

A critical analysis of two approaches to globalization and governance

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Abstract

This study is a comparison of two distinct approaches to governance: the cosmopolitan democracy approach and, the economy-oriented approach. By situating governance at the heart of their analysis of social, economic and political change, these two approaches help us problematize our own political imagination about the limits of politics. While the primary concern of the cosmopolitan democracy approach is democracy, the economy-oriented approach sees governance as a device of economic management. Whereas the first approach sees the nation-state as inherently a problematic structure for the realization of democracy (globalization confirms and accentuates this already problematic nature), for the second approach, it is globalization that makes the nation-state problematic. However, both approaches are problematic: The first model defines democracy only vaguely and its procedures do not guarantee democratic accountability. The second approach subordinates justice and democracy to economic management.

1. Introduction

Recent years have witnessed a growing debate on the question of globalization. While the concept is roughly understood as indicating that social life is increasingly influenced and determined by processes at the global level, it is mainly the economic and/or cultural dimensions of social life that have constituted the primary objects of theoretical and empirical inquiry. However, one could talk, recently, of a growing interest in the political dimension of globalization. In other words, the concept of globalization has become a useful tool also in analyzing what is usually

* I would like to thank Fuat Keyman from Bilkent University for his help and comments.

referred to as the ‘crisis’ of the nation-state. It questions the viability of the nation-state in meeting societal demands and growing challenges generated by external forces. While the globalization literature does not deny the continuing salience of states as major sites of authority, it nevertheless challenges what Malcolm Waters (1995: 96) called ‘theoretical dualism’ –a concept that manifests a certain reluctance to recognize the extent to which states are transferring sovereignty to international organizations as well as to local units.

Thus, globalization should not be taken in either/or terms, i.e., privileging either economic or cultural or political dimensions, but rather should be considered in all its complexity and as being internal to the understanding of social and political change.

In this respect, the issue that has become a central concern in the debates over globalization is ‘governance’ without or beyond government. This has remained an unexplored issue in Turkey. In fact, thinking about governance is a direct consequence of globalization. It is a response to the crisis of the nation-state which is no longer able to cope with and effectively manage global and local processes and problems. Governance, while being itself also a form of government, is a concept that is more embracing. It encompasses both formal and informal forms of rule and, unlike government, it is not a statist term for it comprises both state and non-state actors in its form of rule. Thus, the issue of governance reflects a search from more conventional and formal forms of government to more informal ones. It is a move, in other words, that marks a shift from ‘government,’ as we have hitherto come to know it, to another form of government called ‘governance’ that does not rule out the previous form but transcends it.

The purpose of this article is to deal with the issue of governance in relation to globalization. To this purpose, it is useful to compare two different approaches to governance: one put forward by David Held, and the other by Paul Hirst and Grahame Thompson. This article will, therefore, attempt at first to specify the meaning of governance and then proceed to compare these two distinct but nevertheless nonexclusive approaches to governance in relation to globalization. In doing so, it will be argued that governance, despite its problems, is an innovative response to growing restrictions that have come to bear upon the sovereignty of the nation-state by the process of globalization.

2. From government to governance

Governance refers to “activities backed by shared goals that may or may not derive from legal and formally prescribed responsibilities and that

do not necessarily rely on police powers to overcome defiance and attain compliance.” It is then different from ‘government’ in that although both terms suggest a “purposive behavior and activities oriented towards specific goals and systems of rule”, government refers to those “activities that are backed by formal authority, by police powers to insure the implementation of ... policies” (Rosenau, 1992: 4). In that sense, one could argue, following Rosenau, that governance is a more ‘encompassing’ phenomenon than government for it embraces both formal and informal institutions (such as non-governmental mechanisms) and networks. Rosenau conceives of governance as performance of functions “irrespective of whether the system has evolved organizations and institutions explicitly charged with performing them.” He argues that governance is a direct consequence of the shift in the location of authority –a shift that is in two directions: one outward toward supranational entities and the other inward toward subnational groups.

