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Democracy and globalization

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Abstract
One of the most conspicuous features of politics at the turn of the millennium is the emergence of issues which transcend national frontiers. Processes of economic internationalization, the problem of the environment and the emergence of regional and global networks of communication are increasingly matters of concern for the international community as a whole. The nature and limits of national democracies have to be reconsidered in relation to processes of social and economic globalization; that is, in relation to shifts in the transcontinental or interregional scale of human social organization and of the exercise of social power. This paper seeks to explore these changing circumstances and to examine, albeit tentatively, their implications for democratic theory.

There is a striking paradox to note about the contemporary era: from Africa to Eastern Europe, Asia to Latin America, more and more nations and groups are championing the idea of democracy; but they are doing so at just that moment when the very efficacy of democracy as a national form of political organization appears open to question. As substantial areas of human activity are progressively organized on a regional or global level, the fate of democracy, and of the independent democratic nation-state in particular, is fraught with difficulty.

Throughout the world's major regions there has been a consolidation of democratic processes and procedures. In the mid-1970s, over two-thirds of all states could reasonably be called authoritarian. This percentage has fallen dramatically; less than a third of all states are now authoritarian, and the number of democracies is growing rapidly.[2] Democracy has become the fundamental standard of political legitimacy in the current era. Events such as the release of Nelson Mandela from prison and the tearing down of the Berlin wall are symbolic of changes indicating that, in more and more countries, citizen-voters are in principle able to hold public decision-makers to account. Yet at the same time the democratic political community is increasingly challenged by regional and global pressures and problems. How can problems such as the spread of AIDS, the debt burden of many countries in the 'developing world', the flow of financial resources which escape national jurisdiction, the drug trade and international crime be satisfactorily brought within the sphere of democracy? What kind of accountability and control can citizens of a single nation-state have over international actors, e.g. multinational corporations (MNCs), and over international organizations, e.g. the World Bank? In the context of trends towards regionalization, European integration, fundamental transformations in the global economy, mass communications and information technology, how can democracy be sustained? Are new democratic institutions necessary to regulate and control the new international forces and processes? How can citizens participate...
as citizens in a new, more complex, internationally organized world? In a world organized increasingly on regional and global lines can democracy as we know it survive? Of course, there is nothing new about the emergence of global problems. Although their importance has grown considerably, many have existed for decades, some for centuries. But now that the old confrontation between East and West has ended, many regional and global issues have come to assume an urgent place on the international political agenda. Nonetheless, profound ambiguity still reigns as to where, how and according to what criteria decisions about these matters can be taken.

Democratic theory's exploration of emerging regional and global problems is still in its infancy. While students of democracy have examined and debated at length the challenges to democracy that emerge from within the boundaries of the nation-state, they have not seriously questioned whether the nation-state itself can remain at the centre of democratic thought; the questions posed by the rapid growth of complex interconnections and interrelations between states and societies, and by the evident intersection of national and international forces and processes, remain largely unexplored. By contrast, this paper seeks to address these questions by, first, examining the nature of globalization and, second, laying out a novel conception of democratic options in the face of the new global circumstances.

**Globalization**

Globalization is a much contested word. On the one hand, there are those who claim that we live in an integrated global order. According to this view, social and economic processes operate predominantly at a global level and national political communities are inevitably 'decision takers'. This development represents a fundamental break in the organization of human affairs - a shift in the organizational principle of social life. On the other hand, there are those people who are very sceptical about the extent of globalization and who still think the national state is as integrated and robust as it ever was. They point out, for instance, that contemporary forms of international economic interaction are not without precedent and that nation-states continue to be immensely powerful with an impressive range of political options.

Both these views are misleading in significant respects. We live in a world which is changing due to processes of globalization. The interconnectedness of different peoples today is more extensive and intensive than it has ever been. But globalization is not a new phenomenon; societies have always been connected with one another to some degree. Conceptions of globalization need to be sensitive to the historical variation in forms of globalization, as well as to their variable impact on politics. It is easy to exaggerate the extent to which globalization signals 'the end of the nation-state'. Global processes should not be assumed to represent either a total eclipse of the states system or the simple emergence of a global society. Accordingly, before proceeding further, I would like to clarify the concept of globalization.

