at least in the short term, the need for the United States and its allies to enact policies to mitigate the inequalities of the capitalist model, and has also limited the number of strategic options open to countries in the south of the world. In cultural terms, 'modernization' processes promoted by science and the leisure industry have paved the way for what Serge Latouche has called 'the westernization of the world'[40] – in other words, the spread of western values and beliefs on a global scale.[41]

Although the scenario of a single 'MacDonaldized' world culture[42] is an exaggeration, there has been an undeniable increase in cultural interaction with the export – albeit filtered through local culture – of Western cultural products and values.[43] Globalization is not Americanization, but glocalization: homologous values within infinite variations of specific activities in different contexts.[44] While territorial identities remain strong, the impact of values from other cultures and the rise in interactions between cultures tend to increase the number of identifications that interweave into and compete with those anchored in the territory. Globalization is not only 'out there', but also 'in here':[45] it transforms everyday life and leads to the defence of cultural traditions against the intrusion of foreign ideas and global issues.

In particular, globalization challenges the grounding of democracy in the 'community of fate' of the nation-states, increasing transversal and multiple territorial identifications. Intensified interactions favour the emergence of a new ethic with global responsibility for inequality. In David Held's words, 'our world is a world of overlapping communities of fate, where the fate of one country and that of another are more entwined than ever before'.[46] According to Beck,[47] in late modernity, the state survives by overcoming the merely national definition of the political community (beyond but not without the state). A cosmopolitan solidarity develops 'through feelings of indignation over the violation of rights, i.e. over repression and injuries to human rights committed by states'.[48] Since the global risks (environmental pollution, wars and so on) are indivisible, collective destinies emerge as tightly connected,[49] and 'global self' develops on the basis of the acknowledgement of shared risks,[50] together with the implementation of universalistic values (and therefore responsibility). The mobilization on global issues has been linked to the development of a reflexive global consciousness which designs global futures and global utopias.[51]

The development of supra-national identities, however, is a process that challenges the established conception of liberal, representative democracy: 'the notion that consent legitimizes governments, and that the ballot box is the appropriate mechanism whereby the citizen body as a whole periodically confers authority on government to enact the law and regulate economic and social life, becomes problematic as soon as the nature of a "relevant community" is contested'.[52]

The Social Dimension of Globalization and Global Movements

Globalization also has social effects that impact upon the construction and development of civil society.[53] It represents a challenge also for the emerging conflicts and available resources for social movements as important components of democracy. The initial debate on globalization was, in fact, dominated by concern regarding its potentially negative impact on the survival of social movements. Concentrated in the north of the world and focusing on the processes of institutionalization (or normalization) of movements, social scientists were slow to perceive the emergence of a global protest movement. Globalization was indeed blamed for hindering the formation of collective actors:

> social movements tend to be fragmented, localistic, single-issue oriented, and ephemeral, either retrenched in their inner worlds, or flaring up for just an instant around a media symbol ... The implicit assumption is the acceptance of full individualization of behaviour, and of society's powerlessness over its destiny.[54]

Market sovereignty appeared without an alternative, resulting in a belief 'that there is little we can change – singly, severally, or all together – in the way the affairs of the world are running or are being run'.[55] The diminution of trade unions' membership and power has been considered an unavoidable consequence of capital hyper-mobility.

Nevertheless, globalization – in its different meanings and understandings – has also produced increasing conflicts at both the local and the transnational levels. Economic globalization has raised specific problems that mobilize actors, both old and new. Signs of emerging political opposition to the consequences of a forced convergence of socio-economic models of development were noted as early as the first part of the 1990s.[56] In the North, the increase in unemployment and especially in job insecurity and unprotected working conditions brought about frequent mobilizations of both industrial and peasant workers. In the South, unions seemed capable of taking advantage of globalization, strengthening workers' rights in countries where capital was now invested – as Beverly Silver observes, 'the deep crisis into which core labour movement fell in the 1980s was not immediately replicated elsewhere. On the contrary, in the late 1980s and 1990s, major waves of labour militancy hit "showcases" of rapid industrialization in the Second and Third Worlds.'[57] As with Fordism, initially considered a source of unavoidable defeat for the working class, post-Fordism could also present both challenges and opportunities for the workers' organizations. Globalization tends to favour, if not a homogeneous and self-conscious global working class, at least, growing contacts between workers in different countries.[58] The unions have since the 1980s been the main protesters in some southern countries against the negative social effects of the substantial cuts in social spending imposed by the major international economic organizations. Urban movements and groups of unemployed have joined with them in Latin America as well as in Asian and African countries.[59]

Also in the South, native populations have often mobilized against the destruction of their physical habitat through the private exploitation of natural resources, and against development projects with major environmental impact.[60] The resurgence of forms of nationalism, ethnic movements, religious mobilizations and Islamic (and other forms of) fundamentalism are, in part, a reaction to the intrusion of different cultures and values. At the same time, in the North, solidarity-based movements are mobilizing proactively on 'distant' issues not directly connected with their own national context. While cultural globalization may endanger national identity, new technologies also provide a formidable array of tools for global mobilization, easing communication between worlds once distant, via new media that defy traditional censorship. Increased perception of issues as global also heightens people's willingness to mobilize at the transnational level. Local traditions become delocalized and re-adapted to new contexts through the presence of transnational networks of ethno-cultural communities.[61]

Fifteen or more years after the fall of the Berlin Wall, the various actors engaged in the conflicts mentioned above have become increasingly networked, spawning common mobilizations. If globalization is the challenge, it seems also to be the resource of protesters who may not oppose it outright, but aim towards changing its content. Indeed, globalization has consistently transformed the conditions for collective action, and, along with its limits, brought occasions and resources for protest. In the economic, political, and cultural systems, the intensification of interaction has generated new conflicts and, also, opportunities for expressing these conflicts at multiple territorial levels.