Governance should also be distinguished from ‘international regimes’ which international relations theory uses as a heuristic device to understand ruling and government in international systems. According to Stephen Krasner (1983: 2), international regimes are those “sets of implicit or explicit principles, norms, rules and decision-making procedures around which actors’ expectations converge in a given area of international relations ... such as international trade”, and that sustain and regulate activities across national boundaries. There are basically two differences between governance and international regimes. First, although they both encompass formal (governmental) and informal (non-governmental) institutions and mechanisms, the scope of governance, unlike that of international regimes, is larger than just one issue area around which an international regime operates (Rosenau, 1992: 8-9). Secondly, despite the fact that international regimes are defined on the basis of a convergence of the actors’ expectations in an issue area, this convergence might be what Susan Strange (1996: xiv) called ‘coerced convergence’ i.e., one that is created (forced) by a minority of powerful countries on the rest of the world. However, the concept of ‘governance’ is based on the assumption of the necessity of the full consent of its participants. Acceptance by majority is an indispensable component of governance as a system of rule for it is perceived to be as much “dependent on intersubjective meanings as on formally sanctioned constitutions and charters” and in that sense, it differs from a government that can function even where there is opposition to it (Rosenau, 1992: 4).

Coming back to the two approaches to governance that this study will analyze, the first approach is what may be called the ‘cosmopolitan

democracy' model whose main representative is David Held. The second one is what I propose to call the 'economy-oriented' approach, represented and developed by Paul Hirst and Grahame Thompson. In fact, the major commonality between these two approaches is the reflection of each approach's concern –democracy, in the former and economic management, in the latter– on politics. Therefore, they both end up with a problematization of the nation-state and with the corollary issue of governance. However, the form in which each formulates this problematization differs from the other in a fundamental way. In other words, both the motives that lead to the two particular accounts of governance and the way in which the nation-state is problematized in each account are distinct in a peculiar way.

3. The cosmopolitan democracy model

According to the cosmopolitan democracy model, the ultimate goal is the achievement of democracy whose main condition is the establishment of 'autonomy' –a term that evokes the idea that the individual's exercise of his/her capacity should be free of 'improper constraint', political, social and economic– and that it be articulated in terms of arrangements underpinning autonomy for all in the political community whose main purpose is to enable the individual to reflect on the world. Held maintains that autonomy involves and depends on "mutually enabling and constraining conditions." Thus, autonomy becomes, *à la Giddens*, a structure that both enables and constrains people. In other words, the belief is that people "become autonomous over time if they recognize their equal interest in the principle of autonomy and their mutual dependence" (Held, 1995: 222).

It follows from this that democratic autonomy is "those arrangements for the distribution of benefits and burdens that should be acceptable to all parties" (Held, 1995: 222). Following Kant's argument, that if the behavior of other nations and states threatens the existence of freedom, one cannot expect the prevailing of what is right for a political community and that therefore, 'right' can prevail if the rule of law is sustained both within all states and in international relations in general, Held (1995: 226) argues that autonomy can prevail in a political community only if it is not hindered by threats stemming from the actions of other political communities or from the networks of interaction that transcend community boundaries. Because sites of power can be national, transnational and international, democratic law and autonomy can exist

only if it is sustained in all power domains –particular political communities and those that cut across the former. In Held's (1995: 227) words, "democratic public law within a political community requires democratic law in the international sphere." What is democratic law in the international sphere is 'cosmopolitan democratic law', by which Held means a "democratic public law entrenched within and across borders."

In other words, without cosmopolitan democratic law, the conditions of freedom and autonomy cannot be entrenched and there would be no enjoyment of autonomy nor respect for the necessary constraints on autonomy in the sense of mutual acknowledgment of and respect for rights of all. According to this Kantian logic, the establishment of rights requires the establishment of 'perpetual peace', that is the elimination of war, considered by Kant as one of the main forms of violence, from which the threats to freedom derive. The establishment of 'perpetual peace', on the other hand, is only possible when all political communities become democratic (Held, 1995: 226).