Globalization is best understood as a spatial phenomenon, lying on a continuum with 'the local' at one end and 'the global' at the other. It denotes a shift in the spatial form of human organization and activity to transcontinental or interregional patterns of activity, interaction and the exercise of power. It involves a stretching and deepening of social relations and institutions across space and time such that, on the one hand, day-to-day activities are increasingly influenced by events happening on the other side of the globe and, on the other, the practices and decisions of local groups or communities can have significant global reverberations.

Globalization today implies at least two distinct phenomena. First, it suggests that many chains of political, economic and social activity are becoming interregional in scope and, secondly, it suggests that there has been an intensification of levels of interaction and interconnectedness within and between states and societies. What is noteworthy about the modern global system is the stretching of social relations in and through new dimensions of
activity and the chronic intensification of patterns of interconnectedness mediated by such phenomena as modern communication networks and new information technology. It is possible to distinguish different historical forms of globalization in terms of 1) the extensiveness of networks of relations and connections; 2) the intensity of flows and levels of enmeshment within the networks; and 3) the impact of these phenomena on particular communities.

Globalization is neither a singular condition nor a linear process. Rather, it is best thought of as a multi-dimensional phenomenon involving diverse domains of activity and interaction including the economic, political, technological, military, legal, cultural, and environmental. Each of these spheres involves different patterns of relations and activity. A general account of globalization cannot simply predict from one domain what will occur in another. It is important, therefore, to build a theory of globalization from an understanding of what is happening in each one of these areas.

The significance of globalization, of course, differs for individuals, groups and countries. The impact of various global flows on, for instance, policy-making in the economic domain, will alter considerably depending on whether the country in question is the United States, Peru or Spain. For individuals and groups as well, variable enmeshment in global flows is the norm. The elites in the world of politics, law, business and science are often quite at home in the global capitals, the leading hotels, and in the major cultural centres. Their access and use of these different facilities is clearly in marked contrast to those peoples - for example, villagers in sub-Saharan Africa - who live at the margin of some of the central power structures and hierarchies of the global order. But the latter are by no means unaffected by changing processes and forms of globalization. On the contrary, they are often in the position of being profoundly influenced by these processes and forms, even if they cannot control them. What often differentiates the position of these peoples from what some have called the new 'cosmopolitan elite', is differential, unequal and uneven access to the dominant organizations, institutions and processes of the new emerging global order.

At the heart of this 'differential access' is power, where power has to be conceptualised as the capacity to transform material circumstances - whether social, political or economic - and to achieve goals based on the mobilisation of resources, the creation of rule-systems, and the control of infrastructures and institutions. The particular form of power that is of concern to a theory of globalization is hierarchy and unevenness. Hierarchy connotes the asymmetrical access to global networks and infrastructures, while unevenness refers to the asymmetrical affects of such networks upon the life-chances and the well-being of peoples, classes, ethnic groupings and the sexes.[9]

In order to elaborate a theory of globalization, it is necessary to turn from a general concern with its conceptualisation to an examination of the distinctive domains of activity and interaction in and through which global processes evolve. This task cannot be pursued here at any length. But some significant changes can be highlighted. An obvious starting point is the world economy and, in particular, trade, financial flows and the spread of multinational corporations.

**Trade**

There are those who are sceptical about the extent of the globalization of trade in the contemporary period and they sometimes point out that trade levels in the late twentieth century have only recently reached the same levels as in 1914. This sceptical view is open to doubt:

1. Using constant price data, it can be shown that the proportion of trade to gross domestic product (trade-GDP ratios) surpassed that of the gold standard era (that is, the period 1875-1914) by the early 1970s, and was considerably higher by the late 1970s and
1980s. In other words, trade has continued to expand as a proportion of GDP. Export- and import-GDP ratios were around 12-13% for advanced industrial countries during the gold standard era but rose to 15-20% - or even higher for some developed countries - from the late 1970s onward.

2. In addition, if one removes government expenditure from the enquiry, and focuses on trade in relation to the size of national economic activity, it can be demonstrated that the proportion of trade to such activity has grown particularly rapidly, by as much as a third. Technological developments have made many classes of goods, particularly those in the service sector, tradeable where previously they were not.