Although protest activity is still mainly based at the local and national level, in the last decade transnational campaigns have often targeted international organizations (see below). Environmentalists have protested against the World Trade Organization's (WTO) Appellate Body decision that found that the United States in breach of free-trade principles because it had prohibited the importation of shrimps caught in nets that endangered sea turtles. Protesters have also targeted other decisions such as Japan's block on importing products treated with pesticides; Europe's laws against importing meat from animals fed with hormones; and Canada's ban on petrol containing a methanol additive. Consumer-protection organizations mobilized against supranational agreements such as North American Free Trade Agreement (NAFTA), the General Agreement on Tariffs and Trade (GATT) and the WTO for allegedly lowering consumer protection standards in the name of free trade, and so did trade unions, fearing the worsening of workers' rights. At United Nations (UN) conferences on women's rights, feminist groups from the North of the world met their counterparts from the South. Development non-governmental organizations (NGOs) pressed for a rise in aid to Third World countries and even called for reparations for the historical social and environmental debts the North of the world imposed on the South. Supported by religious and other groups, the Jubilee 2000 campaign called for the cancellation of poor countries' foreign debt. Pacifist and human rights organizations added their voices, calling for freedom of movement for migrants and denouncing anti-personnel mines. Over the last decades, transnational protest campaigns have multiplied, in particular on issues such as environmental protection, gender discrimination and human rights.[62]

During these campaigns, common themes developed around global justice and global democracy.[63] One common theme of transnational mobilizations is the criticism of globalization as free market. In particular, national and international elites are accused of strengthening market freedom at the expense of social rights which, at least in the North, had become part and parcel of the very definition of citizenship. Criticism of neo-liberal forms of globalization and demands for 'another globalization' entered the public sphere with the protests against the WTO summit in 1999 – as the American weekly *Newsweek* wrote, 'one of the most important lessons of Seattle is that there are now two visions of globalization on offer, one led by commerce, one by social activism'.[64] After Seattle, it was said that, if nothing else, protests had had the immediate impact of bringing international summits out from the shadowy world of reserved agreements between diplomats and technocrats and into the media spotlight: 'Never before had the beginning of multilateral trade negotiations been at the centre of the international public sphere'.[65] Since then, protest on the issue of globalization has continued in dozens of countries and gained increased visibility through systematic transnational mobilization in counter summits, challenging the official summits of major IGOs, among them, not only, the International Monetary Fund (IMF) and the World Bank, but also the European Union (EU).[66]

Global themes have been fostered by transnational organizations. The various dimensions of globalization have been reflected in the emergence of a 'global civic society' – a much-used and much-debated term to indicate a civil society that 'increasingly represents itself globally, across nation-state boundaries, through the formation of global institutions'.[67] The organization of a global civil society is

inevitably linked to globalization processes in economics, culture and politics.[68] The shift of decision-making to the supra-national level has, in turn, encouraged the birth of international non-governmental organizations (INGOs), whose numbers, members and availability of material resources have grown.[69] The concept of 'transnational social movement organizations' (TSMOs) was coined to define INGOs active within networks of social movements.[70] While social movements developed with the growth of national politics, the formation of TSMOs has been seen as a response to the growing institutionalization of international politics.[71] Some NGOs have been credited with having not only increased in size, but also with having strengthened their influence in various stages of international policy-making.[72] Their strengths include their increasing credibility in public opinion and consequent availability of private funding,[73] as well as their roots at the local level. Their specific knowledge, combined with useful contacts in the media, make many NGOs seem particularly reliable sources. With a professional staff on hand, they are also able to maintain a fair level of activity even when protest mobilization is low. Independence from governments, combined with a reputation built upon solid work at the local level, enable some NGOs to perform an important role in mediating inter-ethnic conflict.[74]

Finally, NGOs enhance pluralism within international institutions by representing groups who would otherwise be excluded[75] and by turning the spotlight on transnational processes, increasing the transparency of the governance process.[76] Studies on INGOs found that many had become increasingly institutionalized, in terms of both their professionalism and their forms of action (more lobbying than marching).[77] However, the global movement that emerged in Seattle managed to involve many of these organizations, via informal, flexible networks, in highly visible mass mobilizations.

Political Globalization: A Global Governance?

