

***Understanding World Order, Continuity and Change –  
Security, Development and Justice in the Global Era.***  
*Some preliminary reflections for the China – Nordic Peace Research Conference,  
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by

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*“Helping poor societies to prosper has long been part of our international goals. We see development, democracy, and security as inextricably linked. Development is not a "soft" policy issue, but a core national security issue. Although we see a link between terrorism and poverty, we do not believe that poverty directly causes terrorism. The connection between poverty and the absence of freedom is not an incidental one. The United States cannot win the war on terrorism unless we confront the social and political roots of poverty. Ultimately, it is not possible to separate economics from politics.”*  
Powell, Colin L., Foreign Policy, Jan/Feb 2005, Issue 146, p 28-35.

## **Abstract**

In modern history, the societal discourse on the good society, shaping the foreign policy of a country and its international relations, has had two different strands. During the Westphalian era the overall societal discourse could be understood as a trade-off between different actors' striving for economic development, political security and social justice respectively. Security had the upper hand and was perceived as a question of the state protecting its citizens from fear and danger by military means. The classical security dilemma, resulting from the fact that measures to increase security for one country could provoke insecurity for another, was believed to be averted through the establishment of a balance of power. After the end of the Cold War this discourse became increasingly challenged. The concept of security was widened and deepened to include non-military threats to states and individuals. Poverty, underdevelopment and new patterns of conflicts in one part of the world were perceived to contribute to increased insecurity in other parts. Climate change contributed to making the concepts of development, security and justice mutually constitutive. The classical security dilemma started to be transformed into a post-Westphalian security dilemma, where the security for one country and its citizens became dependent on other countries' security, and unattainable for individual actors. No country, irrespective of its economic and military capacity, could any longer respond to its security needs on its own. This dilemma could only be averted through international cooperation.

The main argument of this working paper in progress is that the traditional Westphalian security logic still is dominant among most political decision-makers. However, the present discursive rivalry between a Westphalian and a post-Westphalian security logic opens up the political room of manoeuvre for transformation of world order structures in order to achieve a more adequate balance between the question of security, development and justice. The working paper explores tentatively, and from a Western and Nordic perspective, some of the circumstances under which such an opportunity to transform world order economic structures could be seized and the possible impact this might have as regards the future world order leadership. The envisaged convergence of human security, human development and human

rights is anticipated to increase the need of a more inclusive process of globalization. Increased multipolarity will strengthen the demand for a legitimate multilateral or plurilateral leadership basing its global involvement upon the rule of international law. Simultaneously, post-September 11 developments are believed to have reduced both the US capacity and its willingness to meet such requirements. Furthermore, the multiplicity of actors and diversity of interests might make it difficult for anyone to take upon international leadership. Thus it could not be excluded that Global Politics will be characterized by a more durable disorder and permanent “organic crisis” not capable to deal with global challenges with the required strength.

## **Introduction**

Since the millennium shift a growing literature has been published expressing concern about the present world order’s imbalances created by widening inequalities and democratic deficits (Collier 2007, Sachs 2008, Stiglitz 2007). While focus has been on the ethical and moral need to bring politics back in order to combine the ongoing globalization with a global social policy, little attention has been paid by this literature to identify the political and social forces capable of bringing about such a change.

These concerns about how to make globalization work reach out beyond academics and solidarity movements. Also the US defence headquarter at the Pentagon, Washington DC, is concerned, since world order structures constrain efforts to increase security and political stability in war-ridden countries. In D.R. Congo some 350,000 soldiers are supposed to be demobilized and reintegrated into normal life in rural areas at the same time as imported subsidized maize from the US (and from the EU for that matter) flood the domestic market with reduced possibilities for job creation. Their concern is strengthened by empirical evidences that recruitment of terrorists is facilitated by the presence of large numbers of young unemployed and frustrated men in urban areas. They face the same challenge in Afghanistan where the Talibans gain new ground as the burning question of employment for ordinary people remains unsolved. Gradually, awareness has increased that peace and development must be understood as two sides of the same coin.

Such concerns raise the question of how world order economic and political structures are created and how they can be changed. In essence, this was the research question that the government in Mozambique entrusted to the Department of peace and development research at Gothenburg University in Sweden in the beginning of the 1990s. The Cold War was over and the apartheid system approached its abolishment. The international political landscape that had restricted the government’s room for manoeuvre since the independence of the country 20 years earlier had changed. Now it was characterized by the

process of globalization, with subsequent demands for economic liberalization and western style democracy.

According to common wisdom, the process of globalization, with its increased international economic interdependence, had decreased the room for manoeuvre for national governance. The result of the project presented, however, a contending view. Archival research in Bretton Woods and extensive interviews with some hundred decisions-makers involved in the international political economy pointed to an increased room for manoeuvre following the fact that the traditional Westphalian security thinking in the Western countries had started to be challenged by a more post-Westphalian and cosmopolitan-oriented discourse. In the globalized world, problems stemming from poverty and underdevelopment in the South increasingly started to challenge vital security interests and the political stability in the North, hereby creating opportunities for transformation and change of world order economic and political structures. Consequently, global policies to reduce world poverty could be expected – provided such opportunities could be seized.

Such a rather optimistic scenario from the research project was soon to be taken over by events. September 11 provided conditions for the Bush Administration to return to the traditional security thinking and to seize the unipolar moment created by the end of the Cold War. Security problems provoked by inequality and democratic deficits abroad were again supposed to be contained primarily by military means and a more restricted migrant policy and strengthened homeland security.

### **Objectives, structure and arguments**

The objective of this working paper in progress is to apply the conceptual framework and analytical model of the research project in order to explore, albeit from a Western and Nordic perspective, the possible impact that post-September 11 developments have had as regards present conditions for transformation and change of world order economic and political structures.

The paper will be divided into three sections. In the first section the conceptual framework and analytical model will be presented. In the second section the model and its cornerstones will be applied to the development of the international political economy after World War II, in order to give an historical perspective and some empirical points of reference. In the third section, finally, the article looks into some of the present circumstances capable of bringing about a change in world order structures and leadership.

The basic argument of the paper is that the process of globalization gradually has changed the content of the concepts of security, development and justice and made them more interdependent and interlinked. The problems of climate change has strengthened the interdependence of the concepts even further and not only made them converge but also become mutually constitutive, i.e. each creating conditions for itself and the others at the same time. The Westphalian security logic has increasingly become questioned, as it tends to create insecurity not only abroad but also at home. The classical security dilemma has thus started to be transformed into a post-Westphalian security dilemma where the security for one country and its citizens has become dependent on other countries' security, and unattainable for individual actors on their own. No country, irrespective of its own economic and military capacity, can alone respond to its security needs. Such a dilemma can only be averted through strengthened international cooperation.

The paper further argues that the present discursive rivalry between a traditional Westphalian security thinking and a more post-Westphalian discourse opens up the room for manoeuvre for a transformation of world order structures and changed conditions for world order leadership. While the Westphalian discourse focused on the question of security and order, the post-Westphalian discourse is more concerned with the question of development and justice. As regards the future world order leadership, a variety of scenarios is possible. In the US, the economic consequences of the war in Iraq seem to have reduced the financial capabilities for governmental efforts to offset the negative impact from global outsourcing through public spending and increased incentives for the private sector. At a time of demands for a more multipolar and multilateral world order, increased protectionism and isolationism in the US cannot be excluded. Such developments might increase the room for manoeuvre for multilateral regionalism, with its power centre moving East, provided that social carriers will be capable to look beyond narrow national security interests.

## **I. Analytical and conceptual framework**

By "World Order" I mean a system of structures sustained by various rules and norms regulating international economic and political cooperation and transactions. Structure is a concept used to describe the pattern of thoughts and actions which constitute the framework within which people, states, companies, civil society organizations and multilateral institutions etc. are acting. A World Order and its structures are shaped according to the values and belief systems of the dominant powers as well as of the short-term and long-term security interests of the dominant actors (Cox 1987).

The modern structural frame for the world order and its international relations have until now been based upon the Westphalian nation-state building project. What here is referred to as the Westphalian era commenced with the European peace settlement negotiated in Westphalian 1648, at the end of the Thirty Years War. The peace treaty settled the internal Christian rivalry and entrusted the king to decide whether the catholic or protestant orientation should reign on his territory. This increased the need for territorial control and facilitated the creation and consolidation of the sovereign nation-state system.

During the era of the Westphalian nation-state project, the discursive articulation of the value and belief system of a given society, as well as of its dominant national security interest, can be understood as a trade-off (a point of balance) between social actors' long-term interest in certain core values of fundamental importance in their belief-system, such as freedom, order and justice (Hettne 2008), on the one hand, and the more short-term national security interests of the same actors on the other (Cox 1987). Such an understanding is associated with the Italian political philosopher Antonio Gramsci's discussion of hegemony and the political dynamics in society manifested by the ongoing war of position (Gramsci 1971). According to Gramsci the dominating discourse was formed by the historic bloc that was politically sufficiently strong to achieve a hegemonic position considered legitimate by most actors in a given society. The discourse of the hegemonic bloc, by giving meaning to what happened in society, was not only perceived as legitimate and taken for granted, but also determined the design and orientation of the different rules and regulatory frameworks needed for the historic bloc to exercise power. However, the historic bloc, formed by political alliances between different social forces that the specific mode of production in the given society made possible, was constantly challenged in an ongoing war of position by competing historic blocs articulating alternative (counter-hegemonic) discourses.