This account of the possibility of achieving democracy puts into question the viability of the national political community, that is the nation-state, as the main reference point as well as the major location in thinking about politics in general, and the question of democracy in particular. Held (1995: 225), in this context, challenges the assumption that one can understand the nature and possibilities of political community as well as democracy by referring merely to the nation-state structure. He argues that "the fate of the idea of the political community and the appropriate laws for the articulation of the democratic good" generates questions. In this respect, Held questions the general assumption of modern political and democratic theory by arguing that the normative political theory of the modern world has elaborated the concepts of the political good at the level of state institutions, practices and operations and has placed the state at the heart of the political analysis in the social sciences. This, in turn, has created an emphasis on the endogenous models of social and political change. It has meant that the origins of social transformation were sought and, consequently found in processes 'internal to society' (Held, 1989: 214). Accordingly, the state was attributed the capability of controlling its own fate and assumed to be subject only to the compromises and limits imposed upon it by territorial forces, actors and agencies operating within its boundaries (Held, 1991: 201).

More importantly, Held (1995: 268) argues that "the Westphalian model of interstate relations, with its loyalty to the principle of effective power (the principle that might eventually make right in the international world) is at loggerheads with any requirement of sustained democracy"

among members of the international community. By this, he highlights the extent to which the disciplines of sociology, political science and international relations have been based on the dichotomy of inside/outside' concerning relations between states i.e., the anarchic world. 'Inside' has always been accepted as the site of rationality, order, security and problem-solving. By contrast, 'outside' has been described as being characterized by anarchy, insecurity and lacking a 'community'. To put it differently, 'outside' is described in terms of what it lacks in relation to 'inside' i.e., the 'unproblematic' –a definition by way of 'negation'. According to Walker (1993: 164): “The character of international relations has been understood as a negation of statist forms of political community, as relations rather than politics, as anarchy rather than community.”

Interestingly, as Walker (1993: 150) notes, it is a matter of wonder why Hobbes, who urged the establishment of a 'Leviathan' in national community, did not envisage an 'international Leviathan' to bring order to international anarchy. It seems that there has been a tendency to tolerate insecurity and uncertainty in the international arena whereas order and rationality are seen as indispensable components of the domestic arena. This has made 'inside' unproblematic for theorists as well as for common people. Andrew Linklater (1982: 9) points to the same problem. He maintains that most modern political philosophers have not engaged in a search for a philosophical interpretation of human beings' belonging to and division between separate, sovereign states, due to their commonly accepted cultural assumptions that are based on the perception of the state as the ultimate and unqualified level of legitimacy.

Held's account, therefore, finds the Westphalian state system unfit for the flourishing of democracy. His idea of 'cosmopolitan democracy' is a serious challenge to the inside/outside dichotomy in the sense that this approach poses the establishment of cosmopolitan democracy as the condition for democracy for the 'inside' as well as 'outside.' It therefore breaks the barrier between 'inside' and 'outside' as separate realms with each having its own governing logic. Held's support of the 'cosmopolitan democracy' idea and the corollary style of governance is also based on what he sees as the necessity to break down the man/citizen dichotomy. Since, in his view, more and more states would become democratic through the establishment of cosmopolitan democracy, Held (1995: 231) sees this as the way to overcome the “tension between man and citizen.”²

¹ The “Inside/Outside” analogy is used by Walker (1993) to refer to the political community within the nation-state and the international system, respectively.

² Linklater (1982: 15, 34) dwells on the tension between man and citizen. He holds that this tension is “firmly embedded within the theory and practice of the modern state” and

The cosmopolitan democracy model, in other words, has two major claims: first, there is already reason to question why modern political theory has been confined to the nation-state. Thus, there is a need to problematize the nation-state as the sole site of politics and of existence of democracy. Second, the nation-state is an 'already-problematic' entity for the achievement of democracy. The breakthrough in this conventional thinking has been made possible by the process of globalization.

Increasing interaction and interpenetration between the national community and the external environment as a result of the process of globalization has shaken the fundamental terms of reference of political theory among which the most important one has been the assumption that an understanding of the proper nature of the polity is possible only through reference to the nation-state (Held, 1989: 214). It has done so by rendering the national community increasingly heterogeneous and pluralized –a process that is itself the consequence of what Anthony Giddens (1984) called 'time-space distancing' or as David Harvey (1989) and Roland Robertson (1992; 1995) named 'time-space compression', or what is more widely known as 'globalization.' This process has had the effect of bringing closer what was once the geographically distant and the frozen, and of squeezing the nation-state between 'inside' and 'outside' where it has been hitherto situated.

In this context, it is useful to look at Robertson's account of globalization (1995: 40) as the 'compression of the world as a whole', involving "simultaneity and interpenetration of the local and the global" i.e., the particular and the universal (Robertson, 1995: 30). This definition is important in the sense that it helps one capture the meaning of some of the consequences, which are simultaneously the causes of the linking of the four processes that Robertson considers as the main components of what he calls the 'global human condition' or the 'global field': individual self, societies (national), international system and humankind (Robertson, 1992; 1995). Similarly, Waters' (1995: 32) argument as to the ongoing development of the redefinition of social problems as global problems asserts that globalization has undermined the sovereignty of the state. The main way in which this undermining of state sovereignty takes place is through delegitimization of the nation-state as the 'problem-solver.' This description of the problematization of the nation-state is of fundamental importance since the nation-state has been the main site of instrumental rationality.

that it connotes a dichotomic relationship between two types of obligations of the individual: one towards his/her particular sovereign state via the link of citizenship, and the other, towards humanity via his/her sharing the actual or potential universality of human nature.

Parallel to Waters' argument, Robertson and Giddens make a similar point. Robertson argues that the nation-state and national society have now become only one of the reference points for the analysis of 'global-human circumstance' as opposed to its being 'the' reference point in the past analysis of social-political change. Opposing the endogenous understanding of social change that Held analyzes, Robertson (1992: 58) emphasizes the historical and spatial specificity of the nation-state. He points out that the homogeneous nation-state is a construction of a particular form of life and that its constraining nature does not mean that it should be taken as 'the departure point' in the understanding and analysis of the world or as the 'unit of analysis' in analyzing 'change'. The relativization and multiplication of individual reference points in social experience call into question the extent to which we could firmly talk about clear-cut boundaries for societies.

This argument finds its equivalent in Giddens's account (1984:163-165) where he tries to question the conventional definition of modern society as a "unity having boundaries which mark it off from other, surrounding societies." Thus, modern society is said to be characterized by an overall clustering of institutions across time and space, by its fixed boundaries, by the existence of a normative element, which is taken as the legitimate occupation of the locals, and by its common identity. He goes on to argue that national society in this sense is taken as the typical form with its firm boundaries. In other words, he talks about a general tendency to attribute, to all forms of societal totality, characteristics that are in fact specific to the nation-state.

The problematization and questioning of society and the assumption about its 'fixed' boundaries bring Giddens closer to two interrelated points made by Robertson (1992; 1995): First, the continuous interaction among the four elements of Robertson's 'global-human condition' parallels Giddens' (1994: 22) understanding of globalization. According to this understanding, globalization is "not just about the creation of large scale systems but about the transformation of contexts of social experience" (Giddens, 1994: 27-28). From such a conception, he puts forth the argument that "the context of politics has changed and that now, there is a possibility of 'radical politics'." Thus, for Giddens, globalization is not an 'out-there' phenomenon but an 'in-here' one in the sense that not only localities but also even intimacies of personal experience are affected by it (Giddens, 1994: 22). Second, Robertson's emphasis on historical specificity of the nation-state manifests itself in another form in Giddens' account. