

Future Positive
International Co-operation in the
21st Century

by

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For my parents, David and Millicent Edwards,
who did so much to help me escape

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Chapter 1

Introduction: the Co-operative Imperative

'I have seen a man on the bank of a river buried up to his knees in mud, and some men came to give him a hand and help him out, but they pushed him further in up to his neck'

Abba Paphnutius, Hermit of Egypt,
Fourth Century AD

'The golden rule is to help those we love to escape from us, and never to try to begin to help people, or influence them, till they ask'

Friedrich von Hugel, *Letters to my Niece*, 1852

Money, power and sex. The history of the world can be told in three words, yet a fourth word – co-operation – has an important history of its own. People's desire to help each other and work together for the common good is a characteristic of human beings, though so, of course, is competition for supremacy. According to science writer Matt Ridley, co-operation is literally '*in our nature*', carried along through evolution by selfish genes but making us – for our own long-term welfare – social and trustworthy creatures.¹ In reality, our co-operative instincts are always muddled, because helping others raises questions of personal identity and motivation. Deep down, we know von Hugel is correct, but few of us can resist the temptation to interfere. After all, we know best. In a broader sense, helping raises complex questions about policy and tactics that are inextricably entangled with institutional self-interests. Hidden agendas, inappropriate interventions and imposed ideas are commonplace. *'Good*

advice is rarer than rubies,' says Salman Rushdie.² This is especially true for the subject of this book: international co-operation for peace and prosperity.

When world leaders gathered together in the aftermath of World War II they had many different agendas, but they also had an overarching self-confidence that co-ordinated action would be able to engineer a world without conflict or poverty. Thus began an unprecedented period of co-operation around monetary systems, aid and trade, conflict-mediation and humanitarian intervention, what Robert Heilbroner called '*the first real act of world history*'.³ The Marshall Plan was worth over \$200 billion in today's prices, almost four times the total amount of foreign aid provided by rich nations in 1996.⁴ However, the new mood was soon corrupted by cold-war interests, turning 'international co-operation' into a battleground for super-power politics and commercial gain. As the cold war progressed, the ideal of co-operation in the new United Nations took second place to intervention in the affairs of others.

Fifty years on, consensus and confidence have all but evaporated. Half a century is enough for the system to have proved itself, and while there are a few well-publicised success stories, there has been no general gain in prosperity or security. We still live in a world scarred by absolute poverty (with 1.3 billion people living on less than \$1 a day⁵), rising inequality both within and between countries, and continuing ethnic conflict. Foreign aid is declining almost everywhere, assailed by critics from across the ideological spectrum.⁶ The end of the cold war has not revitalised international co-operation as many had hoped, and support for military intervention in conflict zones has fallen away since the debacles in Somalia and the Balkans. The United Nations and other international bureaucracies are under constant threat; and even support for non-governmental organisations (NGOs) – the darlings of the development world – seems to have peaked. The international business of helping is in serious trouble.

Doubts about the value of well-meaning outsiders are not new. Seven hundred years before the Hermit issued his warning in the desert, the Chinese sage Lao Tzu was even blunter. '*Act for the people's benefit,*' he said, '*leave them alone.*' His modern counterparts are no less critical, but much more prone to purple prose. Third World charity is the 'Road to Hell' according to Michael Maren⁷ – paved with good intentions but uniformly disastrous in its effects. Robert Kaplan⁸ sees only 'The Coming Anarchy', a nightmarish vision of war, disease and corruption which outsiders can do little to influence. Why

waste money on foreign aid when, as US Senator Jesse Helms famously remarked, it all disappears '*down the rathole*' anyway, all \$878 billion of it donated since 1950?⁹ Such views are popular but sloppy. Kaplan's assessment is based on fleeting visits to a small number of global trouble spots, as though one could capture the underlying condition of the USA by reference to south-central Los Angeles and the Bronx. Maren takes a few examples of failure and turns them into a seductive orthodoxy. Helms and his allies ignore the lessons of history even in their own society, which show how important external resources can be. Perhaps these books capture our attention because their prognoses have yet to be overtaken by events.¹⁰ They confirm what many want to hear about developing world corruption, and relieve us of the duty to keep on caring. And their tone chimes with the nervous spirit of the age – '*pre-millennium tension*'.

It is true that the record has been mixed, but there is another side to this story which shows that international co-operation can work, and work well. Each of us needs help at some point in our lives, and no society has prospered by cutting itself off from the resources and ideas of others. This is especially true in an interdependent world, where individual welfare is increasingly affected by collective choices about how we use our resources and shape our environment; what rights we claim and which obligations we agree to share. In this context we cooperate because our own well-being depends on it, not just because others need our help. Poverty in the developing world has never had enough political purchase to make international co-operation a reality, but the perceived threats to the West posed by rising prosperity in some parts of the developing world and the continued instability of others will eventually create the necessary will. Helping others to grow and develop with fewer costs to themselves and more benefits for the rest of the world is crucial to the peace and prosperity we all seek. Why help people in other countries to 'escape', as Friedrich von Hugel advised his niece? Because no one wants to live in a dysfunctional family (it hurts too much), and everyone benefits from being part of a community of responsible, independent, developed individuals. That is as true at the global level as it is within a single family. However, if it is hard to 'let go' among people we love, it is much more difficult when political and commercial interests are at stake.

Co-operation implies reciprocity (not complete equality), a willingness to give as well as take, the voluntary acceptance of limits, and action on all sides rather than one. That is what marks it out from

intervention, the approach which has characterised our attempts to help on the international stage over the last 200 years. Co-operation means creating opportunities for others to develop themselves, not just giving them things directly. It is a much more advanced form of helping, which accepts that the best way to support others may simply be to put our own house in order. Moving from intervention to co-operation is the key to helping more effectively.

Defining 'development' is much more difficult, and poses questions that have sparked intense controversy in recent years.¹¹ The problem is a long-standing tendency to see development as a linear transition from tradition to modernity, defined in universal terms. As this book makes clear, this is ignorant of history, divisive, and incapable of generating the results we say we want to see. There is no such thing as a universally accepted definition of the good life (still less how to get there), but people everywhere aspire to have more as well as to be more – to be free from poverty and violence and the servitude these bring in their wake; to be loved and enjoy a sense of belonging; to feel more in control and less vulnerable to the vagaries of unaccountable power; and to be subjects of their own destiny rather than objects of the intentions of others. It is development in this sense that forms the subject of this book: the reduction of material want and the enhancement of people's ability to live a life they consider good across the broadest range possible in a population.

As will be seen, markets, science and other aspects of modernity have played a major role, at least in bringing about the material conditions in which people have more choices about the kind of life they want to lead. These choices are central to most people's conception of the good life. We do want material prosperity, but we don't want our wider sense of fulfilment to be frustrated by economic systems dictated by profit and cost. What to do? There are many signs that, after a period during the 1980s when individualistic, competitive values held sway, opinion is turning once more to the potential of co-operation. Co-operation means different things to different people; some favour the light hand of voluntary agreements, and others a more interventionist approach involving the enforcement of rules and standards. These differences are explored later in this Introduction, but all solutions to the dilemmas of the 21st century will involve more co-operation of one sort or another, a shift from 'I' to 'we', and the balancing of economic imperatives with the demands of democracy and a wider sense of well-being.

After the victory of the British Labour Party in the General Election of 1997, incoming Foreign Secretary Robin Cook introduced an 'ethical

dimension' to UK foreign policy. Clare Short, the Minister for International Development, declared that Labour's victory marked a decisive break with the selfish individualism of the 1980s, and a rebirth of public commitment to issues of international justice. The 'giving age' had arrived, said Prime Minister Tony Blair. In a poll conducted by the Henley Centre for Forecasting, 70 per cent of respondents seemed to agree, stating that society does best when people act collectively instead of looking after their own interests first.¹² Positive government, civic values, and international co-operation are back on the political agenda. Foreign ministries and aid agencies accept that old ways of doing things are increasingly outmoded, but there is little clarity on what should replace them, save a rhetorical commitment to 'co-operate more'. Turning rhetoric into reality requires a revolution in the quality of international co-operation, as well as the quantity. This book shows what that means in practice.

A NEW CONTEXT

One of the characteristics of pre-millennium tension is a sense of foreboding, captured in a growing series of books entitled *The End of...* (history, the nation state, work, capitalism, economics and so on – though fortunately not the writing or buying of books about these things). This is the literature of collapsing states,¹³ clashing civilisations,¹⁴ and corporations ruling the world,¹⁵ not to mention the apocalyptic visions of social and environmental catastrophe unleashed on unsuspecting readers by John Gray, Tom Athanasiou and the ever-gloomy WorldWatch Institute.¹⁶ It is true that the changing global context poses serious threats which make co-operation imperative, but the same context offers opportunities to help co-operation flourish as never before.

Globalisation and its discontents

Nowhere is this more true than globalisation, the defining theme of current times and the mantra of the moment. There are widely divergent interpretations of what globalisation actually is, never mind whether it is a 'good or a bad thing', but all of them make 'business as usual' redundant. Globalisation challenges the authority of nation states and international institutions to influence events, while the scale of private flows of capital, technology, information and ideas

makes official transfers look increasingly marginal. The emergence of 'newly-industrialising countries' and new patterns of economic and social exclusion in rich nations makes traditional 'donor-recipient', 'North-South' thinking increasingly unconvincing, but the case for international co-operation in a globalising world grows ever stronger.

A first interpretation focuses on globalisation as technology-driven fact: increased flows of money, people, goods and services are crossing national frontiers at ever greater speeds. This is not new, though what is happening now is on a much larger scale than in any other period in history, made possible by the power of information technology to process millions of transactions and communicate across the world in an instant, declining transport costs, the rise of more flexible forms of organisation, and the growing importance of knowledge – that most mobile of assets – to economic success.

It is true that private capital is much more footloose nowadays. The volume of foreign exchange trading increased from \$640 billion a day in 1989 to \$1.2 trillion in 1994, though these flows are concentrated in the industrialised world together with a few big emerging markets in East Asia and Latin America.¹⁷ Seventy-five per cent of countries in the world see little sign of globalisation in this sense since they receive less than ten per cent of total foreign direct investment. Although the world's 500 largest corporations control 25 per cent of global output, they employ only a tiny fraction of the planet's population.¹⁸ Most corporations trade internationally but are based in a particular country, so they can still be regulated. International trade is growing, but not as a proportion of world output: most jobs, in the aggregate, stay local.¹⁹ A truly global economy would have open borders, integrated infrastructure, the same domestic economic policies worldwide, and universal access to the knowledge required for entry.²⁰ Despite freer trade and migration, we are a long way from any of these conditions. Globalisation is still at an early stage in its history.

Underlying these facts is a more controversial process – a global homogenising of values, cultures, and aspirations; the penetration of market processes into every sphere of life; and the destruction of non-capitalist norms of reciprocity and sharing: the arrival of 'McWorld' as Barber calls it.²¹ This is dismissed by others who claim that different worlds are adapting to each other, rather than fighting a battle in which all the spoils of victory go to one side. '*Christians and Muslims may worship different Gods, but they still have to wash their hair, and want the best product to do the job*'.²² Whether one can have the benefits of globalisation as fact without the costs of globalisation as culture is a

vital question which occupies much of the rest of this book. But short of disinventing the computer and the telephone, placing a ban on air travel and rebuilding the Berlin Wall along every national boundary, there is not much that can be done to reverse the underlying dynamics of this process. Technology and science establish an increasingly uniform horizon of production possibilities, integrating markets around the world and internationalising decisions about jobs and investment. Domestic actions which are out of step with the demands of international markets will be punished. A memorandum from Chase Manhattan Bank provides a graphic illustration of what this means: '*while Chiapas, in our opinion, does not pose a fundamental threat to Mexican political stability, it is perceived to be so by the investment community. The government will need to eliminate the Zapatistas*'.²³ Citizenship and national autonomy are both threatened when a sudden withdrawal of capital by international investors can destabilise a whole country (as happened in the Mexican peso crisis of late 1994 and early 1995); when tax revenue disappears as corporations shift operations to low or no-tax locations; when free-trade agreements like NAFTA and the World Trade Organisation protect corporations but abandon workers; when private capital is used for speculation instead of productive investment (one trillion dollars a day in foreign exchange trading for whose benefit?); and when the ownership of key resources becomes increasingly concentrated in the hands of unaccountable institutions. In 1992 the Agracetus Corporation applied for patents covering 60 per cent of the world cotton crop.²⁴ What price democracy in a globalising economy like this?

All countries must adapt to global markets, but integration rewards those with more skills and other technologies that make for international competitiveness. Since these endowments vary greatly between individuals and countries, globalisation rewards some more than others, and that increases inequality. If countries are not competitive at high levels of skill they must capture jobs by reducing labour costs, cutting environmental standards (the so-called 'race to the bottom') and promoting 'flexibility' among workers above all else. The impact of this process is dramatic – the disappearance of a 'job for life', the erosion of trade union and other forms of protection, and long working hours in poor conditions, especially for women. All these things eat away at personal security and social cohesion. Doubt permeates everyday life, and risk and uncertainty grow.²⁵ That is what makes us feel increasingly vulnerable to forces out of our control. Ironically, in an era when location is not supposed to matter, judgments about globalisation depend most of all on who and where you

are, though less and less does this divide into solid blocs of 'rich' and 'poor' countries.

Are you struggling to survive in the 'global South' of low-paid, low-skill, insecure jobs, or growing ever richer (though with less time off work to enjoy it) in the 'global North' of knowledge-based occupations? The king of the global North is Bill Gates of Microsoft, whose net worth is greater than the poorest 40 per cent of the US population put together.²⁶ Although GNP per capita in the USA grew by 82 per cent between 1956 and 1986, the Index of Sustainable Economic Welfare (which measures the quality of life) grew by only eight per cent.²⁷ Despite the economic advantages of integrated markets, globalisation is not leading to a generalised growth in incomes, still less in wider well-being. According to United Nations figures, at least 100 countries are worse off now than they were 15 years ago.²⁸ The combined income of three billion people in the developing world is less than the assets of 358 multibillionaires.²⁹

However, *'since the onset of the industrial revolution...no economic system other than capitalism has been made to work anywhere'*.³⁰ The market is the only proven mechanism of economic integration since no other can respond to the constant signalling that complex systems demand.³¹ Sustained growth in incomes and employment requires a continuous shift from declining to expanding industries, and the removal of those things (like communal property rights and kin affiliations) that get in the way of market efficiency – the famous process of 'creative destruction' christened by the economist Joseph Schumpeter. Are the costs of globalisation anything more than the latest, transient illustration of the same thing? Technology-driven globalisation is good news because, like all other technologies (such as steam power in the 18th century, railways in the 19th and electric power and cheap oil in the 20th), it will produce more and better-paid jobs in the long term. Back in the Stone Age there must have been plenty of conferences fretting about the impact of the wheel on jobs and family life. There is little evidence that jobs are relocating en masse from the industrialised world to lower-income countries; the unemployment problem in North America and Western Europe is caused by technology and rigid domestic labour markets, not competition from Asia and Latin America.³² As Hamish McRae illustrates, the second half of the 20th century has turned out economically far better than anyone had hoped in 1945.³³ More people have moved out of poverty in the last 50 years than in the previous 500, and health and education standards have improved enormously.³⁴ South Korea, Botswana and other high-growth countries in the developing world show that the benefits of economic

globalisation can be harnessed through the right combination of hard work, sensible policies and luck. Capitalism has triumphed, not because it is the best economic system we can think of, but because it has been more successful than anything else we have tried in satisfying the material incentives that matter to people across the world. In the absence of political support for self-reliance or redistribution, capitalism creates the material conditions under which alternative economic systems might eventually be feasible – a basic level of security which gives people more opportunity to limit their consumption, reduce the number of children they have, and help others as well as themselves. This is the paradox of globalisation: although it carries severe long-term costs, it also offers the prospect of material advancement to enough of the world's population to make future conservation and solidarity a viable proposition. 'Sustainability' has little meaning in a world marked by poverty and inequality. Growth – suitably shaped to redirect its costs and benefits – is the only way forward, yet it will be costly and unequal unless we can find better ways of blending market processes with social and environmental objectives.

It is here that international co-operation has a vital role to play, by developing minimum standards in global markets, improving the endowments of poor people so that they can compete more effectively in an integrated world economy, and altering patterns of consumption and production, especially in the global North.³⁵ Globalisation makes this easier, because consumers have more power even though workers have less; they have more choices and more information in an expanding marketplace. That is what underpins the rise of 'ethical' consumption, trading and investment – coffee produced by people who get a higher share of the proceeds, or footballs which are not stitched by children working as slave-labourers. In turn, this stimulates corporations to abide by codes of conduct and demonstrate greater social and environmental responsibility in their businesses. They would have to be terminally foolish not to build long-term shareholder value by reorganising around a 'triple bottom line' that promotes sustainability.³⁶ Some are already modifying the rules of the market by engaging in strategic co-operation. In an increasingly interconnected global economy, this makes good business sense, just as individual sites on the Internet link with each other to promote its use as a whole. The use of information technology makes resistance more effective too, as for example in the international campaigns against giant oil companies like Shell and BP, and the way in which supporters of Aung San Suu Kyi in Burma are using the Internet to get their message across in support of an economic boycott.

The real debate is not whether globalisation exists and will continue (it does and it will), but about how its costs and benefits are distributed, and on this question there is little that is preordained by technology or impervious to politics. Although couched in new terms, this is an age-old debate: how to retain the growth-producing potential of capitalism while reducing its social and environmental costs. By itself, competition cannot answer this question. If there are problems with what globalisation is already doing, they are unlikely to be solved by doing more of the same. We cannot compete ourselves into a co-operative future – that would be like asking a man to pull himself out of a swamp by his own hair. The tension between individualism and social benefit has been the subject of heated debate since the 17th century. As thinkers from Adam Smith onwards have pointed out, capitalist society depends on the non-capitalist values of trust, honesty and co-operation to hold together, prosper and continue evolving into something better. As a means to improve productivity, competition is crucial, but the ideology of competition excludes other, better ways of organising to meet social and political objectives. Capitalism produces inequality, but democracy insists on equality. When duties and obligations are subsumed by market transactions, the common good suffers. As economist Lester Thurow points out, markets cannot represent the needs of the future to the present, nor can they satisfy feelings unless they are revealed in decisions about buying and selling.³⁷ That makes them a poor guide to the long-term and non-economic questions which occupy so much of our search for the good life. As societies move from the communal and co-operative to the individualistic and competitive, people gain in self-awareness and freedom, but at the cost of their own security. Robert Archer puts it in a nutshell: *'we must run with economic and technological change because it gives us the means to solve material problems, and we must stand against it because if we do not we will lose essential features of ourselves'*.³⁸ Even the 'man that broke the Bank of England', George Soros, now thinks that the *'arch enemy of the open society is no longer the communist threat but the capitalist one'*.³⁹ We know we have to find a better balance – a 'third way' – between economic liberalism and social democracy, individual freedom and collective obligations, shareholder returns and stakeholder interests, efficiency and love.

The question is, how? This is difficult to answer in the context of one society, but globalisation internationalises both the dilemma and the response. Unilateral action in a globalising economy will either hurt people elsewhere, be undermined by international markets, or

erode the global commons on which all our futures depend (like the atmosphere and water reserves). We cannot build a decent society in a single country, because the necessary sacrifices (like environmental taxation or higher labour market standards) will be exploited by others unless there is wider agreement for all to move in step. Although co-operation cannot supply all the answers to the problems we face, no solution will work without it. Either we pursue our own self-interest against a background of growing inequality, insecurity and degradation, or we embark on a new era of collective action. *'The supreme difficulty of our generation is that our achievements on the economic plane have outstripped our progress on the political plane.'*⁴⁰ Thus said *The Economist*, not in 1998, but in 1930. International co-operation is the only way to harness the power of globalisation to a vision of the good life for all.

Calling for more co-operation is uncontroversial, but what does it mean in practice? There are at least three schools of thought. The first includes those who believe that economic growth is the problem, so if we are to co-operate it should be to reduce consumption in the global North and encourage everyone to become self-reliant. In this vision, co-operation implies a harmonious patchwork quilt of self-governing, self-provisioning communities interacting with each other through consensus, in order to call higher-level institutions to account. Their slogan is *'globalise consciousness, localise economies'*.⁴¹ Since our problems are built into the current model, recommending more growth to deal with them is like suggesting promiscuity as a contraceptive. In view of the social and biophysical limits to world population and consumption levels, economic celibacy is the only answer. We need a vision of the good life that does not require physical expansion, rather than growing more to raise the money to deal with the problems created by that very growth! What have we got to lose – only two brands of milk in the supermarket instead of thirty?

Those of a less-developed global consciousness find this upper-suasive. *'Putting up barriers to technology and capital means you end up like towns in Victorian England that were not connected to the railway.'*⁴² The story of how countries grow is not as simple as that, and some Victorians preferred the quiet life anyway. But the critics have a point. At higher levels of income, self-reliance has always been an attractive proposition (even if most people get bored with it after a while), but for poor people it sounds like a recipe for stagnation. Apart from a small number of indigenous communities, *'the rest of the globe aspires to live as well as we do and is unlikely to be deterred by gloomy prognoses of the consequences'*,⁴³ especially when the

technological frontiers of resource-efficient production and transport are constantly advancing. According to the new Club of Rome report,⁴⁴ we can double wealth and halve resource use using existing technologies alone. It would be a curious form of empowerment to deny others the choice of their own trade-offs, and there seems no obvious political constituency for the material sacrifices the no-growth scenario requires. As the economist Joan Robinson once remarked (paraphrasing Oscar Wilde), *'the only thing worse than being exploited by capitalism... is not being exploited by it'*. In addition, who in this decentralised world will produce the things that require economies of scale or are best traded internationally (or won't we need computers?). Who will level up opportunities between communities in resource-rich and resource-poor areas? How would any community stand against the realities of international competition, factor movements and the shifting division of labour? In short, this is not a credible alternative. As we shall see later in this book, localisation does have a role in securing development goals, but as a means to an end, not an end in itself.

A second school of thought wants to 'humanise' capitalism rather than replace it, but this school covers a wide range of positions: economic liberals see virtue rising up through civil society to correct the 20 per cent or so of market economics that do not work;⁴⁵ advocates of 'stakeholding'⁴⁶ and social market theorists stress the need to widen corporate accountability and incorporate *'human values into the core of market processes'* to promote 'inclusion'; communitarians⁴⁷ emphasise the role of small groups in teaching people moral values and responsibility at a scale where they can see that the welfare of the whole depends on the actions of individuals; and further to the Left are those who advocate more government intervention and a bigger role for the 'third sector' in doing what markets don't or won't do.⁴⁸

This is a tempting smorgasbord, but what do these ideas have in common? First, these writers believe that the problems capitalism creates can be mitigated by more 'social capital' – trust, reciprocity and a sense of obligation – to underpin voluntary co-operation and caring.⁴⁹ Second, this won't always be enough to secure a healthy society, so there is still a need for formal regulation enforced by states. When combined, so the theory goes, market mechanisms, citizen action and government activism can each address the failings of the others. Active citizenship and partnerships of this kind require a re-energising of democracy and a basic level of material security for everyone (otherwise they are unlikely to participate), so writers and

politicians in this group place a lot of emphasis on lifetime learning and investment in skills and education to get people off welfare and into work. Other common features include market remedies for market problems (like taxing pollution), making regulatory bodies more transparent, and encouraging performance by giving people the autonomy to manage within a framework of rigorous accountability.⁵⁰ The emphasis is on light forms of intervention that do not damage incentives.

These ideas were designed in the industrial democracies, but they also have potential at the international level – rules and standards that halt environmental degradation, for example, and more accountability for multinational corporations. Such things could be done without killing growth, so these ideas are more credible than those in the first school. However, there are many questions. One difference is that 'starting conditions' (the endowments of resources and skills mentioned earlier) vary much more between rich and poor countries than they do within the industrialised world, so the application of rules and standards has to be carefully graduated – otherwise those in the weakest position will not be able to reach them, or will have to sacrifice their own growth in order to do so. One of the weaknesses of communitarian and stakeholder thinking (and a criticism levelled at New Labour in Britain and at the Democratic Administration in the USA), is that their policies are too soft to have much of an impact on hard-core poverty and discrimination. At the international level this is even more important since large-scale intervention and redistribution are needed to mitigate market forces and confront social inequality. A second criticism is that more reliance on voluntary action may leave some groups worse off than others. There has to be a higher authority to guarantee equal access to services and protect basic rights, which are universals.⁵¹ It is not clear what this authority might be at the global level (since the United Nations doesn't work like this), nor what the international equivalent would be of civil society if more functions are devolved away from states. There are campaigning groups with a global reach but they do not, as yet, function as a coherent whole; nor are there many 'global citizens'. The third problem is that these writers still assume there is a model that is valid for different societies at different stages in their history, albeit a different one than the models we've had before.

Blending into these ideas is a third group, which is the most interesting of all because it rejects the validity of all universal models. This group stresses the importance of capacities and mechanisms that enable people to make their own choices about the good life – to

decide what sort of 'third way' they want to pursue.⁵² Brian Barry calls this '*justice as impartiality*'. It is less about particular policies and more about giving everyone the tools to create a better society. Since that requires equal access to economic resources and political voice, good policies are still important. However, there is no assumption that following a particular recommendation will bring development, only that it will bring solutions closer because all those involved are sharing in decisions. The 'common interest' can only be found through democratic struggle and debate.⁵³ Solutions are more likely to hold when everyone has a say in the questions and a stake in the outcomes.

Co-operation in this sense has a much deeper meaning – co-determining the future. Not 'either' one model 'or' another, but new syntheses and synergies. Not a choice between tradition and modernity, but a combination of the best in both. Not imposing one set of ideas, but dialogue. Not 'zero sum' (you gain, I lose) but 'positive sum' (we both gain). This is the only approach that can handle radical alternatives to Western orthodoxy (like Islam) and it has obvious attractions at the international level.⁵⁴ It offers a way to accommodate diversity without entertaining the abuse of fundamental rights and freedoms, because '*the right to have rights*', as Hannah Arendt puts it, is non-negotiable.⁵⁵ Which rights are agreed on and how they are implemented is left to dialogue, but that itself is the subject of rights, principally an equal voice for everyone. So it is not a case of 'anything goes'. It is this equality of voice – real voice – that is endangered by globalisation in its homogenising aspect.

With a dialogic approach like this, maybe others can avoid some of the costs of Western-style industrialisation, and invent better models of their own. Many scholars and activists from Asia, Africa and Latin America are trying to do just this.⁵⁶ Their efforts are a healthy antidote to those who insist there are 'no shortcuts to progress' – no gain without pain; we suffered in our industrial revolution, and so will you. In accepting that there are no grand answers, no 'magic bullets', no ready-made tool kits to resolve complex dilemmas, this approach is much closer to the mess of real life. As Chapter 3 points out, a capacity to make choices about policies, and the support base to see them through, are just as important as the policies themselves, because they provide the room to manoeuvre that countries need in order to learn and adapt in a fast-moving world. With commendable honesty, Inge Kaul, director of a United Nations think-tank charged with finding out how to implement 'sustainable human development', concludes that '*we simply do not know*.

Development theories tell us little about how to reconcile economic, social and environmental concerns; markets and states; the local, the national and the global'.⁵⁷ We are all engaged in '*drawing a line while new strategies for ensuring the cohesion of our societies are developed and tested. Modesty is enjoined, but with limits and principles*'.⁵⁸

International co-operation is a necessary part of this search because one person's right to pursue his or her goals must not be bought at the cost of the equal rights of others to do the same. Since people's endowments do differ so much, the ability to participate in finding solutions is much more constrained in Mali, say, than it is in Manchester. So a truly dialogic approach must level up these endowments and regulate all systems of power that prejudice equal participation, whether they originate in social differences such as gender, economic institutions such as multinational corporations, or political systems such as unrepresentative global governance.⁵⁹ We must also ensure that future generations have the same opportunities as those living in the present. This has revolutionary implications. Instead of a 'third way' obsessed by political spin, here is something that really engages with questions of poverty and justice. It is non-ideological in recognising that there are different ways of achieving social and economic goals, but principled in insisting on some basic rights that govern them all. This theme forms the core of this book.

New forms of governance

Globalisation poses the most important challenge to international co-operation in the 21st century, but it is not the only significant factor. The great wave of democracy that swept across the world in the years after 1989 was a period of true global significance – the largest enfranchisement of citizens in human history and the death of the ideology of state command and control. However, even a largely peaceful revolution like this had some unforeseen consequences. For one thing, the collapse of communism stoked the fires of the 'neo-liberal' revolution, appearing to confirm what all good ideologues had been saying throughout the 1980s about the worthlessness of government and the virtues of 'free' markets. Letting imperfect markets loose in an already imperfect world simply produces more inequality, pollution, and alienation. There is nothing more damaging to citizenship than social and economic exclusion. It has always been governments that have held these forces in check, and by diluting support for the idea of states (rather than building support for their reform), the value of

central authority was forgotten. If that sounds too abstract, imagine conditions under mafia-like rule in Russian cities, ethnic cleansing in the former Yugoslavia, or just a health or education system with no government safety net. Even if their powers are declining (and these claims are greatly exaggerated), it is still only states that can address the threats of the 21st century, since there is no other legitimate authority to which we can turn. When civil society plays a growing role in global governance, who will make sure the 'good guys' win, insofar as big business, gun-toting US militias and neo-Nazi movements are also members? *'Even locally, somebody's got to collect the taxes to pay for the services that no amount of networking will provide.'*⁶⁰ Of course, for many people the state never went away – it was Mrs Thatcher who abandoned it. Now, praise be, it has been found again, and it is still alive! The World Bank's flagship *World Development Report* concludes that *'good government is not a luxury – it is a vital necessity for development...an effective state is vital for the provision of the goods and services – and the rules and institutions – that allow markets to flourish and people to lead healthier, happier lives'*.⁶¹ Better late than never, cynics might say, given that the Bank has spent the best part of 20 years dismantling governments on account of their economic inefficiency. The proviso is that this means 'good' government – states that are democratically accountable for their actions, keep their hands clean and don't poke their noses into other people's business unless it is really necessary.

Even more serious are those cases where central authority has collapsed completely (such as Somalia), or where the removal of non-democratic regimes has been replaced by ethno-nationalist movements rather than elected civic governments (as for example in parts of the former Soviet Union and Yugoslavia). Many old conflicts have resurfaced in areas of the world left unpoliced by the great powers after the end of the cold war. There is always a danger that people will return to ethnocentric politics when they are destabilised by what is happening around them. In such circumstances we all tend to look to the familiar for protection.⁶² As Michael Ignatieff writes, *'the repressed has returned, and its name is nationalism'*,⁶³ but this is a nationalism that assumes our deepest attachments are inherited, not chosen – the very opposite of the co-determined future mapped out above. *'Cosmopolitanism is the privilege of those who can take the secure nation state for granted.'*⁶⁴ A legitimate central authority may not be a sufficient condition to combat sectarianism and protect minorities, but it is a necessary one. One of the most pressing tasks for a reformed system of international co-operation is to find ways of

responding more effectively to cases of state failure and so-called 'complex political emergencies'.

Is this too gloomy? Integration into a globalising economy (if the benefits are fairly distributed) is one way of providing a sense of belonging that is not dependent on ethnicity or religion. Another is membership of a worldwide polity that values human rights – a genuine sense of global citizenship that dilutes attachment to primordial affections. Although the erosion of national sovereignty does leave some groups more vulnerable to the vagaries of unaccountable power, it also opens up greater possibilities for civic organisations to work together across national boundaries in pursuit of new forms of global governance, especially in an era of electronic communication. These organisations include citizens' groups, NGOs of various kinds, campaigners like Greenpeace and Amnesty International, business networks, universities and research institutes, and associations of the media, local government, municipalities, and mayors. There has been an explosive growth in their number, size and reach over the last ten years. The 176 'international NGOs' of 1909 had blossomed into 28,900 by 1993, and the spending of development NGOs registered in the industrialised world grew by over three billion dollars in only 13 years (1980–93). In Nepal the number of NGOs registered with government grew from 220 in 1990 to 1210 in 1993; in Tunisia from 1886 in 1988 to 5186 just three years later.⁶⁵

Some commentators see a fundamental 'power shift' at work here, an 'associational revolution' as profound as the rise of the nation state in the 18th century.⁶⁶ Others feel this is greatly exaggerated. It is questionable whether many NGOs form a sustainable part of civil society, since most rely on external funding; nor do many practise what they preach in terms of democratic norms.⁶⁷ Romanticising civil society ignores the reality of fundamentalists and anti-democratic groups; just as Western aid agencies imagine there is a 'thing' called civil society that can be manufactured in a couple of years using outside ideas and resources. There is no basis for this in the historical record. Nevertheless, the broad thrust of civil society everywhere is democratic, and civic groups are set to play a greater role in new systems of governance. These are exciting times, when new relationships are developing between unlikely bedfellows – NGOs and businesses, municipalities and banks, international organisations and citizens' groups. Increasingly, international regimes are made up of diverse relationships between different sectors of society, with nation states functioning less as sovereign entities and more as components of an 'international polity', as Hirst and Thompson call it – holding local

and global governance mechanisms to account but playing a smaller role in a larger system.⁶⁸ If the 21st century is the era of international co-operation, it will not just be co-operation between states.