3. The evidence also shows that there has not been a simple increase in intra-regional trade around the world. Measures of the intensity of trade reveal sustained growth between regions as well (albeit concentrated among Europe, North America and Pacific Asia). Growth in trade within regions, and growth among regions, are not contradictory developments; rather, they appear to be mutually complementary.

4. What these points suggest is that trade has grown rapidly in the post-war period reaching unprecedented levels today. More countries are involved in trading arrangements, e.g. India and China, and more people and nations are affected by such trade. In the context of lowering tariff barriers across the world one can reasonably expect these trends to continue. Any argument that suggests that the world's three key trading blocks - the EU, NAFTA and Pacific Asia - are becoming more inward-looking and protectionist is not supported by the evidence. Although contemporary trading arrangements stop far short of a perfectly open global market, national economies are enmeshed in a pattern of increasingly dense, competitive international trade. When linked to changes in finance and the organization of production and banking, this has significant political implications.

Finance

The expansion of global financial flows around the world has been staggering in the last ten to fifteen years. The growth of foreign exchange turnover is now over a trillion dollars a day. The volume of turnover of bonds, securities and other assets on a daily basis is also without precedent. A number of things can be said about these flows:

1. The proportion of foreign exchange turnover to trade has mushroomed from eleven dollars to one to over fifty-five dollars to one in the last thirteen to fourteen years; that is, for every fifty-five dollars turned over in the foreign exchange markets, one dollar is turned over in real trade.

2. A great deal of this financial activity is speculative - it generates fluctuations in values in excess of those which can be accounted for by changes in the underlying fundamentals of asset values.

3. While the net movement of capital relative to GDP is smaller for some countries today than in earlier periods, this has nothing to do with diminishing levels of globalization, i.e., lower levels of capital-market integration. The liberalisation of capital markets in the 1980s and early 1990s has created a more integrated financial system than has ever been known.

4. The effects of global financial flows on economic policy are profound. Among the most important are:
   a) the increased possibility of rapid and dramatic shifts in the effective valuation of economies as illustrated, for instance, in Mexico in January, 1995.
   b) the increasing difficulty for countries of pursuing independent monetary policies and independent exchange rate strategies in the face of the current volume of international turnover in currencies and bonds.
c) the erosion of the option to pursue Keynesian reflationary strategies in a single
country. The costs and benefits of these strategies have shifted against the pursuit of
such options in many places.
d) and, finally, as can be seen in the growing macro-economic policy convergence
across political parties in the present period, a deepening acknowledgement of the
decline in the economic manoeuvrability of individual governments. Recent examples
of this can be found in the reshaping of economic policy among the social democratic
parties of Europe. The transformation of the economic policy of the Labour Party in
Britain - from policy emphasizing demand management to policy prioritizing supply
side measures (above all, in education and training) to help meet the challenges of
increased competition and the greater mobility of capital - is a particular case in point.

Many of these changes might not be of concern if financial market operators had a monopoly
of economic expertise, but they clearly do not. Their actions can precipitate crises and can
help contribute to making sound policies unworkable. In addition, they can erode the very
democratic quality of government. This does not lead necessarily to political impotence -
although it has done so in some countries in some respects - but it creates new political
questions.

**Multinational corporations**

The globalization of production and the globalization of financial transactions are organized
in part, familiarly enough, by fast-growing multinational companies (MNCs). Two central
points need to be made about them:

1. MNCs account for a quarter to a third of world output, 70% of world trade and 80% of
direct international investment. They are essential to the diffusion of technology. And
they are key players in international money markets.

2. Although evidence indicates that many of the largest MNCs still generate most of their
sales and profits from domestic business, this is largely due to the influence of U.S.
companies which have, of course, a particularly large home market.[10] The proportion
of sales and profits generated domestically are much lower for non-U.S. companies
and, significantly, for higher-tech companies. Moreover, although a company like Ford
or General Motors may well have the majority of its assets in one particular country -
in these cases, the U.S. - it would be wrong to suggest that their performance is not
substantially affected by their overseas activities. Even if a minority of assets are held
overseas - say 20-30% - this still represents a significant interlocking of a company's
assets into overseas market conditions and processes. Companies are highly vulnerable
to changes in economic conditions wherever they are. Marginal decreases in demand
can profoundly affect the operations of a company.

Multinational corporations in general have profound affects on macro-economic policy; they
can respond to variations in interest rates by raising finance in whichever capital market is
most favourable. They can shift their demand for employment to countries with much lower
employment costs. And in the area of industrial policy they can move their activities to where
the maximum benefits accrue. Irrespective of how often MNCs actually take advantage of
these opportunities, it is the fact that they could do so in principle which influences
government policy and shapes economic strategies. But the impact of MNCs should not just
be measured by these indicators alone. They have a significant influence on an economy even
when their levels of capitalisation are not particularly high. For example, in Zimbabwe, the
Coca Cola bottling plant is not a big factory by global standards; yet, it has a major influence
on local management practices and on aspects of economic policy more broadly.

Economic globalization has significant and discernible characteristics which alter the balance
of resources, economic and political, within and across borders. Among the most important of these is the tangible growth in the enmeshment of national economies in global economic transactions (i.e., a growing proportion of nearly all national economies involves international economic exchanges with an increasing number of countries). This increase in the extent and intensity of economic interconnectedness has altered the relation between economic and political power. One shift has been particularly significant: 'the historic expansion of exit options for capital in financial markets relative to national capital controls, national banking regulations and national investment strategies, and the sheer volume of privately held capital relative to national reserves. Exit options for corporations making direct investments have also expanded ... the balance of power has shifted in favour of capital vis-à-vis both national governments and national labour movements.'[11] As a result, the autonomy of democratically elected governments has been, and is increasingly, constrained by sources of unelected and unrepresentative economic power. These have the effect of making adjustment to the international economy (and, above all, to global financial markets) a fixed point of orientation in economic policy and of encouraging an acceptance of the 'decision signals' of its leading agents and forces as a, if not the, standard of rational decision-making. The options for political communities, and the costs and benefits of them, ineluctably alter.

Cultural and communication trends

Interlinked changes in trade, finance and the structure of multinational corporations are somewhat easier to document and analyse - even if their implications remain controversial - than the impact of globalization in the sphere of the media and culture. Evidence of globalization in this domain is complex and somewhat uncertain. A great deal of research remains to be carried out. Nonetheless, a number of remarkable developments can be pointed to. For instance:

1. English has spread as the dominant language of elite cultures - it is the dominant language in business, computing, law, science and politics.
2. The internationalisation and globalization of telecommunications has been extraordinarily rapid as manifest in the growth of, e.g., international telephone traffic, transnational cable links, satellite links, and the Internet.
3. Substantial multinational media conglomerates have developed, such as the Murdoch empire, but there are many other notable examples as well, including Viacom, Disney, and Time Warner.
4. There has been a huge increase in tourism. For example, in 1960 there were 70 million international tourists, while in 1995 there were nearly 500 million.
5. And the transnationalization of television programmes and films is also striking. Sixty to ninety percent of box office receipts in Europe, for instance, came from foreign movies (although this is largely the story of American dominance).

None of these examples - or the accumulated impact of parallel instances - should be taken to imply the development of a single global, media-led culture - far from it. But taken together, these developments do indicate that many new forms of communication and media range in and across borders, linking nations and peoples in new ways. Accordingly, national political communities by no means simply determine the structure and processes of cultural life in and through which their citizens are formed. Citizens' values and judgements are now influenced by a complex web of national, international and global cultural exchange. The capacity of national political leaders to sustain a national culture has become more difficult. For example, China sought to restrict access and use of the Internet, but it has found this extremely difficult to do.
The environment

Contemporary environmental problems are perhaps the clearest and starkest examples of the global shift in human organization and activity, creating some of the most fundamental pressures on the efficacy of the nation-state and state-centric politics.

There are three types of problems at issue:

1. Shared problems involving the global commons, i.e., fundamental elements of our ecosystem. The clearest examples of the environmental commons are the atmosphere, the climate system and the oceans and seas. And among the most fundamental challenges here are global warming and ozone depletion.

2. A second category of global environmental problems involves the interlinked challenges of demographic expansion and resource consumption. An example of the profoundest importance under this category is desertification. Other examples include questions of bio-diversity and challenges to the very existence of certain species.

3. A third category of problems is transboundary pollution of various kinds such as acid rain or river pollutants. More dramatic examples arise from the siting and operation of nuclear power plants, for instance, Chernobyl.

In response to the progressive development of, and the publicity surrounding, environmental problems, there has been an interlinked process of cultural and political globalization as illustrated by: the emergence of new cultural, scientific and intellectual networks; new environmental movements with transnational organizations and transnational concerns; and new institutions and conventions like those agreed upon in 1992 at the Earth summit in Brazil. Not all environmental problems are, of course, global. Such an implication would be quite false. But there has been a striking shift in the physical and environmental circumstances - that is, in the extent and intensity of environmental problems - affecting human affairs in general. These processes have moved politics dramatically away from an activity which crystallises simply around state and interstate concerns. It is clearer than ever that the political fortunes of communities and peoples can no longer be understood in exclusively national or territorial terms.

Politics, law and security

The sovereign state now lies at the intersection of a vast array of international regimes and organizations that have been established to manage whole areas of transnational activity (trade, the oceans, space and so on) and collective policy problems. The growth in the number of these new forms of political organization reflect the rapid expansion of transnational links, the growing interpenetration of foreign and domestic policy, and the corresponding desire by most states for some form of international governance and regulation to deal with collective policy problems.

These developments can be illustrated by the following:

1. New forms of multilateral and multinational politics have been established and with them distinctive styles of collective decision-making involving governments, international governmental organizations (IGOs) and a wide variety of transnational pressure groups and international non-governmental organizations (INGOs). In 1909 there were 37 IGOs and 176 INGOs, while in 1989 there were nearly 300 IGOs and 4,624 INGOs. In the middle of the nineteenth century there were two or three conferences or congresses per annum sponsored by IGOs; today the number totals close to 4,000 annually. Against this background, the range and diversity of the participants at the Earth summit in Rio de Janeiro in 1992 or the Women's conference at Beijing in
1995 may not seem quite as remarkable as the occasions initially suggested.

2. All this has helped engender a shift away from a purely state-centred international system of 'high politics' to new and novel forms of geo-governance. Perhaps one of the most interesting examples of this can be drawn from the very heart of the idea of a sovereign state - national security and defence policy.

3. There is a documentable increase in emphasis upon collective defence and co-operative security. The enormous costs, technological requirements and domestic burdens of defence are contributing to the strengthening of multilateral and collective defence arrangements as well as international military co-operation and co-ordination. The rising density of technological connections between states now challenges the very idea of national security and national arms procurement. Some of the most advanced weapons systems in the world today, e.g. fighter aircraft, depend on components which come from many countries. There has been a globalization of military technology linked to a transnationalization of defence production.

4. Moreover, the proliferation of weapons of mass destruction makes all states insecure and the very notion of 'friends' and 'enemies' problematic.

Even in the sphere of defence and arms production and manufacture, the notion of a singular, discrete and delimited political community appears problematic. As a result, the proper home and form of politics and of democracy becomes a puzzling matter.

Rethinking Democracy

The developments documented above have contributed to the transformation of the nature and prospects of democratic political community in a number of distinctive ways.

First, the locus of effective political power can no longer be assumed to be national governments - effective power is shared and bartered by diverse forces and agencies at national, regional and international levels. Second, the idea of a political community of fate - of a self-determining collectivity - can no longer meaningfully be located within the boundaries of a single nation-state alone. Some of the most fundamental forces and processes which determine the nature of life-chances within and across political communities are now beyond the reach of individual nation-states. The system of national political communities persists of course; but it is articulated and re-articulated today with complex economic, organisational, administrative, legal and cultural processes and structures which limit and check its efficacy. If these processes and structures are not acknowledged and brought into the political process themselves, they may bypass or circumvent the democratic state system.