The political dialectics in society that characterized the industrial revolution in England during the 18<sup>th</sup> and 19<sup>th</sup> century was described by the Hungarian historian and anthropologist Karl Polanyi in terms of a double movement (Polanyi 1944). The expansion of the market and the dismantling of social safety nets constituted the so-called first movement, articulating its specific discourse and point of balance between freedom, order and justice. The reaction and self-defence of society constituted the so-called second movement, with its discourse based upon another point of balance. While Polanyi considered the many small movements, that together constituted the first movement from above, to be created and put in motion by political decision-making, he understood the many small movements, together creating the second movement from below, to be a more spontaneous process, of which the political orientation and impact were not always easy to foresee. The political struggle going on in the area of tension

between the two movements determined which discourse was capable of hegemonic wielding of power. Hence, the final location of the point of balance between the actors' striving for freedom, order and justice respectively could be understood as the outcome of the ideological struggle going on in society *between* different historic blocs. In such a Gramscian war of position over the hegemony of the discourse and the control of the state, realist thinking prioritized the question of order and security, liberal thought struggled for freedom in order for productive forces to develop and markets to expand, while socialist oriented actors defended the question of social justice and human rights. Such a war of position requires a certain compatibility between the competing discourses. Lack of such compatibility makes dialogue and communication between different historic blocs less meaningful. In cases where the civil society was weak and, consequently, the civilness of society low, Gramsci envisaged a more violent and frontal attack – a war of manoeuvre – in order to challenge power.

The societal discourse, reflecting fundamental values and belief systems in a given society, is in turn constituted by different discourses reflecting the outcome of contending ideas and positions between different actors with more specific interests *within* each historic bloc. For the Westphalian nation-state project, development and modernization were perceived to be crucial for the capacity of the state to provide protection and became matters of survival for the nation in an increasingly hostile environment. Poverty and underdevelopment were understood as the result of backwardness. Consequently, development was perceived as a question of transformation of an agrarian society focused on subsistence and survival into an industrial society and material welfare. Social justice was a vital part of the social contract and considered necessary for creating the political stability required in order to bring modernization about.

Security matters have traditionally been considered “high politics”, while the discourses of development and justice in practice were downplayed. Accordingly, the security discourse has always had a strong influence over the content of the overall discourse in society. The point of balance of the security discourse constituted the basis for the social contract established between the state and its citizens, where the latter gave up parts of their demand for freedom in exchange for protection from harm and danger. Thus, the legitimacy of the State depended on its capacity to provide its citizens with security. Accordingly, national security became a question of linking the interests of the state abroad with what was required in order to defend the interests of the state at home (Campbell 1998). State security was a question of threats to state sovereignty and the use of force to protect state territory, something that depended on how dangers and threats were perceived and interpreted. Given the international anarchy during the Westphalian era, the perception of dangers and threats

created a security dilemma reducing the prospects for lasting peace. The means employed by one country to increase its security per definition reduced the security of the others. The subsequent rearmament sooner or later escalated into armed conflicts and war. The only way to avoid such a dilemma was through a sufficiently strong balance of power between contending forces (Fierke 2007).

Consequently, each World Order is characterized by its own specific mode of governance and form of legitimization reflecting the political configuration and power balance between the involved states. World Order stability, conceived as a requirement for international economic cooperation, needs a strong dominant power to implement agreed rules and norms and to provide sanctions. Historically, world order leadership has balanced between a Gramscian hegemonic (and legitimate) leadership based upon soft power (power of attraction) and a dominant and coercive leadership using structural or military hard power. In most cases it has been a mixture of both. As the discourse of the world order leadership constantly becomes challenged by counterhegemonic discourses, history shows a clear tendency that hegemonic and legitimate leadership overtime finds itself forced to use more and more coercive power in order to defend its own national security interests in the constantly ongoing war of position.

The diminishing importance of national borders that followed the intensified process of globalization has, together with a decreased sphere of action for the nation-state, lately raised the question whether we are approaching a new, post-Westphalian, deterritorialized structural frame for the world order. Such an order will go beyond national sovereignty and instead be based upon supranational structures (Hettne 2007).

### **Transformation of world order structures**

During the modern history, different discourses articulating the values and belief systems of a given society can be identified. Each one of them had its specific point of balance, rooted in a certain historical and social context with specific modes of production, material capabilities and needs. Accordingly, the concepts of security, development and justice, upon which the formation of the different discourses rested, are essentially contested concepts in that they can only have a specific meaning in such a given context (Hettne 2008). They were, together with the discourses they constitute, constantly challenged by counter-hegemonic discourses. When no longer capable of giving meaning to and dealing effectively with the predominant societal problems of their time, the ongoing war of position between different social forces would result in a substitution or transformation of the hegemonic discourse. Intersubjective structures (created

not only by material power but also by social meanings and interactions) could be as important in shaping international outcomes as material interests. Hence, as will be elaborated in what follows, a world order and its structures is not something given and static. It changes when values and perceptions of threats and security are in need of modification and redefinition. Consequently, the basic values and security interests shaping the World Order and its structures are both structurally rooted and socially constructed.

Although structurally rooted in specific historic and social contexts, the world order structures are based upon security interests and the perception of threats. Since they are partly social constructions, they are transformed when the perception of security interests and threats change and make the structures no longer compatible with the requirements. Hence, a world economic order is continually made and remade by problem-solving measures that are required in order to, within the existing structural framework, deal with contradictions emerging and visualized through interactions and lack of consensus between different human actors.

However, at times, problem-solving measures, with their aim to smooth the functioning of the overall system as such, put self-propelled dynamics in motion that, in turn, can create various paradoxes, i.e. outcomes that conflict with preconceived notions of intention and desirability. These non-intentional outcomes may reinforce the original contradiction and transform it into a situation that is non-manageable and non-solvable *within* the existing structures. Thus, the term *contradictory circumstances* denotes contradictions reinforced to such a degree that they are perceived as non-manageable and threatening important security interests for various elite groups. The *perception* of such contradictory circumstances is an important driving force for a more radical change and transformation of the structures as such (Abrahamsson 2003). Experiences from the Great Depression during the 1930s are a case in point, providing empirical underpinnings for the ambition during the Bretton Woods conference in 1944 to reach an international agreement on cooperation in order to avoid deflationary outcomes after World War II and to guarantee access to raw materials and foreign outlets in order to smoothly reorient the US industrial base from war to peace.

### **The importance of coinciding interests**

However, history tells that the perception of contradictory circumstances being a threat to the security interest of a specific elite group is not a sufficient force in order to transform discourses and to seize opportunities for structural change.

As will be further discussed, the outcome of the Bretton Woods conference points to the importance of emerging *coinciding interests* between different elite groups which may together be capable of creating the political pressure required to transform the prevailing structures. It is believed that the present development of the global network society facilitates the emergence of such coinciding elite interests between different elite groups around the world. World order stability requires not only that someone somewhere has the capacity and political will to take upon leadership. It also presupposes actors and partners with the capacity to be led. Weak or failed states could easily be exploited by hostile forces and because of this constitute a problem that increases the burden of world order leadership. This was the reason why the US in the aftermath of World War II became interested in strong economic growth and development in Germany and Japan. This interest soon came to imply new rivals for the US leadership, which it tried to deal with through increased oil prices. As we soon shall return to, such problem-solving measures created new non-intentional outcomes and contradictory circumstances.

Hence, coinciding interests are objectives and aims simultaneously articulated by different groups at a given time that temporarily happen to converge. If they remain congruent, the coinciding interest will be transformed into common interest, creating a more permanent room for manoeuvre. However, history also shows that elite groups seldom are the subjects of change or capable of making use of the existing political room for manoeuvre on their own. In addition to coinciding elite interests, a strong involvement of civil society organizations is required in order to seize the opportunity and transform the structures.

The abolishment of the apartheid structure in South Africa in the early 1990s is a case in point. Coinciding interests between elite groups to facilitate the emergence of black purchasing power and black educated labour was not sufficient to abolish apartheid. There was also a need for a strong public political pressure from below capable of entering the political struggle and aiming at challenging and transforming the dominating discourse. A *vertical interaction* between social movements (ANC) from below and coinciding elite interest (British capital) from above was required in order to confront and visualize the structures to be changed and to elaborate alternatives for a peaceful transition. In fact, such vertical interaction constitutes a vital part of the war of position referred to by Gramsci, at times permitting a new historic and hegemonic bloc to emerge.

Karl Polanyi provides theoretical guidance to the interplay between contradictory circumstances, coinciding elite interests and vertical interaction in his seminal work on the advent of the industrial revolution in England. As earlier accounted for, the expansion of the market and the dismantling of social

safety nets, constituting what Polanyi called the first movement, should not be understood as a spontaneous process, but as an intentional process driven by political decision-making. For landowners and peasantry alike, both dependent on livelihood in the countryside, the first movement created contradictory circumstances as people were forced to move into urban areas, hereby reducing the available labour force in rural areas. His account for the development in Speenhamland draws attention to how the landowners, in vertical interaction with civil society, shaped the reaction and self-defence of the rural population and created the second movement, demanding and obtaining the subsidies that would make rural survival possible, albeit temporarily (Polanyi 1944).

However, one should not presuppose that the second movement always was constituted by progressive and radical political forces articulating clear-cut solutions to the societal problems they faced. Instead, the second movement should foremost be understood as a reaction to the shortcomings of the first movement. Polanyi's fear that the second movement, following World War I, would be taken over by reactionary and fascist oriented social forces became justified. One should neither presuppose that the vertical interaction between elite groups and civil society striving for change automatically was a question of more fully involving the second movement. The counterrevolution of the Reagan administration, that we soon should revert to, provides a clear-cut example of how elite groups sought political support through a vertical interaction with social forces constituting the first movement in order to disembody the market. Hence, the outcome of the intensified war of position that the increased room for manoeuvre provided depended on the actual configuration of the political forces and the strength of the two movements.

In order to better understand the interplay and dialectics of these forces, let us now look back upon the development within the international political economy since the end of World War II. We start with the inherent contradiction of the Bretton Woods system and continue with the reinforcement of these contradictions by the counterrevolution of the Reagan administration, before we finally turn to the political dynamics after the Cold War.

## **II. Bretton Woods and Pax Americana**

During the Bretton Woods conference in 1944 the basis for such a post-war economic world order was conceptualized. The US stood out as the only power capable to legitimately take over the international leadership after Great Britain. Consequently, the World Order structures drafted at the conference and the envisaged US international leadership had to give special attention to US values and security interests. In need for burden-sharing, the US opted for a multilateral

approach and took the initiative to create both the North Atlantic Treaty and the United Nations. However, in case such multilateralism required a too extensive power-sharing or sufficient political support for such approach could not be obtained, the US was determined to act unilaterally whenever it served its interests.

Between the inception and implementation of the Bretton Woods system the Cold War became a reality with changed conditions for US leadership, not the least its financial requirements. When the British decided not to intervene in the internal war in Greece 1947 the US felt obliged to react. Inspired by George Kennan and his policy of containment of the Soviet Union, president Truman launched his doctrine where he argued that it "must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures", and, consequently, "asked the US Congress of required financing in order to support the governments in Greece and Turkey to prevent their falling under Soviet control". The doctrine broke with president Roosevelt's ambitions during the Bretton Woods conference to create conditions for "one world". It took instead its point of departure from the mindset of Manifest Destiny and the need of overseas expansion in order to uplift, civilize and christianize people around the world whenever it served US interests. In line with arguments used by Woodrow Wilson in order to lead the US into World War I, the thinking was that God had given the US the moral duty to intervene whenever and wherever democracy and freedom were perceived to be in danger. According to the American exceptionalism, the US had an exceptional position among countries and should not be bound by international law except where it served American interests.

The Truman Doctrine that followed was politically made possible by the ambition to contain communism by spreading US values and make propaganda for freedom and western style democracy. The national security interest was not only a question of preserving the sovereignty and the territorial integrity of the country free from *direct* threats or pressures of any nature. The US national security interest was also a question of "our determination to maintain the essential elements of individual freedom – our determination to create conditions under which our free and democratic system can prosper, and our determination to fight if necessary to defend our way of life" (NSC 68 – 1950). Hereby the isolationist stance that had previously characterized much of US policy was swept aside. Another important underpinning was the understanding that poverty and underdevelopment could be exploited by subversive forces hostile to the free world and thereby constitute a security threat. As poverty became a question of geopolitical status the concepts of development and justice started to converge and achieve equal footing with the question of security, like in the political rhetoric of president Truman's inaugural speech and famous four

point programme. In practice however, the US security interests had the upper hand. Development and poverty reduction were at best understood as important tools for security. By rescuing others, the own security was preserved.

The Marshall Plan and the assistance to reconstruct Europe were only to be provided if the Europeans kept the communists out of power. The same logic characterized US support during the period of decolonization. The envisaged state interventionism was considered a “mal nécessaire” in order for underdeveloped countries to “take off”. Through a rapid modernization and desire to catch up with the western world, the politically independent countries in the Third World were supposed to be integrated into the world economy and to refrain from socialist oriented policies. The US aid programmes continued to be financed by the mutual security assistance act until the early 1960s.

### **Inherent contradictions**

Diverging political forces constrained the political possibility structure during the Bretton Woods conference and made it necessary to solve the disputes on how to organize a trade and monetary system through various compromises. The US Congress declined to accept any free trade or monetary agreement that could harm the sovereignty of the country. If the US was asked to take upon international leadership and supposed to act as the policeman of the world, it would also need to be able to act as the banker of the world. Hence, instead of creating an international currency (Bancor), as proposed by Keynes, the monetary system came to be based on the US dollar linked through a fixed rate to gold. By giving such privilege to the dollar, the US administration found a way to finance its international commitments, at least as long as other countries accepted to hold the dollar as their reserve currency and to the agreed fixed exchange rate.

In the United Kingdom concern was articulated about how free trade might reduce the possibility for state interventionism and the impact on employment rates that this might have. Subsequently, the proposed International Trade Organization was turned into a general agreement on tariffs and trade excluding agricultural products and textile, two sectors in which free trade was thought to be too damaging to the peasantry in Europe and the US. The dynamics from liberalized markets were to be tempered and “embedded” through the intervention of the state.

Through these compromises the Bretton Woods conference managed to put in motion the structural changes perceived as a prerequisite for a lasting peace. The experiences from the Great Depression enabled sufficiently strong coinciding interests to reach an agreement on historically unprecedented international

cooperation. The fear for a World War III, together with political concerns with the post-World War II radicalization of popular forces in Western Europe, made it possible for the Congress in the US and the House of Commons in the UK to obtain political support for the ratification of the agreement.

The compromises upon which the agreement rested were reached by various problem-solving measures that due to the outbreak of the Cold War came to develop a number of non-intentional outcomes. The increased financial requirements, in combination with the difficulties for the US to finance its leadership through taxes, forced the administrations to rely on an expansionary monetary policy (bastard Keynesianism) and on the privilege of the dollar. The money supply created to finance the war in Vietnam implied international overliquidity, inflation and decreased interest rates. Hereby a number of poor countries in the Third World got incentives to speed up their development process through an indebted industrialization.

Since US budget deficits created by the expansive financial policy were never eliminated through an adequate fiscal policy, the danger of undermined confidence in the dollar increased, and in the early 1970s the Nixon administration unilaterally suspended the convertibility of the dollar into gold, proclaiming floating exchange rates. The international liquidity supplied by the US remained in Europe and Asia, substantially increasing the competitiveness of these regions, making them capable of gradually beginning to challenge not only the American economic hegemony but also its political supremacy. Contrary to the very objective of Keynesianism to avoid economic stagnation and recession by keeping up employment and demand through an expansionary financial policy, the applied “bastard” Keynesianism with its too massive overliquidity created both inflation and stagnation at the same time. The “stagflation” during the 1970s together with the non-intentional outcome of the other problem-solving measures accounted for, created over time various contradictory circumstances that gradually would challenge the Keynesian discourse with its “embedded liberalism”.

### **Demands for a new international economic order**

Following the increase in oil prices in the mid-1970s, demands for a new international economic order were raised by the Non-Aligned Movement, questioning the very foundations of the Bretton Woods system.

Underdevelopment was understood not as a question of backwardness but more as a result of exploitation and unjust and unfair world order structures reducing the purchasing power of the population. The free trade for industrial products had wiped out local industries in the South and strengthened the colonial

division of labour without giving market access for agricultural and textile exports. Furthermore, the transnational corporations had drastically reduced the room for manoeuvre for domestic state lead policies. A massive transfer of resources, along with specific codes of conducts for the transnational corporations, was considered required in order to relocate the 25% of the world's industrial capacity that was necessary in order to halt the uneven development between the Northern and Southern countries. For the international business elite, these demands, with the obvious exception of the demands for a code of conduct, were considered worth backing. Recession and stagflation in the West created a need for new markets abroad.

The demands for a NIEO also got strong support from the international social democracy. In the late 1970s the Independent Commission on International Development Issues (chaired by former West German Chancellor Willy Brandt and including the former prime ministers of UK and Sweden, Heath and Palme) argued for a broadened understanding of security and for the need of strengthened international development cooperation:

*An important task of constructive international policy will have to consist in providing a new, more comprehensive understanding of "security" which would be less restricted to the purely military aspects...(...)... Our survival depends not only on military balance, but on global cooperation to ensure a sustainable biological environment, and sustainable prosperity based on equitably shared resources. Much of the insecurity in the world is connected with the divisions between rich and poor countries – grave injustice and mass starvation causing additional instability. (North-South: A programme for survival 1980:124)*

From the point of view of the Socialist International, it was not only a question of strengthening the prospects for peace and security by bringing the question of development and justice onto the agenda. Foremost, it was thought that through the massive transfer of resources to the South, new job opportunities could be created in the North. Hence, interventionism on the national level should be complemented by global interventions and some kind of embryonic global governance. Although the question of justice was picked up by the Carter administration and became articulated in terms of increased respect for human rights, the demands for a new international economic order remained an elite project and were never able to be implemented, mainly for geopolitical reasons. The third world national elites could not identify sufficiently strong coinciding interests for change within the elite in the North. The need for structural change was foremost articulated by the economic elite without support from the political elite preoccupied with the implications of the Cold War. Furthermore, the economic elite did not succeed in creating a vertical interaction with civil society and the demands never got sufficient popular support in the western countries. As regards the strive for increased global coordination and action, the involvement of president Carter in the Trilateral Commission – which brought

him to the White House in the first place – was soon heavily criticized by more parochial forces in the US, who feared that the country's sovereignty would be reduced by any efforts of global governance, be it through the initiative from the corporate sector or under the auspices of the UN system.

In the US, the defeat in the Vietnam War, followed by the détente policy by the Carter administration, was perceived to have motivated the Brezhnev regime to expand its support to socialist oriented countries in the South, increasing its sphere of political influence considerably. The occupation of the US embassy in Teheran in the late 1970s became the final evidence for the more conservative and realist oriented political elite that the declining US hegemony only could be counteracted by a strengthened unilateral leadership and redefined security interests. They got support from the dominant economic elite, preoccupied with the stagflation and wanting to replace the Keynesian approach with more neo-liberal policies aiming to deregulate goods and labour markets, decrease the role of the state and thereby restrict the money supply. Hence, it took some thirty years for the inherent contradictions built into the Bretton Woods system to mature and make the system obsolete. The hegemonic power and the external legitimacy of the United States after World War II, permitting the various administrations to deal with the contradictions through problem-solving measures, had finally been challenged and substituted by counterhegemonic discourses as regards security and development. With the incoming Reagan administration in the early 1980s the demands for a new international economic order and a widening of the concept of security as proposed by the Brant Commission was taken off the political agenda. The Reagan administration broke with the Truman security thinking and development discourse. Instead of preserving its own security through rescuing others from poverty and deprivation, the US should recapture its dominant international position by military means and a more coercive power.

### **The Reagan counter-revolution and its discursive transformation**

Through rearmament and the launching of a second Cold War, the Reagan administration wanted to rebuild the US supremacy and standing in world politics, based on traditional security interests and rollback of the communist expansion. In areas of less strategic interest, the communists were to be defeated by strengthened western style freedom and democracy and access to new credits. Underdevelopment was understood as a result of *internal* political constraints, implying exclusion from the world economy. It could only be remedied through strengthened integration in the world market. Justice became understood as a question of creating new opportunities for people by dismantling the monopolies of the state, privatization of ownership and liberalization of trade. Both

development and justice were to be achieved through political and economic reforms. Through the implementation of such reform programs, at times requiring changes in the political constitutions of the countries concerned, the functioning of the market economy and multiparty system was supposed to be sterilized from influence from unwanted future political developments. Subsequently, the implementation of the rollback policy of the Reagan administration came to be based upon US structural power and its control of the Bretton Woods Twins. Such an approach became possible through the debt burden, which became unsustainable when US Treasury in the beginning of 1980s applied monetary restrictions according to the principles of Reaganomics.

These problem-solving measures soon came to visualize and activate another contradiction built into the compromise of Bretton Woods, that over time created non-intentional outcomes, and were gradually transformed into new contradictory circumstances. The lack of domestic support for the creation of the Bretton Woods institutions had forced the Roosevelt administration during the 1940s to reduce the size of the institutions' working capital financed by the US tax payers and to increase their lending from the US financial markets. Hereby the institutions became subordinated to the short-term financial criteria imposed by the US commercial banking system and had to adopt strategies and conditionalities for borrowing poor Third World countries accordingly. Hereby the focus was concentrated on the short-term economic viability instead of long-term development.

Consequently, the imposed conditions by the US financial markets, following the debt crisis in the 1980s, implied requirements of devaluation and reduction of state activities in order to create balance in current account and state budget. Through trade liberalization and suspended state subsidies, the industrial and agricultural sectors were supposed to be exposed to international competition, creating a need to close down less efficient and non-competitive productive units. Such destruction of jobs was intended to transfer and make available scarce financial resources for job creation through new and more feasible investments. For security reasons, the neo-liberal developmental discourse got a strong backing from the Reagan administration.

However, the pursued agricultural policy of the United States, Europe and Japan, with heavy subsidies and strong protection of domestic markets, made the efforts by Third World countries to compete on the international market useless. Trade barriers for exported produce and reduced prices for imported food made life difficult for the peasantry. As regards the industrial sector, the economic conditions imposed by the commercial banking sector, with demands for short-term macro-economic balance, did not permit required long-term investments by the state in infrastructure and human capital in order to attract private foreign

investments. The destruction of jobs did not create any new ones. With increased unemployment, poverty was deepened and various countries approached the trap of low level security equilibrium. This trap, created by frustration and relative deprivation, derived from a combination of *economic marginalization* and *political exclusion*, has become aggravated through increased frustrations and relative deprivation following the effects of the structural adjustment programs. The neo-liberal policies with the reduced role of the state came furthermore to visualize a structural problem within the process of globalization, namely the tendencies of *geographic exclusion*. For underdeveloped areas it became virtually impossible to become a nod in the global network due to the lack of technical, social and, not the least, cultural infrastructure. The decreased space for state lead intervention and regional redistribution excluded many areas from the process of modernization and strengthened regional unbalances and inequalities. Such an exclusion and marginalization created a new pattern of conflicts where frustrated elites tried to increase their social power through politization and mobilization of various identity groups (Nilsson 1999). Such mobilization was often financed through different illegal activities. Over time, the Reagan counter revolution with its economic and political reform programs gradually became to visualize the connections between underdevelopment and poverty on the one hand and conflict and insecurity on the other. Soon, the problem of underdevelopment in the South started to create security problems in the North.

### **Securitization of development and justice**

Historians will debate to what extent the policies of the Reagan administration contributed to the implosion of the Soviet Union and the termination of the Cold War. Be as it may, the incoming Clinton administration soon had to face the new global social conflict emerging in its aftermath, which over time created a need to modify the US security interests. The problems in the South, created by poverty, had put the political stability in the North in danger. The Western efforts to govern at a distance had reduced the internal legitimacy of local governments in the South and decreased social trust. Some countries entered into an organic crisis and a state of durable disorder. The questions of development, as well as of international development cooperation, became securitized. The post-World War II Keynesian long-term interventionism, as well as the initial strive for some kind of global governance during the 1970s, was replaced by more short term and ad hoc interventions as effects of the “failed states”, with increased illegalities, migration flows and environmental destruction, could spill over and affect the American “way of life”. As development was impossible to achieve if a sufficiently strong security could not be provided, international non-governmental organizations were entrusted to

conduct humanitarian interventions in order to bypass the claim for sovereignty by individual states and to bring about order. The aim was not any longer only to “get the prices right”, as during the first years of structural adjustment, but foremost to “get the whole society right”, according to the western development model and the financial markets requirements. When the local security situation did not permit the NGOs to provide their intended services, their activities were complemented by order enforcement provided by the military sector and its “military humanism”.

With the growing awareness that ecological destruction, poverty and relative deprivation had the potential to create new patterns of conflict, the security discourse became broadened during the Clinton Administration and began to include different threats and referent objects than the state, hereby also integrating the questions of development and justice. Running up to the UN Social Summit in Copenhagen in 1995, the UN Commission on Global Governance, under the chairmanship of former Swedish Prime Minister Ingvar Carlsson, pointed to the need of replacing more short-term and ad hoc interventions with a more long-term interventionism and a comprehensive form of global governance based upon some kind of a social contract. Consequently, the commission proposed an Economic Security Council within the auspices of the UN. The aim of such a global social contract was to reduce the gaps of frustration of the elite, mainly by providing conditions for the securitization of development, and to close the gaps of frustration of the ordinary population through the provision of conditions for the developmentalization of security. The Australian peace researcher John Burton talked in this regard of the need to combine prevention of conflicts with the promotion of development and coined a new term for such undertaking - prevention (Burton 1990).

Such efforts to broaden the concept of security were soon criticized. Some critics feared that changing the traditional understanding and use of the concept security would be impossible. Instead they pointed to the danger that such an expansionistic version of the security concept and the securitization of development could imply that problems of migration and environment again would call for actions by the state and inspire attempts to use force and military means to deal with problems more related to development than to security (Fierke 2007). Making the question of development a question of “high politics” they feared that the content of development would be designed behind closed doors within the security structures, out of reach for public influence. Others pointed to the risk that threats are expanded to include all possible sources and causes of insecurity, resulting in a security policy so wide that it lacks the necessary focus to direct the allocation of scarce financial resources (McSweeney 1999:89)

However, despite objections, new patterns of conflicts and the emergence of interstate wars targeting the civilian population had put in motion an irreversible process within the UN system to humanize the question of security as well as of development. Such a development corresponded to the ongoing transformation of the capitalist mode of production, from a fordist mode to a more global network oriented one, which provoked a shift of focus for identity construction from the collective to the individual. The security of the nation gradually became a question of *Human Security*, which in turn became a question of freedom from want and fear and accordingly inextricably linked with the question of *Human Development*. The latter was conceived as a matter of human liberation to more fully engage in what he/she values the most. Simultaneously, ecological constraints have made the question of development a question of sustainability, defined by the World Commission on Environment and Development (chaired by the former prime minister of Norway, Gro Harlem Brundtland) as a “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987:43). Finally, the understanding of justice was not just complemented by such intergenerational aspects but also influenced by the present broadening of the definition of poverty to include political and social power. The question of equal opportunities was understood too narrowly and new emphasis was given the question of equal conditions for economic development and political influence. Hence, requirements for *Human Rights* became important tools in this regard. Consequently, the concepts of security, development and justice started to be understood as mutually constitutive, i.e. each creating conditions for itself and the others at the same time. Hereby they became prerequisites for what was understood as a sustainable development not only in ecological but also in social and economic terms. A new discourse emerged, based upon a more post-Westphalian security logic, that opened up for transformation of the world order structures of the cold war.

As a result of the discursive shift from the neo-liberal agenda, with its reduced role for the state, to a more comprehensive understanding of the role of governance in the creation of political stability, the focus of structural adjustment programs shifted from structural adjustment to poverty reduction strategies. Simultaneously, the economic resources generated through debt cancellation permitted the financing of the agreed poverty reduction strategies through increased budget support to the state. The ad hoc, short-term interventions were gradually abandoned by the Clinton administration and more long-term interventionism became again part of the political agenda. The tragic experience from the first war of Mogadishu in the early 1990s, when a number of US soldiers were killed and humiliated, contributed to the creation of the required political support for such a discursive transformation.

Internationally, the Clinton administration was acknowledged for its multilateral commitments, the strong support given to the Millennium Declaration and the understanding of the need for some kind of global governance. Domestically, the Clinton administration was criticized for a reluctance to take advantage of the unipolar position created by the end of the Cold War. The world was perceived to lack a strong leadership and thereby in danger of moving into some kind of a-polarity. Consequently, the Clinton discourse pointing to the need to humanize globalization and to apply a more post-Westphalian security logic was soon challenged by more nationalist and realist political forces who wanted to reinforce the traditional Westphalian thinking and strengthen the US military capacity. The most articulated of these emerging and challenging discourses at the time were the thesis of an approaching “clash of civilizations”, launched by Samuel Huntington (1996). The Cold War became substituted by a new enemy. The fundamental source of conflict was not primarily ideological but cultural, between the western civilization and an alliance between the East Asian Sinic civilization and the Islamic civilization, with China and Iran, respectively, as the main driving forces.

These discursive transformations could be analysed in terms of the dialectics created by the two movements, as discussed by Karl Polanyi. While the two movements constituting what Polanyi described as the Great Transformation shaped the national development in England during the 18<sup>th</sup> and 19<sup>th</sup> centuries, the first movement of our times expands the liberal market on a global level and is believed to sooner or later create a second movement, with different facets but all striving to bring politics back in order so as to regulate and re-embed the market as per the social requirements. Following this logic, we are at present experiencing a second Great Transformation of the national into the global (Hettne 1999). In some academic circles, a post-development and counterhegemonic discourse simultaneously emerged, understanding the problems in the South as a failure of modernity. It understood the actually existing developments and their pattern of conflicts in so-called weak states as a new kind of resistance to the liberal global order (Beck 1997). Some interpreted the state of affairs as a different normality with a more permanent presence, while others considered it as a temporary disorder and trusted that the resistance to the liberal global order over time could become sufficiently socially rooted in order to develop into a more coherent second movement.

### **September 11 – a return to the traditional Westphalian thinking**

The difficulties for the Clinton administration to identify a new post-Cold War coherent international role for the US implied that the US was either too weak to create a unipolar world or too strong to enable a more multilateral order to

emerge. The lack of coherence made it easier for the more isolationist oriented Bush administration to gain power in the beginning of the new millennium. September 11, 2001, provided the new government with an opportunity to seize the unipolar moment created by the end of the Cold War in order to strengthen the traditional US national security interest abroad. Hereby the Bush administration moved close to the more neo-conservative discourse, with a strong neo-liberal flavour, as articulated by the political forces constituting the project for the “new American century”, which was created during the Reagan administration and successfully hibernated during the Clinton years. The question of security came to be redefined as the threat and use of military force. Poverty was not a security concern as long as fortress actions and restricted migration could protect the homeland. Accordingly, the agreement taken in 2005 in Gleneagles by the G8 to drastically ease the poor countries’ debt burden and increase international aid was never honoured. The work of the Blair Commission for Africa was soon taken off the international agenda. Development and justice became a question of diffusion of US style freedom and democracy. Regrettably, it should be admitted that the Iraq war, following September 11, justified the objections raised against the securitization of development. The humanitarian interventionism of the international non-governmental organisations was complemented with “military humanism” by the coalition of the willing in order to further a humanitarian cause and to change a whole society as per US values by force. Instead of placing questions of “high politics” under democratic scrutiny, matters related to development and reconstruction moved into the military headquarters, out of reach for public interference. The securitization of development was never followed by the corresponding developmentalization of security.

The dimension of the discursive shift within the US administration must be evaluated in a historical perspective. In fact, US foreign policy shows a very strong continuity and is based upon perceptions of threats and definitions of its national security interests. The underpinnings are to be found in Manifest Destiny and the American exceptionalism. As earlier accounted for, the Americans understand that they are chosen by God to spread their values over the world. The differences between the discourses are more related to the means and channels to pursue these goals. During the post-war period from the Truman administration to the Carter regime, the question of development was of importance and hereby also the need to act more multilaterally. The mission should be accomplished by example. Such an understanding also applied during the Clinton administration. However, the understanding of being a chosen people to act in the name of God makes it virtually impossible for the US to entirely rely on multilateral cooperation and mission by example. During both the Reagan administration and the present Bush administration the question of development was downplayed. Instead, security was to be increased through

military means and the mission accomplished by intervention. The need for the US to act unilaterally became more explicit and outspoken.

The means by which the War on Terrorism was conducted, especially the US occupation of Iraq, had started to delegitimize the Bush administration. No link has been found between Saddam Hussein's government and Al Qaeda, and no weapons of mass destruction. The proclaimed change of regime in order to spread western values and initiate a process of democratization was not persuasive. As witnessed by the outrage in Abu Ghraib or Guantanamo, it had turned impossible to use hard power in order to put in motion a political development by force that needs to be built on legitimacy and social trust. For many ordinary people in the Middle East, the US War on Terrorism became understood as a War on Islam and a war to ensure the "American way of life", which is based fundamentally on oil. Given the local resentment against foreign occupation, a majority of the US intelligence agencies estimated that the war on terrorism created more terrorists than it neutralized. The non-intentional outcomes, emerging from the fact that the provision of security turned out to increase insecurity and threaten the very same values it was intended to protect, created new contradictory circumstances in the economic as well as in the political structure.

The General Accounting Office of the US Congress expressed concern about the impact that the decreased legitimacy could have on the access to market outlets for the US consumer industry. Extensive goodwill and power of attraction were needed as clients could not be forced to use Nike shoes or have a Big Mac and a Coke for lunch. The decreased external legitimacy increased the need for the US to act unilaterally, with unsustainable budget deficits as the logical outcome. Soon, the confidence in the very symbol of US hegemonic capacity, the dollar, started to decline. The hurricane Katrina visualized the incapacity of the American state to respond to security concerns that affect its population as much as, or even more than, terrorist attacks. Over time, the military logic to protect its citizens came to be perceived by an increasing number of people as a security threat, provoking strengthened human insecurity not only for those directly suffering from the war or different terrorist attacks around the world, but also for those US citizens who did not get the needed emergency relief due to budget allocations for the war in Iraq.

### **Poverty and climate change**

The transition from a Fordist mode of production, primarily based upon national systems of production, into a network society with a global division of labour and reach has put the traditional Westphalian security discourse under renewed

stress. In the same way that contradictory circumstances started to challenge the *economic* structures based upon traditional security interests, corresponding contradictory circumstances emerged which for the same reason started to question the *political* structures and requirements for world order leadership. Accordingly, the experiences from the War on Terrorism have, together with the impact of the hurricane Katrina, the Tsunami and the future challenges highlighted during the UN conference in Bali on climate change, started to create conditions for the re-emergence of a more broad-based post-Westphalian security discourse. As it became less clear how military forces could help to reduce the impact of natural disasters or greenhouse gas emissions, the concept of security now came to encompass different threats to humankind, instead of primarily focusing on military threats emanating from other states.

During the Bali conference the impact of poverty on the conditions for sustainable development was re-emphasized, and so was the need to achieve the Millennium Development Goals to reduce poverty by half until 2015. As already was highlighted by the Brundtland Commission in the late 1980s, poverty contributes to environmental degradation and hereby to climate change. The point of departure of the Brundtland report was the fact that the satisfaction of human needs and aspirations was the major objective of development. The report pointed out that eradication of poverty and development in the South would in the short run contribute to an increased consumption of energy and emissions of greenhouse gases and thereby aggravate the ecological problems of global reach. However, after having drawn attention to some of the problems such a development might cause, the report went on to explain that lack of development and continued poverty in the long run would create even more serious problems for the environment as well as for peace and security.

*"A world in which poverty and inequity are endemic will always be prone to ecological and other crises. Poverty is a major cause and effect of global environmental problems"....(...)... "Those who are poor and hungry will often destroy their immediate environment in order to survive: They will cut down forests; their livestock will overgraze grasslands; they will overuse marginal land; and in growing numbers they will crowd into congested cities. The cumulative effect of these changes is so far reaching as to make poverty itself a major global scourge"....(...)..." (WCED 1987, p 28-29)*

As argued by several participants at the UN conference in Bali, such a situation made it difficult for the developing countries in the South to make unconditional commitments to reduce greenhouse gases emissions. Countries like China and India pointed to the historical and present responsibility of the North, particularly of Europe and the US, for the actual level of sustainable emissions. They pointed to the fact that the emissions per capita in the US exceeded those in China 5 times and those of India 15 times. Consequently, they required not only that the countries in the North first reduced their own emissions down to a sustainable level, but also that they reduced their emissions even further in order

to permit environmental space for the South to develop. Both countries agreed to take action against greenhouse gas emissions, but claimed simultaneously that an increased contribution by the Western countries as regards financing and technology so that the South could base its consumption on more clean sources of energy was fundamental. Such demands for strengthened international cooperation was fully endorsed by the United Nations:

*“The Earth’s atmosphere does not differentiate greenhouse gases by country of origin. One tonne of greenhouse gases from China carries the same weight as one tonne of greenhouse gases from the United States—and one country’s emissions are another country’s climate change problem. It follows that no one country can win the battle against climate change acting alone. Collective action is not an option but an imperative.” (UNDP 2007, p 11-12)*

As visualized during the climate conference, the fact that climate change had become a global problem also implied a transfer of power from the North to the South, as the North could not force the South to refrain from developing its industrial capacity. Accordingly, China and India finally got the US to sign the roadmap on how to satisfy the need to reduce the emissions of greenhouse gases.

One month after the climate change conference in Bali in December 2007, the world was taken by surprise by the emerging food crisis. The food crisis has different long-term and short-term causes. Unfair trade agreements, topped with structural adjustment policies, draught and a rapidly increasing need of pastureland for cattle breeding due to changed patterns of consumption in India and China, has drastically reduced the supply of cereals, resulting in skyrocketing food prices. The impact of these long-term causes has become aggravated through various short-term causes, of which the agro fuel boom is the most important. Some 5-10% of the world’s area for cereals has been diverted into agro fuels. Not only US farmers are switching out of cereals to grow bio fuel crops. In the Philippines, for example, the government has signed an agreement that commits an area to be planted with agro fuels which is equivalent to half of the area planted with rice, the mainstay of the country’s diet. India has pledged to meet 10% of its vehicle fuel needs with bio fuels.

This is a clear-cut example of how problem-solving measures to deal with the causes of Climate Change can create non-intentional outcomes and contradictory circumstances. Instead of changing the structure of production, transportation and consumption that causes the Climate Change, the policy decision-makers opt for market-driven solutions that reduce the supply of food and increase the prices, which few people can afford. Such contradictory circumstances created by short-term problem-solving measures open up the room for manoeuvre to also deal with the long-term causes of the food crisis, such as the unfair trade agreements and the agricultural subsidies.