The return of the state and the diffusion of power through other institutions is good news for the future of international co-operation. It means that, on the one hand, there will be a stronger government authority in most countries to ensure that new systems are not rooted solely in special interest groups; and on the other, that the limitations of state-based regimes in an era of eroding national sovereignty can be addressed by broadening the base of governance. We need global regimes to cope with global problems. However, there are three difficulties with this approach that resurface throughout this book. The first is what an acceptable core of global rules, rights and standards would be, when states and other groups cannot agree on the ones we have already. The second is how a legitimate authority might be constituted at the global level (or reconstituted in the case of the United Nations), and linked in a meaningful way with new patterns of local governance that are emerging around the world. And the third is how to make any global system work to the benefit of its weaker members, when the world is such an unequal place. The answers to these questions lie in new combinations of public, private and civic regulation, and a more democratic way of deciding who does what.

Diversity, Uncertainty and Rational Disagreement

Did the collapse of communism signal the death of the big idea? Many think so. Capitalism's victory leaves no more room for ideological debate, and voters (at least in Britain and the USA) seem to prefer small, achievable and verifiable promises from their politicians. There is no obvious big idea on the agenda for the future, save muddling through as best we can. Even so, there is no shortage of debate across the world, especially on the centre-left which has recaptured the intellectual and political high ground of the late 1990s. Perhaps those who make these judgements don't listen hard enough to post-colonial writing, the feminist movement, or anything that originates outside the Anglo-Saxon intellectual fortress that dominates writing on foreign policy and international affairs. In later chapters of this book, I have tried to incorporate some of the ideas of these writers along with the best of the West.

A second reason for our current scepticism is the 'post-modern' condition. Instead of the comfortable certainties and universal truths

of the 'modernist project' we now have complexity (even chaos), uncertainty, diversity and risk. In the social sciences, economic and social phenomena are routinely treated as non-linear, and the belief that complex changes can be engineered (especially by outsiders) looks laughable. Words like 'progress' and 'development', if they are used at all, are seen as terms to be negotiated rather than paths that are predetermined. *'The idea of development stands today like a ruin in the intellectual landscape,'* says the writer Wolfgang Sachs, though this judgement is too sweeping.⁶⁹ It is not the idea of progress that lies in ruins – that remains as a near-universal aspiration – but standardised notions of what it means, how to achieve it, and whether it represents an unstoppable forward march. The philosopher Zygmunt Bauman puts it like this: *'there are problems with no solutions, twisted trajectories that can't be straightened up, ambivalences that are more than linguistic blunders yelling to be corrected, doubts which cannot be legislated out of existence, and moral agonies which no reason-dictated recipes can soothe.'*⁷⁰ Risk, anxiety and dislocation are characteristic of industrial and scientific development, but under globalisation their causes are more elusive and their effects more mobile. Managing these risks requires international co-operation, though as the writer Ulrich Beck points out, it is increasingly difficult to hold anyone accountable or compensate those who are affected when causes and effects are both diffuse and interconnected.⁷¹

Others dismiss this as post-modern waffle. There is still a global conspiracy out there, implicating corporations and politicians across the board, and bent on a master plan of world capitalist domination. If this were true it would make things much easier, since we could just find the ringleaders and tie them up. But it sits uneasily with the diversity and ambiguity of real people's motivations. Others ask whether calls to respect difference are not just a shield for traditions that hurt people with less political power, like female genital mutilation and child labour. Are there really no universals any more, nothing to hang on to amid the complexity or recommend with any certainty to others? Must we abandon the very idea of 'progress' because it seems politically incorrect? Don't we know anything about the causes of development, nor how we can help? These are important questions, and this book deals with them in two ways: first, it does identify some general conclusions which seem to hold true across different contexts, especially the interlocking power structures that exclude particular groups of people or countries. Second, it searches for principles that are negotiated but not imposed – let's have progress (and more of it please) but defined in all our terms.

Welcoming diversity is a prerequisite for co-operation because no system of collective management can succeed when based on force – it will be incapable of generating the consensus required to make decisions hold firm. Yet collective management is what is needed above all as global problems multiply. The key here is ‘rational disagreement’ – open, principled debate. That doesn’t mean abandoning moral concerns, but it does mean not coercing people to accept the morals of others as if they were absolutes.⁷² A core set of universal values does seem to be emerging, cautiously and unevenly. It is coalescing around human rights, non-violent means of resolving disputes, and preservation of the environment, though the expression of these values in current international treaties lacks the democratic mandate that would give them more legitimacy.⁷³ Despite the problems this causes, the messy emergence of a common core is an historic phenomenon which will be crucial to the success of our collective future.⁷⁴ It is certainly a more optimistic vision than the ‘clash of civilisations’ between West and non-West portrayed by the American academic Samuel Huntington,⁷⁵ which exaggerates the differences between ‘civilisations’ and ignores the diversity inside them. False polarities undermine the conditions for dialogue by strengthening people’s self-perception as fundamentally and forever apart, eroding their willingness to identify and negotiate common ground. Long-term material interests will be stronger than any supposed cultural faultline. Iran and Armenia may belong to different civilisations, but they are still building a joint oil and gas pipeline.⁷⁶

Huntington’s analysis is attractive because it offers easy answers and – like the conspiracy theorists – a new enemy to fight. In this school of thought, the problem is always with ‘them’, never with ‘us’. In reality, all things are the result of interlocking struggles in which we ourselves are implicated – in markets, politics, culture and social interaction. Their outcome is open to influence, but not control. Throughout this book I have tried to convey a sense of the sheer messiness of development and remain faithful to the diversity of the evidence. The ‘big idea’ is about means – co-operation – not ends; and the ‘solution’ is not a model, but a path. The key to this path is dialogue, the basis of all problem-solving in every society. This does not remove the disagreements that arise along the way, but when solutions are negotiated, not imposed, they generate better results in the end.

Trans-boundary Problems and Collective Security

One thing the world is not short of are statistics about impending scarcity. Warnings of ecological disaster abound, and everyone says they are listening. Herman Daly, the pioneer of steady-state economics, points out that ‘*any subsystem*’ (like us) of a ‘*finite non-growing system*’ (like the world) ‘*must itself at some point become non-growing*’: the party can’t go on for ever.⁷⁷ There *are* biophysical limits to growth (and social limits too if growth produces too much inequality and saturated consumption). Daly estimates that global resources are sufficient to extend North American levels of consumption to only 18 per cent of the world’s population. Therefore rich people should take less and give more; otherwise ‘*development means colonising the resources of the poor to enable the rich to live beyond their means*’.⁷⁸ Leaving aside the difficulty of persuading rich people to do this, it is clear that we are using up the earth’s resources at an unsustainable rate. Three billion people face severe water shortages within the next 50 years, oceans are being over-fished, soils eroded, and the atmosphere polluted. According to Sir John Houghton (chairman of the Royal Commission on Environmental Pollution), sea levels would continue to rise even if greenhouse gas emissions from fossil fuels were stabilised according to existing international agreements, forcing millions of people to migrate from coastal lands in southern China, Bangladesh and Egypt.⁷⁹ Those who try to rubbish this scenario, he claims, are simply part of the big business lobby. We also know that there is an aggregate shortage of food in the making: food prices rose by 47 per cent between 1993 and 1996 after many years of decline; grain stocks have fallen to an historic low; oil, and phosphate for fertiliser, will eventually run out; and agricultural land will shrink due to rising salt levels and desertification.⁸⁰ Food security and control over water will dominate world affairs, and no doubt we will all be vegetarians.

We face other threats too. The World Health Organisation claims that we are on the brink of a global crisis of infectious diseases, with one million potential carriers crossing international borders every day,⁸¹ 30 new infections in the last 20 years, the resurgence of tuberculosis and malaria, and a wave of sexually transmitted diseases invading Western Europe from the former Soviet Union.⁸² Other unwanted exports include criminal gangs, drugs, terrorists, illegal immigrants and unregistered armaments, not to mention a super-power arsenal of 100,000 nuclear weapons. As war between states disappears, violence becomes the preserve of terrorist groups and

ethno-nationalist factions, often linked together in their own networks across the world.

An increasing awareness of global risks to domestic security is obvious in Western capitals. In the USA, the bipartisan 'Commission on America's National Interests' identified the prevention of a catastrophic collapse of global financial, energy and environmental systems as a top priority.⁸³ Rich country governments know that mass poverty and spreading civil war will breed insecurity for everyone. However tall the walls we erect around our privileged minorities, it simply isn't good for business. As BP's chief executive, John Browne, said recently, '*big emerging markets are our future*' – the more stability and prosperity there is, the better.⁸⁴ Others are more sanguine. Writing in the *New Statesman*, Tom Burke (a former adviser to the British Environment Minister) claims that '*we do not lack the natural resources, technology or capital to deliver a sustainably-high quality of life for a population of ten billion*',⁸⁵ which is twice the current total. There is no agreement on the food issue between optimists and pessimists, believers in high and low-technology solutions, and advocates of hugely varying estimates of future yields, production possibilities and environmental implications. Food production has consistently outpaced population growth over the last 40 years (Africa excepted), and India already feeds twice as many people as Africa on 13 per cent of the land.⁸⁶ Deforestation is slowing down (at least in rich countries) and global production of the most ozone-depleting substances is down 76 per cent from 1988.⁸⁷ Migration has always been a feature of world history, so what's the big deal? What happens in China may well blow the whole thing sky high, but then again, it might not.

Predictions are usually wrong, but even the more optimistic should be nervous about these debates. Different factions will continue the war of words, but there is no reason to wait for the worst-case scenario before starting work to manage these problems through international co-operation – using improved regulatory regimes (to manage refugee flows, and combat crime and terrorism), global financial reform (like taxing polluters), and joint management of natural resources across borders. If rich governments lack the imagination to use aid creatively, the least they can do is to use it as a vaccination against the threats they perceive to their own security, and that means building capacities in poorer countries to find and implement solutions. Two problems remain. The first is the issue of legitimate authority that has surfaced throughout this Introduction: how do we construct political mechanisms that can resolve differ-

ences over resource use and retain enough support to make them hold?⁸⁸ Second, how do we persuade people in rich countries to limit their consumption so that more is available for expansion elsewhere within known and predictable biophysical limits to growth? This book addresses both these questions.

Although globalisation does expose people to the costs of decisions over which they have no influence, the increasingly clear nature of the transboundary problems that result makes the need for international co-operation evermore obvious. The reality of increasing interconnectedness should make reciprocal relationships more acceptable to a sceptical constituency. We might then have a real shot at turning intervention – the dominant theme of the last 50 years – into co-operation, the dominant theme of the next 50 years. The changing global context makes co-operation both more necessary and more possible. There has never been a better time to pursue the vision of a more co-operative world.