Globalization cannot be identified with the ideology and practice of a global free market. The hypothesis of a technologically driven convergence and the forced passivity of the nation-state has been criticized and rejected by many sociological studies.[78] As many scholars have observed, globalization does have a strong political component: it is not the perverse effect of natural phenomena, but is – at least in part – the result of specific economic policies implemented by major superpowers and international institutions.[79] The widely accepted maxim of the 1990s – that capital mobility favoured by technology erodes the political capability to govern markets – has been questioned, and decreased state intervention in market policies, lower taxation and the consequent dismantling of the welfare state have been defined as conscious political choices. Susan Strange has spoken of a 'corporation empire', namely an imperial bureaucracy headed by the US Treasury and multinational corporations which, together, control the leadership of international financial organizations:

> Authority in this non-territorial empire is exercised directly on people – not on land. It is exercised on bankers and corporate executives, on savers and investors, on journalists and teachers. It is also of course exercised on the heads of

allied and associated governments, as successive summit conferences have clearly shown.[80]

According to this interpretation, the liberalization of trade and particularly of financial markets is driven by political actors within single states (and in particular within the most powerful state, the United States) – as well as by international actors, first and foremost, the international financial institutions: the World Bank, the International Monetary Fund and the WTO. Market deregulation and the privatization of public services are seen not as a 'natural' effect of technological development, but as a strategy adopted and defended by international financial institutions and by the governments of the most powerful nations (in particular through the Group of Seven (G7) and the Group of Eight (G8)) to the advantage of multinational corporations. As Colin Crouch has observed, the establishment of the (ideology of a) free market has clearly been facilitated by the WTO, whose 'post-democratic' aim is the liberalization of international exchanges of goods and services.[81]

Globalization, therefore, is not only a matter of new technologies and modes of production, but also of the *political* tools set in place to regulate and reproduce this social structure through, among others, the proliferation of international governmental organizations (IGOs). Globalization has indeed been defined as the growing size and intensity of international relations.[82] Some IGOs have simultaneously served as tools for economic globalization, through policies that liberalize trade and the movement of capital, and attempts to govern processes that can no longer be handled at the national level.

From this perspective, the international system based on sovereign nation-states seems to have evolved into a political system composed of overlapping multi-level authorities with little functional differentiation and scant democratic legitimacy. While 'the discovering of inter-dependence reduces sovereignty',[83] globalization brings about a 'transnationalization' of political relationships. If the national political context still cushions the impact of international shifts on national politics, growing economic interdependence goes hand in hand with 'a significant internationalization of public authority associated with a corresponding globalization of political activity'.[84] Globalization has indeed increased the awareness of 'global commons' that cannot be defended only at the national level and challenges a hierarchical model of territorial control.[85]

Recent research into international relations has indeed highlighted a pluralization of relevant actors.[86] Since the Second World War, and increasingly in recent years, there has been a growth in the number of IGOs with a worldwide scope of action (such as the United Nations) or a regional one (such as the European Union, but also Mercosur in Latin America and the NAFTA), with military objectives (such as the North Atlantic Treaty Organization (NATO) or the now-defunct Warsaw Pact), or with the declared aim of fostering economic development (such as the IMF, the World Bank or the WTO). The number of international organizations rose from 37 to 309 between 1909 and 1988,[87] and the number of IGO-sponsored conferences grew from a couple per year in the nineteenth century to close to 4,000 annually at the end of the twentieth century.[88] As seen in Figure 1, while the growth of

FIGURE 1
NUMBER OF NGOS AND IGOS (A = FORMAL; B = INFORMAL), 1909-97
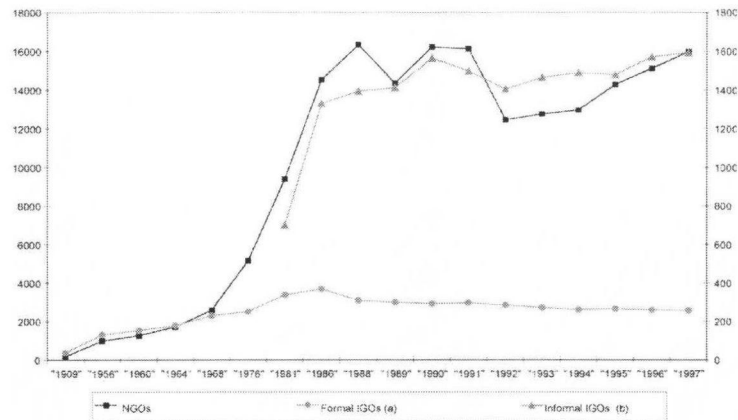
Note: The values for the number of NGOs by year refer to the scale from 0 to 18,000 (left axis); the values for the number of IGOs refer to the scale from 0 to 1,800 (right axis).
Source: Deutscher Bundestag 2002, p.427.

conventional intergovernmental organizations has levelled out over the last decade, there has been an increase in the number of international groups of a more informal character, from 702 in 1981 to 1,592 in 1997.[89]

If global governance implies the development of global norms, the area covered by international *public* law is still limited (notwithstanding the growing presence of IGOs, whose competence are, however, often limited to 'soft' power of influence); but particularly in the economic sphere, a *private* law based on contracts is instead proliferating. Law, in the European tradition, is seen as command of political power; the international juridical order is instead based on the ideology of contract law.[90] A new *lex mercatoria* emerges with the increasing role of law firms specializing in corporate law, but also with societies of bond rating and debt security, arbitrations and similar methods of dispute resolution.[91] Growing numbers of law-makers necessitates the opacity of rules, with the development of a 'law *à la carte*' designed on the basis of the needs of global firms.[92] In this transnational private legal regime, norms are reactive, ad hoc, often unwritten, and always negotiated.[93] Globalization implies, therefore, increasing fragmentation and opacity of sovereignty power, along with alternative legalities, either overlapping, complementary or antagonistic.[94]

Furthermore, while the majority of inter-governmental organizations function mainly as meeting places and discussion fora where decisions are taken unanimously and then ratified by national organs, there are a growing number of 'supra-national' organizations in which decisions, binding for all member states, are made on a

majority basis – the European Union being the most outstanding example.[95] More generally, parallel to the acquisition of power by numerous IGOs, criticism has, in particular, been centred on their manifest 'deficit of democracy'.

First, the debate on the democratic deficit stresses the lack of democratic accountability and even transparency of many IGOs with powers extending beyond the negotiation of treaties. Unlike its predecessor, the GATT, the WTO expanded its mandate to focus on new areas of economic activity (agriculture, services, investment, and protection of intellectual property rights) and strengthened the legal structure of the organization.[96] Dispute settlement procedures moved from a system of negotiation to one of adjudication, with decisions approved unless rejected by consensus.[97] The World Bank and IMF – accused, during the Cold War, of defending Western interests, through distributing help according to political loyalty[98] – have increased their power through the negotiation of structural adjustment programmes with debtor governments. With its growing involvement in liberalization policies (in Eastern Europe in particular), the IMF has relied upon long-term loans given under conditional approval of its plans for liberalization, deregulation, privatization and fiscal reform.[99] As for the World Bank, whose stated objectives include poverty reduction, the move from financing development projects to supporting structural adjustment has, since the late 1970s, brought about an attempt at re-organizing domestic economies, with 'considerable influence on the daily lives of the world's population'.[100] At the end of the 1990s, half of the world's population and two-thirds of its countries were subject to the influence of the International Monetary Fund or the World Bank.[101]

In addition to the lack of elected officials, critics have noted the unequal balance of power in some IGOs. In the United Nations, the role of the superpowers is evident in the composition of Security Council membership and their veto power in the Council. As for the World Bank, each of the five largest shareholders (the United States, Japan, Germany, France and the United Kingdom) appoints an executive director. In both the World Bank and the IMF, moreover, the influence of the most powerful countries is recognized according to the principle of 'one dollar-one vote'.[102] The G7 and G8, although lacking formal structures and competence, have contributed to coordinating and strengthening the power of a few nation states.

The many economic crises of the last decade have also shaken the legitimacy of these institutions, whose aims are to promote economic and social development.[103] Among other issues, the continued reliance of as many as 50 countries on financial support from the IMF and World Bank for the last 20 years does not reflect success.[104]

Democratizing Globalization? Some Conclusions

In summary, the term 'globalization' has been used to indicate various and heterogeneous types of phenomena, all of them producing challenges for the traditional, nation-state-based models of democracy. Economic globalization as free trade, with a devolution of power from the state to the market, challenges the welfare state model of tempered capitalism that has been dominant, especially in European democracies, and, with it, the social dimension of democracy as a political regime which aims to reduce economic inequalities. Cultural globalization, with intensified communication

over borders, and the related risk of homogenization, but also with the promise of increasing cosmopolitanism, challenges the idea of democracy as based upon a pre-political community of destiny. The social dimension of globalization brings about a fragmentation of social groups and identities, but also a growing transnationalization of civil society organizations and protest campaigns. In the political system, the economic, cultural and political dimensions of globalization reverberate in the complexity of the structure of international organizations and international regimes.

The various instances of globalization all challenge the power and competence of the nation-state. As Habermas remarked, 'In contrast to the territorial form of the nation state, "globalization" conjures up images of overflowing rivers, washing away all the frontier checkpoints and controls and ultimately the bulwark of the nation state.'[105] Indeed, although with different accents and nuances, social scientists have reflected on the need and possibilities for intertwining the nation-state-based institutions of democracy with some additional institutions at the transnational level. International organizations and norms, multinational corporations, and transnational movements all limit the sovereignty of the nation-state, introducing a new level of politics.

Normative theories of democracy suggest the need to create new political institutions that take into account the reduced power of nation-states and the changing definition of the 'relevant political communities'. In the communitarian approach, democracy is seen as difficult to apply in culturally heterogeneous communities.[106] For others, the weakening of the reference to a 'pre-political community of shared destiny' makes political participation all the more important. In Habermas's words,

> the strength of the democratic constitutional states lies precisely in its ability to close the holes of social integration through the political participation of its citizens ... Basic human rights, and rights to political participation, constitute a self-referential model of citizenship, insofar as they enable democratically united citizens to shape their own status legislatively.[107]

This makes the democratization of the post-national constellation relevant and urgent.

However, scholars also agree that the supra-national level of democracy must take different forms from national democracy. Again according to Habermas, the post-national constellation cannot be organized in a 'world state': 'Rather than a state, it has to find a less demanding basis of legitimacy in the organizational form of an international negotiating system ... In general, procedures and accords require a sort of compromise between independent actors who have the ability to impose sanctions to compel consideration of their respective interests.'[108] In fact, this presents the 'dynamic picture of interferences and interactions between political processes that persist at national, international, and global levels'. If a federalist model has been suggested at the transnational level,[109] its format has nevertheless to be adapted to the complexity of international institutions.

A normative proposal has developed around the concept of 'cosmopolitan democracy', defined as a political project that 'aims to engender greater public accountability in the leading processes and structural alteration of the contemporary world'.[110] Cosmopolitan democracy implies:

the development of administrative capacity and independent political resources at regional and global levels as a necessary complement to those in local and national politics ... A cosmopolitan democracy would not call for a diminution per se of state power and capacity across the globe. Rather it would seek to entrench and develop democratic institutions at regional and global levels as a necessary complement to those at the level of the nation-state.[111]

As a project oriented to the development of democracy within and among states, but also aimed at the global level, cosmopolitan democracy implies the existence of global institutions where citizens are seen as individual 'inhabitants of the world' rather than as part of a nation-state. The basic assumption is that 'if some global questions are to be handled according to democratic criteria, there must be political representation for citizens in global affairs, independently and autonomously of their political representation in domestic affairs'.[112] Global institutions should therefore enable 'the voice of individuals to be heard in global affairs, irrespective of their resonance at home'.[113]

In this proposal, cosmopolitan democracy requires democratic states, but also democratic supra-national institutions. Suggestions for short-term reforms of existing IGOs include the re-organization of leading UN institutions, such as the Security Council, in order to increase the power of developing countries; the creation of a second UN chamber as a space for the participation of representatives of the civil society; the use of transnational referenda; direct individual access to the jurisdiction of an International Human Rights Court; and the establishment of an effective and accountable international military force. Other proposals have addressed the presence in the UN General Assembly of delegates of both national governments and opposition groups, as well as directly elected delegates; limitation or abolition of veto power; opening to regional organizations; consultative vote to representatives of NGOs and elective parliamentary assembly with consultative power.[114] The subordination of international financial institutions to the UN General Assembly has been suggested, as well as the reform of international governmental organizations on the basis of the principle of one-state-one-vote. In the long term, proposed reforms include the creation of a global parliament, the strengthening of international legal systems embracing criminal and civil laws, and a charter of global rights and obligations.[115]

These proposals may appear too moderate to some, too utopian to others; they signal, however, the perceived need to respond to the challenges of globalization with a democratization of international institutions. More generally, they indicate that the economic, cultural, and social processes of globalization produce political conflicts, the results of which will affect the legitimacy and efficacy of democratic institutions.

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The Shape of Global Democracy

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An Interview with Evan Rolfe and Harvey Stephenson
Providence, RI, 16 December 2008

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Brown Journal of World Affairs: What do you think is the role of economic growth in democratization? Do you think economic growth promotes democracy, democracy promotes economic growth, or some mixture thereof?

Larry Diamond: Take the first side of the relationship: economic growth that is sustained and broadly distributed, over time, does promote greater prospects for the emergence and maintenance of democracy. But there is no guarantee of this, particularly in the short run. The key is the long run—we know that the chances of sustaining democracy increase with economic development. By economic development, I mean the improvement of levels of well-being; education; quality of life; and per capita income, not just aggregate economic growth. If development continues at anything like the pace of the last 20 years in China, its prospects for democracy will be significantly increased—the same applies to Vietnam and to other countries.

This does not mean that poor countries cannot be democracies. One of the striking features in the last 20 years is the number of low-income countries that have become electoral democracies. About two in every five states that have a low level of human development—either at the bottom of the distribution or the bottom third of all the countries that the United Nations Development Programme (UNDP) rates in human development—are electoral democracies today. The literature on whether democracies grow faster is conflicted. It depends in part on the historical period, in

part on what country you are looking at. The conclusions that can be drawn, which are sustainable, are the following: first, there is no evidence, on balance, to suggest that democracies are structurally handicapped in terms of their ability to grow. There is no reason why democracies cannot perform at least as well as authoritarian regimes, and they are to be preferred for other reasons, in terms of human rights and the intrinsic right to democracy. Second, it does appear to be the case in at least some parts in the world, particularly in Sub-Saharan Africa, that democracies are doing better in terms of economic development and performance because they have more mechanisms for ensuring control of corruption and rule of law.

Journal: You said that there is difficulty in asserting a relationship between economic growth and democracy in the short run, but in the long run, that relationship is much stronger. In light of that, do you think that China's successful economic growth has had any negative impact on its long-run democratization path?

Diamond: No, it is precisely the reverse. There is an argument that suggests that the developmental success of China is legitimating this non-democratic authoritarian model and showing that maybe it is better to do it this way. And in the short run—particularly if democracy seems to flounder due to the financial crisis, compared to some more sure-footed models of authoritarian success—it presents a challenge to the global legitimacy of democracy. But the sooner China gets to a level of economic development akin, for example, to what South Korea had in the late 1980s, the sooner it will produce a middle-class society where most people have at least a high school education, where there are even denser flows of communication, and where income is more dispersed across an emerging array of small- and medium-sized entrepreneurs, not just the giant entrepreneurs, many of whom have been inducted into the Communist Party. All of these are favorable conditions for democracy. And the more a pluralistic civil society also emerges with continuing economic development, the sooner China will get to a point where the pressures for democratic change will become almost irresistible.

Journal: So democratization is almost inevitable in that case?

Diamond: Yes, but it is not inevitable in any period of time. If the Chinese Communist Party does continue to try to resist it, the gap between what is needed in order to ensure political stability in China—public participation, electoral competition, mechanisms of accountability—and what they are actually providing their society, which is a very authoritarian and unaccountable regime, is going to grow. And it has been demonstrated in political science theory and empirical research that this gap can only grow so

long before something gives. In the short run—and this is an important implication of Minxin Pei's recent book, *China's Trapped Transition*—these contradictions do not necessarily lead to democracy. If they are not addressed with gradual democratic reforms, they are going to bring about the downfall of Communist rule. But they could possibly give rise to a much more authoritarian regime.

Journal: In your most recent article in *Foreign Affairs*, you point to institutional corruption as a major source of problems in democracies. Do you think that this could be one of the reasons why some countries appear to be turning towards authoritarianism, especially since corruption is so detrimental to economic development?

Diamond: Corruption is going to be an increasing risk to democracy. As new democracies mature, people expect more from them. And as these democracies increasingly have to confront the global economic downturn, they also have to deal with all the pressures, disappointments, and possible crises that will emerge in many low- and moderate-income countries. The combination of these things is particularly threatening. One thing we know from the public opinion survey data, both from the Afrobarometer and other regional barometers, is that the highest, most demanding expectation people have for new democracies is that they will at least be procedurally democratic, fair, and transparent. Corruption, in this regard, is particularly poisonous—both in terms of legitimizing new democracies and helping to sustain them through difficult times. So yes, if more is not done in these countries to persuade citizens that their governments are actually working to serve the public interest and reduce entrenched forms of corruption and clientelism, many more democracies will be threatened.

Journal: Why has current economic growth and development in Russia not resulted in a more legitimate democracy?

Diamond: There are several reasons, but the primary reason is that it's an extremely narrow and distorted form of development. It is a rentier state, which does not result in broadly distributed, organic economic development. The development "success" of Russia in recent years has heavily relied on oil and gas exports and industries related to it. The benefits have only been partially distributed throughout society, and they have not been accompanied by more organic changes in terms of the rise of new productive industries, which is a pity. There is a kleptocratic dimension to this, like you would find in other oil and gas economies, in which the benefits of economic growth have been vastly, disproportionally captured by a narrow, politically-privileged elite. The ability of this elite, beginning with Vladimir Putin himself, to control these resources

and steer them toward political cronies and allies has actually heightened the power of the authoritarian state. So a very shallow, distorted type of economic growth has been occurring in Russia—very dependent on natural resources—and occurring in a way that has actually given more resources, more control, and more political power to the existing authoritarian ruling elites.

Journal: What do you think will be the impact of economically successful non-democracies such as China, Singapore, Russia, and some of the Gulf states on the democratization process in Africa?

Diamond: The Chinese impact on Africa has several dimensions. One, of course, is the fact that you have a model that is now rapidly growing in feasibility and prestige—the model of a very successful and dynamic authoritarian regime. And when you combine that with the current economic crisis that the established democracies are going through, you do get a sort of reversal of the trend of the last three decades, where the more successful model has been democracy rather than authoritarianism. Second, as you know, China has been moving into Africa in a very big way and has become a major-league donor there, particularly with the direct provision of public infrastructure. There is a lot of construction going on by Chinese companies, with Chinese aid dollars, so there is a certain degree of appreciation of that. Third, China provides a kind of lifeline of political and economic support to some authoritarian regimes that have otherwise become pariahs due to their atrocious governments, and Sudan is a particularly striking example.

So we are in a new era. If we were still in an era where Europe, the United States, and Japan were the only sources of significant foreign assistance, then it would be easier to mobilize coherent pressure on African states to move toward democratic and accountable governance. But now, China is becoming a very viable alternative source that is not asking any questions about the nature or quality of governance. This is a complicating factor. It is still the case that the bulk of aid comes from the West and from institutions in which Western democracies have a dominant role, but the scope for leverage has been somewhat diminished.

Journal: What role should Western countries play, if any, in trying to encourage democracy in Africa?

Diamond: There is both a moral obligation and a practical self-interest in trying to encourage countries everywhere in the world, including African countries, to move toward better, more accountable, more responsive and law-based governance, and we

need to try to mobilize more comprehensive incentives for them to do so. If they want substantial development assistance and the trade concessions and investment they are seeking, then they should have to do certain things to improve the quality of their governance. And I think the focus should be on accountability and the rule of law. If you have that, eventually democracy will follow.

There should be strong independent institutions to monitor, control, and punish corruption. First, one needs to create an independent counter-corruption commission, an independent audit commission, and so on. These things cannot only exist on paper, but they must also have substantial statutory autonomy and vigorous leadership in order to function. Second, there should be very significant autonomy given to the judiciary, with capable and honest judges being appointed. Third, there must be freedom of the press and freedom of association.

If those commitments are made on the part of African leadership, then other institutions in the international donor community, including aid agencies in the United States and non-governmental foundations, can help to train, equip, and resource these independent institutions of accountability—for example, the judiciary—and support organizations in civil society to ensure better governance. In that context, aid will be much more effective at actually generating economic development and simultaneously will reinforce the positive trends in political development.

If we just continue with the old practice of giving aid for either strategic reasons or out of a sense of moral guilt without concern for how it is being utilized, then the stagnation of the last several decades is not likely to be overcome. And that is indefensible. We have squandered so many opportunities to achieve lasting improvements in human welfare in Sub-Saharan Africa in the last half-century. Simply giving money because these levels of poverty morally offend us is not good enough; if we are really morally offended by it, then we have to be concerned about outcomes and not just investments.

Journal: Do you think recent events in Zimbabwe mean that the country is finally moving toward a more legitimate democracy? Why have the historic poor governance and poor economic policies of President Robert Mugabe not forced this sort of change before now?

Diamond: Well, first of all, Zimbabwe has never been a democracy. So the question is not whether Zimbabwe is moving toward a more legitimate or genuine form of democracy, but whether Zimbabwe is becoming a democracy at all. What has existed historically for a long period of time in Zimbabwe is a kind of electoral authoritarian regime, and in recent years it has become increasingly brutal and repressive. As to the

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recent power-sharing agreement, I have never believed that it is really going to lead to much because the ruling elite in Zimbabwe—not only Mugabe, but also the predatory military and ruling party operatives around and behind Mugabe who do not want to relinquish any power or control of resources—live in absolute fear that they are going to be held accountable for the brutality that they have visited upon the society. I do not think they ever really meant to share power in a significant way. The difficulties that the Movement for Democratic Change (MDC) has confronted in trying to win adherence to the power-sharing agreements that were negotiated support that suspicion.

What really needs to happen in Zimbabwe is sustained, coordinated regional and international pressure to compel, at least for a transitional period, more fundamental power-sharing—to compel genuine alternation in power. And if that requires giving guarantees and amnesty to those who have abused human rights, it might be necessary in order to bring about change. But to allow these people to remain indefinitely in power is not going to enable Zimbabwe to exit the tragic authoritarian stagnation in which it is trapped.

Journal: Why do you think the economic instability in the country has not pushed internal change in the regime?

Diamond: Because we have seen throughout history that change does not necessarily happen when circumstances are the grimmest. In those situations, people are struggling for existence and often it is very hard for people to bring about change when their focus is on daily survival. So it is not that shocking that this has not yet happened. People are very disempowered in Zimbabwe. They are very much on the edge of existence, and they are struggling just to stay alive. The economy is collapsing; it is completely dysfunctional and the currency is essentially worthless. But the repressive apparatus is still somehow able to get the resources to its agents and soldiers, and so long as they can do that, they seem to be able to survive.

I have a hunch, however, that even that capacity may be wearing thin, and that the regime could potentially collapse in the foreseeable future. But it is depressing to contemplate the alternative, because the country is suffering horribly.

Journal: On to Latin America. Do you think that Venezuela will ever go back to being a liberal democracy, considering President Hugo Chavez's economic policy?

Diamond: Yes, but Venezuelans need to get rid of Chavez in order for the country to become a genuine democracy again. And democratic forces need to do some soul-

searching about their own mistakes that enabled Chavez to mobilize the following that he did. There needs to be real innovation to overcome social polarization and build new coalitions across class and ideological lines. They need to generate new democratic parties, or movements, that reach across these lines and really have a concern for more broad-based development and more accountable governance. Corruption was a really serious problem in the democracy that preceded Chavez's rise to power. It would help a lot if the price of oil remained low for a long time and the country was forced to contemplate how it would begin to convert to a more complex and productive structure of economic development that would reduce the power of the state and create more bases for the generation of new wealth. But unfortunately, the decline of oil prices is only likely to be a temporary phenomenon.

Journal: The Venezuelan model has been copied economically in countries like Bolivia. Do you think that it will also be copied politically in terms of the installation of non-democratic governance structures elsewhere in the region?

Diamond: These structures are already being adopted. Evo Morales, the president of Bolivia, has adopted some of the tactics of populist mobilization and class warfare that Chavez has adopted. Daniel Ortega, the president of Nicaragua, is clearly trying to construct an intimidating, semi-authoritarian regime behind the façade of the continuity of formal constitutional arrangements. The authoritarian temptation is growing among some populist political leaders in Latin America. And I think it would help if the Organization of American States (OAS) would take a stronger stance against these abridgments of democratic principles and practices. Right now, there is not much of a regional constraint on what they are doing. And the United States has very limited credibility in terms of challenging it.

Journal: Do you believe that the OAS will have the credibility to do so?

Diamond: I think the OAS has significantly greater credibility to denounce departures from democratic standards and press for changes in behavior than the United States has acting alone. We need to do much more to try and rally attention, engage, and monitor these worrisome trends in terms of governance. But we also need to try to induce the OAS to pay more attention to the ongoing character of governance—not just look for electoral fraud, military coups, or the kind of executive coup staged by Alberto Fujimori in Peru in the early 1990s, as the only way democracy can be assaulted.

Journal: On the question of Europe, what do you think the impact would be on

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Turkey's secular, democratic regime if it did not receive EU membership in the near future or ever?

Diamond: I do not think that democracy is going to fail in Turkey simply because it is not admitted to the European Union. Neither can we say that simply because it is admitted, democracy will be guaranteed. If you look at what is happening in Bulgaria and Romania now, you see that again, without continued attention, monitoring, and the prospect of meaningful sanctions, there can be erosions of democratic practice even after countries are admitted to the EU. That said, however, admittance to the EU would be better for democratic development in Turkey. It would generate more incentives for improvement of human rights, the rule of law, minority rights, and women's rights, if the prospect of eventual accession into the European Union were upheld for Turkey.

We in the United States should aspire for the eventual inclusion of Turkey more firmly into this impressive community of free trade, liberal values, and democratic practices. If that could be achieved, it would be a historic event in the history of the world. However, I respect those in the European Union who say, "We've swallowed more than we can chew," so to speak. It is a very large union already, very diverse with a lot of growing pains, and Turkey is a very large country; I believe it would be the most populous member of the European Union, so there might be a balance sought between commitment to ultimate inclusion and the pace at which that would be offered.

Journal: To what extent could Turkey be a role model for the Middle East, especially in terms of democratization, if it became a member of the European Union?

Diamond: I think it is a role model now. The model of a Muslim democratic party being elected and reelected, and having the kind of success that it is having in promoting a combination of democracy and certain types of religious values, is being watched very closely among devout—but not fundamentalist—and democratically-inclined Muslims elsewhere in the Middle East; in Iran among the democratic opposition; and in parts of the Arab world. Irrespective of whether Turkey is admitted to the European Union—although this would be even more true if it eventually were admitted—its evolution in the last decade and the growth and success of the Justice and Development Party are affecting the thinking, calculations, and the possible evolutions of some other political actors and systems in the Middle East.

Now, the Turkish model is still unfolding, and there are a lot of questions that still need to be answered before we can know its effect elsewhere in the region. One question that needs to be answered is: will the Turkish secular establishment allow this to go on? Are they willing to live with a moderately Islamist party, ruling for quite

possibly an extended period of time, and increasingly establishing its dominance over a variety of institutions? There was an effort recently to try and challenge the party's constitutionality and ban it, and it came pretty close to succeeding—that story is still not settled yet.

Second, we need to keep an open and skeptical mind on the question of how committed the Justice and Development Party is to democracy. There are a number of secular liberals in Turkey who continue to insist that the ruling party's loyalty to democratic principles and values has been tactical and temporary—and that gradually over time it is trying to conquer a variety of independent institutions and construct an increasingly hegemonic regime that violates the spirit of the democratic constitution in Turkey. And this, in fact, was one of the motives for some of these secular forces, which want to act now to push the Justice and Development Party out of power. It think it would be a terrible mistake to ban the party without overwhelming evidence of it acting in violation of the constitution and the spirit of democracy. But, we cannot fully dismiss the concerns people have, so it requires vigilance. Vigilance is essential both on the part of Turks themselves and on the part of the European Union and other democracies in the world to ensure that not only the big decisions and actions of the ruling party but also the quiet ways it goes about managing state institutions remain consistent with democratic principles.

Journal: Do you believe that the package of economic incentives that the European Union has been offering has been the main factor that separates the more democratized former Soviet states from the more authoritarian former Soviet states?

Diamond: I think the incentive packages of the European Union have probably been the most powerful incentives for democratic behavior. That is something that needs to be studied in terms of the positive lessons and shortcomings arising from the packages. But you know, in order to have this impact you not only have to have powerful incentives, but you have to have political actors in the target countries that are willing to respond to incentives and cultural and social circumstances that provide at least some political pluralism and scope for influence.

The further you move from Berlin, the more difficult the conditions become in terms of favorability. It is hard to imagine any package of incentives making Tajikistan or Turkmenistan democracies in the next five to 10 years, although they could reduce human rights abuses and at least produce somewhat more responsible and less abusive governance. Kazakhstan is so awash in oil and gas revenue right now that it is hard to see what package of EU incentives would profoundly change the authoritarian nature of governance in Kazakhstan. But as you move from Central Asia back toward Eu-

rope, particularly Ukraine, which is a critical swing country, the EU's ability to trade economic assistance in exchange for improvements in political conditions can become quite significant. And do not forget Russia. Russia does not want to be isolated; the West needs to sit down and rethink its strategy for engaging Russia. We need a strategy that remains principled and clear in exposing the country's departures from democratic and human rights standards but which also recognizes that Russia still seeks deeper integration into "the West," or the "emerging international architecture of a liberal economic and political order." The West's strategy cannot be all challenges, threats, and complaints. There has to be a positive vision held out as an alternative—these sorts of inducements are very important. And we cannot put the whole burden on EU expansion, or the Union risks expanding to the point where it becomes unwieldy and develops crippling difficulties in economic and political functioning. There are a lot of inducements that can come from things short of full membership. 𝕎