Third, it is not part of my argument that national sovereignty today, even in regions with intensive overlapping and divided political and authority structures, has been wholly subverted - not at all. But it is part of my argument that the operations of states in increasingly complex global and regional systems affect both their autonomy (by changing the balance between the costs and benefits of policies) and their sovereignty (by altering the balance between national, regional and international legal frameworks and administrative practices). While massive concentrations of power remain features of many states, these are frequently embedded in, and articulated with, fractured domains of political authority. Against this background, it is not fanciful to imagine, as Bull once observed, the development of an international system which is a modern and secular counterpart of the kind of political organization found in Christian Europe in the Middle Ages, the essential characteristic of which was a system of overlapping authority and divided loyalties. [12]

Fourth, the late twentieth century is marked by a significant series of new types of 'boundary problem'. If it is accepted that we live in a world of overlapping communities of fate, where, in other words, the trajectories of each and every country are more tightly entwined than ever before, then new types of boundary problem follow. In the past, of course, nation-states
principally resolved their differences over boundary matters by pursuing reasons of state backed, ultimately, by coercive means. But this power logic is singularly inadequate and inappropriate to resolve the many complex issues, from economic regulation to resource depletion and environmental degradation, which engender an intermeshing of 'national fortunes'. In a world where transnational actors and forces cut across the boundaries of national communities in diverse ways, and where powerful states make decisions not just for their peoples but for others as well, the questions of who should be accountable to whom, and on what basis, do no easily resolve themselves. Overlapping spheres of influence, interference and interest create dilemmas at the centre of democratic thought.

In the liberal democracies, consent to government and legitimacy for governmental action are dependent upon electoral politics and the ballot box. Yet, the notion that consent legitimates government, and that the ballot box is the appropriate mechanism whereby the citizen body as a whole periodically confers authority on government to enact the law and regulate economic and social life, becomes problematic as soon as the nature of a 'relevant community' is contested. What is the proper constituency, and proper realm of jurisdiction, for developing and implementing policy with respect to health issues such as AIDS or BSE (Bovine Spongiform Encephalopathy, 'mad cow disease'), the use of nuclear energy, the harvesting of rain forests, the use of non-renewable resources, the instability of global financial markets, and the reduction of the risks of nuclear warfare? National boundaries have demarcated traditionally the basis on which individuals are included and excluded from participation in decisions affecting their lives; but if many socio-economic processes, and the outcomes of decisions about them, stretch beyond national frontiers, then the implications of this are serious, not only for the categories of consent and legitimacy but for all the key ideas of democracy. At issue is the nature of a constituency, the role of representation, and the proper form and scope of political participation. As fundamental processes of governance escape the categories of the nation-state, the traditional national resolutions of the key questions of democratic theory and practice are open to doubt.

Against this background, the nature and prospects of the democratic polity need re-examination. The idea of a democratic order can no longer be simply defended as an idea suitable to a particular closed political community or nation-state. We are compelled to recognise that we live in a complex interconnected world where the extensity, intensity and impact of issues (economic, political or environmental) raises questions about where those issues are most appropriately addressed. Deliberative and decision-making centres beyond national territories are appropriately situated when those significantly affected by a public matter constitute a cross-border or transnational grouping, when 'lower' levels of decision-making cannot manage and discharge satisfactorily transnational or international policy questions, and when the principle of democratic legitimacy can only be properly redeemed in a transnational context. If the most powerful geo-political interests are not to settle many pressing matters simply in terms of their objectives and by virtue of their power, then new institutions and mechanisms of accountability need to be established.

It would be easy to be pessimistic about the future of democracy. There are plenty of reasons for pessimism; they include the fact that the essential political units of the world are still based on nation-states while some of the most powerful socio-political forces of the world escape the boundaries of these units. In reaction to this, in part, new forms of fundamentalism have arisen along with new forms of tribalism - all asserting the a priori superiority of a particular religious, or cultural, or political identity over all others, and all asserting their sectional aims and interests. But there are other forces at work which create the basis for a more optimistic reading of democratic prospects. An historical comparison might help to provide a context for this consideration.

In the sixteenth and seventeenth centuries, Europe was marked by civil conflict, religious strife and fragmented authority; the idea of a secular state, separate from ruler and ruled, and separate from the church, seemed an unlikely prospect. Parts of Europe were tearing
themselves to pieces and, yet, within 150-200 years, a new concept of politics became entrenched based around a new concept of the state. Today, we live at another fundamental point of transition, but now to a more transnational, global world. There are forces and pressures which are engendering a reshaping of political cultures, institutions and structures. First, one must obviously note the emergence, however hesitantly, of regional and global institutions in the twentieth century. The UN is, of course, weak in many respects, but it is a relatively recent creation and it is an innovative structure which can be built upon. It is a normative resource which provides - for all its difficulties - an enduring example of how nations might (and sometimes do) cooperate better to resolve, and resolve fairly, common problems. In addition, the development of a powerful regional body such as the European Union is a remarkable state of affairs. Just over 50 years ago Europe was at the point of self-destruction. Since that moment Europe has created new mechanisms of collaboration, human rights enforcement, and new political institutions in order not only to hold member states to account across a broad range of issues, but to pool aspects of their sovereignty. Furthermore, there are, of course, new regional and global transnational actors contesting the terms of globalization - not just corporations but new social movements such as the environmental movement, the womens' movement and so on. These are the 'new' voices of an emergent 'transnational civil society', heard, for instance, at the Rio Conference on the Environment, the Cairo Conference on Population Control and the Beijing Conference on Women. In short, there are tendencies at work seeking to create new forms of public life and new ways of debating regional and global issues. These are, of course, all in early stages of development, and there are no guarantees that the balance of political contest will allow them to develop. But they point in the direction of establishing new ways of holding transnational power systems to account - that is, they help open up the possibility of a cosmopolitan democracy. Cosmopolitan democracy involves the development of administrative capacity and independent political resources at regional and global levels as a necessary complement to those in local and national polities. At issue would be strengthening the administrative capacity and accountability of regional institutions like the EU, along with developing the administrative capacity and forms of accountability of the UN system itself. A cosmopolitan democracy would not call for a diminution per se of state power and capacity across the globe. Rather, it would seek to entrench and develop democratic institutions at regional and global levels as a necessary complement to those at the level of the nation-state. This conception of democracy is based upon the recognition of the continuing significance of nation-states, while arguing for a layer of governance to constitute a limitation on national sovereignty.

The case for cosmopolitan democracy is the case for the creation of new political institutions which would co-exist with the system of states but which would override states in clearly defined spheres of activity where those activities have demonstrable transnational and international consequences, require regional or global initiatives in the interests of effectiveness and depend upon such initiatives for democratic legitimacy. At issue, in addition, would not merely be the formal construction of new democratic mechanisms and procedures, but also the construction, in principle, of 'broad access' avenues of civic participation at national and regional levels. Figure 1 provides an outline of some of the constitutive features of cosmopolitan democracy.[13]
**In Sum**

The theory of cosmopolitan democracy is one of the few political theories which examines
systematically the democratic implications of the fact that nation-states are enmeshed today in complex interconnected relations. Our world is a world of overlapping communities of fate, where the fate of one country and that of another are more entwined than ever before. In this world, there are many issues which stretch beyond the borders of countries and challenge the relevance of those borders in key respects. Many of these issues have already been referred to - pollutants, resource-use questions, the regulation of global networks of trade, finance, etc. Can these be brought within the sphere of democracy? The theory of cosmopolitan democracy suggests this is not only a real necessity, but also a real possibility.

NOTES

1 I should like to thank Daniele Archibugi, Martin Köhler, Joel Krieger and Craig Murphy for comments on this paper. A version of this paper will appear in Global Governance (forthcoming).

2 See David Potter et al. (eds.), Democratization (Cambridge, Polity Press, 1997).

3 For an elaboration of this theme, see my Democracy and the Global Order: From the Modern State to Cosmopolitan Governance (Cambridge, Polity Press, 1995).

4 In focusing on processes of globalization I would like to acknowledge my debt to David Goldblatt, Anthony McGrew and Jonathan Perraton, with whom I have collaborated over the last four years on a research project investigating the changing enmeshment of states in global flows and transformations. The conception of globalization along with many of the examples in the following section are drawn from our joint work. See Global Flows, Global Transformations: Concepts, Evidence and Arguments (Cambridge, Polity Press, 1998).


10 For a fuller account of these points see Jonathan Perraton, David Goldblatt, David Held and Anthony McGrew, 'The globalization of economic activity', New Political Economy, 2, 2 (July 1997). I am particular grateful for Jonathan Perraton's guidance on these matters.


13 For further discussion and elaboration of these and related features see Daniele Archibugi and David Held (eds.), Cosmopolitan Democracy: An Agenda for a New World Order (Cambridge, Polity Press, 1995) and David Held, Democracy and the Global Order (see note 3 for details of this volume).

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