### III. Towards a global development discourse

Taken together, the experiences from the War on Terrorism, the hurricane Katrina, the Tsunami and the discussion at the UN Climate Change Conference have provoked the re-emergence of a more broadly defined security discourse, more fully interlinked with the questions of human security, global justice and sustainable development. As was the case during the Clinton administration, the question of injustice and poverty is understood to affect the conditions for security. Poverty and injustice also reinforce environmental destruction and increase the stress on the requirements for sustainable development. The main difference now, some ten years later, is the increasing awareness that these problems of poverty could not be contained by the Western countries through different fortress actions. Unsustainable development, with increased conflicts over scarce resources and migration flows following decreased harvests in affected areas, reduces the prospects for security also in the North. The Bali Conference highlighted the point that global justice is not only a question of the liberal notion of equal opportunities. Global justice is a question of equal conditions for a life in prosperity. Hence, the burden of adaptation to climate change must be equally shared and the environmental space for development equally distributed. The convergence of the question of security, development and justice in a globalized world could not be responded to through a national and Westphalian logic. Instead, what is required is an approach based upon global citizenship and a cosmopolitan vision based upon a post-Westphalian security logic.

The War on Terrorism has visualized the immense suffering of the civil population that the application of the Westphalian security structure in a post-Westphalian situation will cause. Consequently, the decreased legitimacy and increased terrorist responses have implied that the American lifestyle and its values have started to be threatened by the very same structure supposed to protect them. These structures have been difficult to change as long as they have satisfied the provisions of other underpinnings of the US lifestyle, in particular the provision of oil. However, the climate change and the diminishing oil reserves will force any administration in the White House to develop other sources of energy. This will open up the room for manoeuvre to change these outdated security structures.

**In today's globalized world, the security of the American people is inextricably linked to the security of all people. When narco-trafficking and corruption threaten democracy in Latin America, it's America's problem**

too. When poor villagers in Indonesia have no choice but to send chickens to market infected with avian flu, it cannot be seen as a distant concern. When religious schools in Pakistan teach hatred to young children, our children are threatened as well. Whether it's global terrorism or pandemic disease, dramatic climate change or the proliferation of weapons of mass annihilation, the threats we face at the dawn of the 21st century can no longer be contained by borders and boundaries.

...(...)... In 2002, I stated my opposition to the war in Iraq, not only because it was an unnecessary diversion from the struggle against the terrorists who attacked us on September 11th, but also because it was based on a fundamental misunderstanding of the threats that 9/11 brought to light. I believed then, and believe now, that it was based on old ideologies and outdated strategies – a determination to fight a 21st century struggle with a 20th century mindset

...(...)... In this way, the security alliances and relationships we build in the 21st century will serve a broader purpose than preventing the invasion of one country by another. They can help us meet challenges that the world can only confront together, like the unprecedented threat of global climate change... (...)... This is a crisis that cannot be contained to one corner of the globe. Such steps are not just environmental priorities, they are critical to our security. Remarks of Senator Barack Obama to the Chicago Council on Global Affairs April 23, 2007

<http://my.barackobama.com/page/content/fpccga/>

Such an opening of the room for manoeuvre is not only due to the contradictory circumstances in the political structure. The security and well-being is also threatened by the contradictory circumstances affecting the economic structures. In a globalized world, political and social reactions to continued poverty and inequalities will affect also more affluent population groups in different parts of the world. In the US, the neo-liberal deregulation of the financial markets has together with continued budget deficits and the increase in money supply motivated the banking sector to continue with non-performing loans. In order to deal with the financial crisis the US forcibly has to increase its rate of internal saving and reduce its import demands. This will not only require that politics and state intervention are brought back in, but will also forcibly mean decreased consumption and increased hardships for the American population. It is the combination of such political and economic contradictory circumstances that create the opportunities for structural change.

Two questions remain to be answered. Under what conditions could such opportunities be seized, and what will be the implication for the future world order?

### **Seizing the opportunity**

As regards the possibilities to seize the opportunity, two opposite trends can be observed.

On the one hand, the convergence of the meaning of, and the strong relationship between, the concepts of security, development and justice has increased the dimension of the contradictory circumstances and thus made it more urgent to deal with them. Furthermore, the securitization of the contradictory circumstances has strengthened the possibilities to identify short-term coinciding interests between different elite groups. Taken together, this points to a strengthened opportunity and increased room for manoeuvre.

On the other hand, however, there are various factors that reduce the possibilities to seize such an opportunity. The transformation of the political landscape and the resulting governance gap imply severe constraints when it comes to create conditions for sufficient politization from below for a meaningful vertical interaction in order to create the required public opinion. The reason for this state of affairs is the fact that the national political arena where such vertical interaction is supposed to take place has lost its dynamics and legitimacy as a consequence of the fact that the nature of political power has been transformed and global challenges have moved out of reach. Simultaneously, the global institutions required in order to replace the national political arenas are either absent or characterized by severe democratic deficits.

The dynamics of globalization have changed the conditions for the very pillars upon which the Westphalian nation-state system rested. The transformation of the Fordist mode of production into a network capitalism with global reach has changed the material base of the system. The sovereignty of individual states has changed following the possibilities of territorial control. Reduced state capacity to respond to the security of its population, not the least following the privatization of the security sector, has provoked a legitimacy gap. Furthermore, the internationalization of the state in order to attract foreign investments has reduced the capacity of the state to consolidate the social contract.

As the post-modern development of the network society has decreased popular and social trust in the benefits and sustainability of modernization and the nation-state project, identity has shifted from the collective to the individual. Furthermore, as ideologies and the adherence to grand narratives are in decline,

politics tends to become individualized and channelled through different networks outside the parliamentary system, with global interconnections. The erosion of the social contract has together with the shifted base for identity formation severely affected the strength of the civil society. People try to create social safety by adhering to smaller groups of common identity, frequently in rivalry with each other. As the recent development in various European suburbs illustrates (Paris, Copenhagen, Göteborg), their social demands are at times articulated politically (identity politics), at other times the demands are articulated through a specific kind of music (for example global Hip Hop) or through different illegal and criminal acts (a kind of violence analysed and diagnosed by Frantz Fanon). Inward-looking identity formation and strengthened perceived vulnerability from influences from the outer world increase not only xenophobic and anti-globalization sentiments. The lost faith in the modern project and the big narrative diminish the interest for political parties and the role of the parliamentary democracy as such. Another factor influencing the dimension and organization of the political landscape is the changed relations and articulations of power provoked by the network society. While the Westphalian era was territorially bounded, the post-Westphalian network society is to a large extent deterritorialized. This makes it more difficult for the ruling elite to use Hard power or Structural power to defeat perceived adversaries. Instead, discursive power and power of attraction have become more important. This is the reason why the Pentagon lately has started to pay even more attention to the efficiency of psychological operations (psyops) in order to discredit its different adversaries in the eyes of the public opinion. Such transformation of power relations and its articulation has totally changed the room for manoeuvre for trade unions and the strike as a weapon in labour conflicts, something that explains the dramatic decreases in the number of trade union members. This reduces the collective ability to push the envelope forward and put words into deeds.

After initial confrontation with the global institutions in Seattle and Genoa, and as a result of the transformation of the power structures and the increased importance of discursive power, many of the civil society organizations within the global justice movement are concentrating on achieving discursive transformation through the establishment of the World Social Forum, challenging the discursive formation at the World Economic Forum, which is organized by dominant political and economic elite groups. It is as of yet not very clear whether the social forces gathering at the World Social Forum constitute a polanyian second movement, with sufficient political strength to challenge the first movement, symbolized by the actors at the World Economic Forum. The World Social Forum is a spontaneous creation reacting to present contradictory circumstances and the perceived incapacity of the dominant

discourse to deal with the problems. The World Social Forum consists of various networks whose political commitment will be visualized through their actions and is difficult to measure beforehand. The networks are furthermore fragmented, without a common understanding of what needs to be done. They arise from different social and cultural contexts; some of them are rooted in a pre-Westphalian phase and have a different approach to the state and trade unions than those networks that were created out of a post-Westphalian reality. Accordingly, the multiplicity of actors makes the politics of resistance to the neo-liberal order capable of formulating one big NO, but less capable of uniting behind a specific political agenda. Hereby, the political strength and impact is severely reduced. The Forum events create a lot of dust but very little action.

Presently some NGOs in the North are perceived by more critical social movements in the South as linking up with political elites too easily – both with elites in the South in need of improved access to globalization and with the economic elite in the North in need of a more supportive public opinion in order to make the process of globalization sustainable through a more human face. The concern of the critical social movements in the South stems from the fact that the increased interconnectivity between northern NGOs and various world wide elite groups has tended to create some kind of “transnational historic blocs” with political arenas and Gramscian wars of position in order to form new discourses capable of dealing with specific global issues, be it the question of fair trade, climate change or debt relief. While such borderless blocs have a post-Westphalian approach, and most probably will constitute important actors in a more cosmopolitan world order, they still represent an unacceptable democratic deficit for more national Westphalian rooted social movements, who consider them too exclusive and thereby only capable of maintaining and consolidate the asymmetric power relations with the elite.

In order to make practice out of discourses, these critical social movements point to the importance of revitalizing the national parliamentary arena, since it is the only arena with required legislative capacity. While this is true, the dilemma is, however, the fact that the constituencies of the involved politicians at times are still too focused on narrow national considerations. Consequently, the interregnum between the Westphalian nation-state project and a cosmopolitan and global community, with growing interdependence and interconnections of social actors across national boundaries, is likely to become a turbulent period of transition. Global challenges reinforce the need for global institutions and decision-making based on a cosmopolitan, approach at the same time as the multitude of social actors and carriers of change are either still locked into the national container or more dispersed then ever before, with a multiplicity of global demands for alternatives.

### **Future world order leadership**

The second question relates to how such an interregnum, with its contradictory circumstances, transformed security interests and distorted political landscape, influences and shapes the world order structures and the conditions for its future political leadership.

As earlier discussed, world order stability requires not only that someone, somewhere is *willing and able* to take upon leadership. It also presupposes actors with the *capacity to be led*. The transformation of the political landscape, with its multiplicity of actors with diversified strategies, political objectives and agendas, might reduce the possibility of any country to assume international leadership. Hence, it could not be excluded that the world, in Gramsci's wording, is moving into an international "organic crisis", that is, into some kind of world order based upon "a-polarity" without any political leadership and hegemonic discourse capable of reducing the present governance gaps. In such a situation it will be extremely difficult to deal with global challenges in an adequate manner, and peace and development will be in danger.

In the present juncture, the Westphalian thinking is still dominant. It is true that the deepened and widened process of globalization has made a substantial part of the political leadership and their decision-making leave the national governments and become part of an emerging global governance built upon a variety of political actors. However, despite the fact that the national political arena has lost parts of its political dynamics, the nation-state, through its legislative capacity, still has a strong influence over the creation and content of the world order structures, its institutions and its leadership. Most of all, this goes for the United States, that despite decreased legitimacy and economic strength still has the sufficient power to act unilaterally whenever deemed necessary. In the present US electoral campaign, none of the oppositional candidates has questioned the need for continued US international leadership, albeit using a phrasing that differs in their effort to prevent a growing isolationism. Whilst Barack Obama on his homepage stresses the interdependence between the US and the rest of the world "in order to meet the threats of this century", Hillary Clinton on her homepage argues for a need to restore America's standing in the world in order to "promote our interests, ensure our security, and advance our values".

The republican candidate John McCain articulates more explicitly the traditional Westphalian security logic on his homepage:

*In a dangerous world, protecting America's national security requires a strong military. Today, America has the most capable, best-trained and best-led military force in the world. But much needs to be done to maintain our military leadership, retain our technological advantage, and ensure that America has a modern, agile military force able to meet the diverse security challenges of the 21st century. John McCain is committed to ensuring that the men and women of our military remain the best, most capable fighting force on Earth – and that our nation honours its promises to them for their service. The global war on terrorism, wars in Iraq and Afghanistan, threats from rogue states like Iran and North Korea, and the rise of potential strategic competitors like China and Russia mean that America requires a larger and more capable military to protect our country's vital interests and deter challenges to our security. America confronts a range of serious security challenges: Protecting our homeland in an age of global terrorism and Islamist extremism; working with friends and partners overseas, from Africa to Southeast Asia, to help them combat terrorism and violent insurgencies in their own countries; defending against missile and nuclear attack; maintaining the credibility of our defence commitments to our allies; and waging difficult counterinsurgency campaigns in Afghanistan and Iraq. (John McCain on National Security, available at: <http://www.johnmccain.com/Informing/Issues/054184f4-6b51-40dd-8964-54fcf66a1e68.htm>)*

Irrespective of the rhetoric during the election campaign, and despite strong efforts by the US intelligence community to strengthen its soft power of attraction through increased propaganda and concomitant diversity of psychological operations, both economic and political realities have reduced the possibilities for continued US unilateralism based upon a Westphalian thinking. In order for the transformation of world order structures to serve the emerging cosmopolitan needs, any future model of a legitimate world order governance will need to be based upon a more multilateral oriented leadership and the rule of international law.

The future will tell whether the next administration in the White House will be able to mobilize sufficiently strong support from the society in order to get the US Congress to put into practice a more globally oriented development discourse and to accept that the American way no longer provides the only answer to global challenges. The problem for the American population is not only the emerging fear of becoming “outsourced” through a continued process of globalization or being forced to accept decreased wages. The perception of the American population of how a declining value of the US dollar, on the one hand, and climate change, on the other hand, will affect the American lifestyle are other important factors that influence the internal support for continued international leadership. Different scenarios exist. As the present financial crisis illustrates, the level of consumption in the US exceeds the productivity of the

economy. The need to deal with the financial crisis, independently of any foreign creditors, like for example China, being willing to continue to finance this overconsumption, will on the one hand require a more restrictive monetary policy, which may bring danger of increased social unrest. On top of that, as a result of global ecological limits to growth, global poverty reduction aiming to increase global equality will on the other hand most probably require a redistribution of the existing resources, possibly also affecting the present consumption of the American population. In such a situation it might be a political temptation for any American leadership to drastically decrease spending on international commitments and instead turn more inward. According to Foreign Affairs, the main obstacles for continued political support for strengthened globalization is the fact that the benefits from globalization are too unevenly distributed among the US population. Accordingly, 44% of the respondents in a recent opinion poll considered free trade as an opportunity, whilst 49% considered it a threat. The probability for a more parochial approach to world politics increases with a changed US energy policy, following the increased national security interest to reduce the vulnerability linked to the US dependence on foreign oil. Climate change provides an opportunity to harness alternative sources such as bio fuels in order to maintain the “American lifestyle” after the depletion of the oil sources some thirty years from now provided that the global food crisis accounted for can be solved. Such a reorientation of US energy policy will decrease US security interest in international commitments and might facilitate the creation of a xenophobic second movement, politicized around the images of the various threats that a continued unequal globalization process might provide.

A withdrawal of the US from the international arena, due to the “military overstretch” that historians for decades have drawn attention to, is causing concern in the West. The anxiety is that a more isolationist policy would foment the xenophobic and reactionary right-wing conservative tendencies that lately have grown increasingly stronger. Such a scenario for the outstanding and unchallenged military power in the world does not create great prospects for lasting peace and security. These developments, with new emerging powers in the South and changed strategic geopolitical interest of the US abroad, will have a strong impact on the shaping of the world order during the next decades.

As discussed, the development and diffusion of a variety of new and important global actors, together with the global reach of the main contradictory circumstances creating an unequal, undemocratic and unsustainable world, underline the need for the new world order to be more inclusive and capable of providing a more equal distribution of income and resources. Paradoxical as it might seem, this weakens the possibilities for a post-Westphalian, more cosmopolitan oriented governance to emerge as an alternative leadership – as

long as it is only built upon networks and institutions with strong involvement by the market and civil society actors. The required global taxation for the provision of global public goods, as well as the needed distribution of income for poverty eradication, implies a need for the return of the political and the creation of a state led, supranational institution with local reach in order to carry out what Polanyi would have called the re-embedding of the market. Few empirical evidences can be found that such supranational structures are emerging. The referendum on the European constitution points to a strong popular resistance to such political development.

Perhaps such a post-Westphalian alternative will become more realistic if it is complemented with political decisions and actions on the regional level. A world order and a reformed UN system based upon regions is less utopian today than only ten years ago. This is not only explained by the demand for increased multipolarity, provoked by the US seizing of the unipolar moment, but corresponds to the present transformation of power relations between the North and the South, fomenting requirements for the enlargement of the security council. For some, a world without superpowers and based upon multilateral regionalism is also an attractive scenario, because it provides both the UN system and Europe with a “second chance” to contribute to global development in a multipolar context. For the former the end of the deadlock of the Cold War could hereby finally give new dynamics. For Europe, it is believed that the experiences from the legislatively driven institution-building process, brought about by the integration of the European Union, has increased the capacity of listening and interactive dialoguing. Such capacity is considered a prerequisite for the kind of “civilian power” upon which a post-Westphaliann legitimate world order must rest (Hettne & Söderbaum 2005).

### **Will Europe get a second chance**

Whether or not Europe will get a second chance depends on the European political capacity to abandon the pursued neo-liberal policies and the concomitant need to increase its own capacity of competition at any cost. Here one finds less space for optimism. The narrow self-regional interest of the European Union articulated in the Lisbon strategy and its plan for a “Global Europe”, is clearly put in practice in its much criticized European Partnership with Africa (EPA). Instead of a cosmopolitan approach to the role that Europe can play for global justice and development, the concern of the European Commission is how Europe should increase its competition in order to better benefit from the process of globalization. Paradoxically, this position is explained by the fact that the neo-liberal policy is challenged not from political forces interested in requirements for global development but foremost from strengthened xenophobic forces provoked by the neo-liberal policy. The answer

from the European leadership to this challenge is more of the same. The prioritized task for EU trade policy is to ensure that Europe remains open to the world and that other markets will be open to its trade. Of special importance in this regard is the very controversial issue from the point of view of the South, namely the question of GATS. Services are the cornerstone of the EU economy. They represent 77% of GDP and employment and is an area of European comparative advantage with the greatest potential for growth in EU exports. The countries in the South fear that their service sector will be losing out in the same way as their industrial base did. They claim the need to liberalize trade in the agricultural sector first and refuse any efforts of the EU to link the so-called Singapore issues (including liberalization of services) to the liberalization of agricultural production.

Another factor of special importance is EU's capacity to cooperate with India and China on equal terms. Any future multilateral regionalized order must be based upon the full involvement of these coming "superpowers". For the political leadership in Beijing, the preoccupation of the western countries as regards the neglect of Human Rights and the working conditions for Chinese labour is understood as covert protectionism and fear of China as a rising power. They refer to the history in both Europe and United States and argue that Human Rights is a question of time only. They point to the fact that in today's global internet based network capitalism, the continued monopoly of control of knowledge of innovation and of ideas will be toxic to the future development of the country. Of greater concern are the severe challenges that both countries face, provoked by the structural unevenness of globalization and manifested in the increased sub-national regional imbalances and income gaps. The comparative advantage of India in relation to China is believed to be demographic. In India, the population is young, 40% of a population of 1,000 million people (15% of world's total) are younger than 15 years. In China, the population of 1,300 million (20% of world's total) is much older and will continue to be due to the one child policy. At present there are six working Chinese to support each elder. In 2040 there will be only two. Both countries face problems with ecological sustainability. The main challenge is not any longer a question of economic growth only. Development has made Deng Xiaoping's famous statement that the colour of the cat doesn't matter as long as it catches mice outdated. Today the cat (GDP growth) must be both green (sustainable) and clean (transparent).

The possibilities for a post-Westphalian "multilateral regionalism" increases considerably if the contradictory circumstances perceived by the US will force future administrations to reduce its international commitments and turn more inwards. In case the electorate chooses a more isolationist approach – which cannot be excluded – and until China and India have had a chance to develop

economically and politically in order to become legitimate drivers for change from the South, possibly together with Iran, South Africa and Brazil, there is an urgent need and international room for manoeuvre for the European Union to take the lead in elaborating and implementing a coherent policy for global development. This is needed in order to show the world that the European strive for increased civilian power is driven by a cosmopolitan approach to global development, and not by a more narrow Westphalian need to compensate for the European lack of sufficient hard power. There is also a danger that the perception of the globalization threat without such cosmopolitan understanding will strengthen the forces within the European working class wanting to follow the same political route as the isolationist forces in the US. From a peace and development point of view this will create the worst case scenario, with increased rivalry and tensions between different regional blocks.

### **Summary and conclusion**

The point of departure for this paper was the understanding that the societal discourse on the good society, shaping the foreign policy and international relations of a given country, is based upon its fundamental values, belief systems and its national security interests. Accordingly, world order structures are understood to be based upon material needs and capabilities as well as upon the pattern of actions and thoughts in the dominant powers. In that sense, world order economic and political structures are both structurally rooted and socially constructed. They are created by actors and can be changed by actors following transformed perceptions and discourses.

Hence, a world order is not anything given or static. The central question for this paper has been under what circumstances the discourse forming the political and economic structures of the world order, as well as the conditions for its leadership, will be substituted by or transformed into another discourse. The empirical and theoretical base used in this paper points to the fact that the world order structures change when the discourse is perceived to have become incapable of dealing with the dominating problems in the society of its time and when such failure is perceived to threaten vital short-term and long-term security interests of the dominating strata in society. Thus, a world order changes when the images of threat and the content of the pillars upon which it rests change.

This became evident in connection with the Bretton Woods conference in 1944, where the economic and political structures of the present world order were designed. The experiences from the great depression during the 1930s, as well as the anticipated problems of transforming the domestic industry to meet post-war

needs, played an important role for the historically unprecedented agreement on international cooperation achieved during the conference. In a similar way, the perception of the communist threat became crucial in order for President Truman to get his doctrine approved by the US Congress. It also played an important role for the abolishment of apartheid in South Africa some 50 years later.

As the empirical evidences from both cases underline, however, the driving force behind transformation and change is not only a question about how the contradictions, or *contradictory circumstances*, are perceived in society by large. The analytical model used in order to facilitate the understanding of drivers for structural change also identified two more cornerstones. *Coinciding interests* between different economic and political elite groups constituted another factor vital for the political strength required. A third cornerstone for the transformation to take place was a sufficiently strong *vertical interaction* between these elite groups and civil society creating the top down–bottom up political dynamics capable to challenge the dominant discourse through an intensified war of position.

During the Westphalian era the hegemonic discourse could be understood as a trade-off between the striving of different actors for development, security and justice respectively. Security had the upper hand and was perceived as a question of the state's protecting its citizens from fear and danger by military means. The classical security dilemma that security for one country creates insecurity for another was averted through the belief in a balance of power.

Increased interdependence after the end of the cold war made a counterhegemonic discourse emerge challenging the traditional Westphalian security discourse. The definitions of the question of development, security and justice became more broad and deep. Security consequently came to include non-military threats to states as well as to individuals. Through such a broadening of the concepts, the notion of security came to be understood as a social construct. Attention was given to the possible interrelationship between *perceived* underdevelopment, injustice and insecurity. The increased awareness that problems of poverty and development in one part of the world could create security problems in another part made the concepts, with their new design, become mutually constitutive. The discourse behind the traditional Westphalian security logic tended to create insecurity both abroad and at home. The security dilemma began to be perceived as a post-Westphalian dilemma, where the security of one country became increasingly dependent on the development and security of another country.

Such a period of discursive transformation became visible during the Clinton administration in the second part of the 1990s, when the Westphalian concept of political security, economic development and social justice became articulated in more post-Westphalian terms such as human security, human development and human rights, hereby reducing the ideological connotations in favour of more moral and ethical norms. However, such tendencies of transformation were soon to be taken over by events. September 11, 2001, gave the Bush administration the opportunity to seize the unipolar moment created by the end of the Cold War and revert to the traditional Westphalian security logic. It overlooked the Truman insight that the security and well-being of the Americans depended on the security and well-being of those who lived beyond the US borders. However, approaching the end of the decade, the US possibility to make future use of such a unipolar moment has vanished. The global challenges that the present world order encounters have started to raise questions about the sustainability of the US international leadership.

The argument of this paper has been that the experiences from the Iraq war together with the dramatic effects from the 2004 Tsunami, the hurricane Katrina and the process of climate change have strengthened the discursive rivalry between the Westphalian and the post-Westphalian security logics, making the political momentum tilt, to the benefit of the latter. While it may have been temporarily possible for the Northern countries to protect themselves, through various fortress actions, from any spill-over effects that poverty in the South might provoke, the effects of climate change now have a true global impact. No country, irrespective of its own economic and military capacity, can any longer respond on its own to its security needs. Hence, the new post Westphalian security dilemma can only be dealt with through international cooperation. This development has opened the room for manoeuvre for a transformation of world order structures and changed conditions for world order leadership. As regards the possibility to seize such an opportunity, a variety of scenarios are possible.

The post-Westphalian security dilemma demands increased multipolarity and renewed multilateral cooperation. This is in strong contrast to the present orientation of Pax Americana, the reorientation on which the future US security interests depends. The present contradictory circumstances which the US faces constitute a complex web of imperial overstretch. Due to increased costs for the war on terrorism and a declining dollar value, the US has been unable to address the need to structurally adapt to challenges from economic globalization. The more the Americans are getting outsourced or confront decreased wages, the stronger the demands for protectionism will be. Together with the decreasing legitimacy for the war in Iraq, the stagnant or falling incomes make the isolationist forces in the US gain ground. Their doubts as regards the true benefits from future international commitments and leadership are strengthened

by the need to reduce the US foreign dependence on energy and the subsequent change in US security interests abroad.

Not only has the policy of the Bush administration undermined the US capacity to continue to use the unipolar moment. The transformation of the international power structure has made the US unipolar moment pass by. In the long run, China and India are believed to take the lead. Provided social stability, the economy of China measured in US dollars purchasing power parity will exceed that of the United States in 2020, and India is supposed to follow suit in the beginning of the 2040s. Both countries have historically been made up of civilizations with a strong impact on the thinking and discourses in the rest of the world. The way in which they relate to the question of global development will be decisive for the discursive war between a Westphalian and a post-Westphalian development thinking. Strengthened multilateral regional cooperation is a possible outcome if they turn out to be interested in conducting a more cosmopolitan approach beyond their own more narrow national interests.

In the same way as is the case of Europe, the increased involvement of China in the African continent will provide important empirical evidences of China's political intentions and capacity in this regard. While its engagement with "no political strings attached" is conceived among many of the western donors as an act of great irresponsibility, many of the political decision-makers in Africa look upon China as a benefactor. Even if they share the western perspective that China has interests but no friends abroad, they find the development approach of China and the so-called "Beijing Consensus" a viable alternative to the failing "Washington Consensus".

However, China as well as India face several severe dilemmas that must be solved. In order to continue to attract foreign investments the salary levels are kept low. Weak trade unions make it difficult for the classical economic theorem of equalization of factor prices to become relevant in practice. Hereby, poverty will persist, as will the danger of increased social unrest. The domestic markets will also remain limited, with strong vulnerability for global fluctuations in demand, not the least provoked by US protectionism, which will severely affect business opportunities for Chinese exporters and investors.

In the meantime, will Europe get a second chance? Here one finds less space for optimism. The transformed political landscape reduces the possibilities for leadership and strengthens xenophobic forces. As a result of the internationalization of the state and the erosion of the social contract, there is a danger that the EU will follow the increased protectionism of the US. Consequently, there is a decreasing probability that the social drivers for change will be found in the Northern countries where globalization increasingly is

perceived as a threat. The awareness of the importance to get the process of globalization to work better has created strong coinciding interests between different internationally oriented economic elite groups to maintain the room for manoeuvre and support the political forces in order to achieve the required distribution of the gains from globalization, not only between the countries but also within countries of the South as well as the North. The dilemma is that the very process as such has weakened the strength of the state and its redistribution capacity. The provision of global public goods and a global social policy will, accordingly, need to constitute important elements in any post-Westphalian discourse of Global Development. Whatever shape the future international leadership will take, the capability of China and India to deal with the global challenges, as per the requirements from the emerging global citizenship instead of as per the requirements by national security interests, and the consequent approach to the questions of security, development and justice will be decisive for the design and content of the structures and the regulatory framework of the forthcoming world order. It is in this perspective that the way in which the Chinese leadership deals with the question of Human Rights and the political situation in Tibet is so important. From a pure Westphalian perspective, the Chinese leadership can have every reason to deal with these issues as it does in its strive for nation-state building. The problem they have to face is the influence from the emerging post-Westphalian discourse in the global capitalist network. With the declining importance of ideologies, the worldwide public opinion, as well as the strength of the required power of attraction in order to assume a legitimate world order leadership, will more and more be based on moral values and ethics.

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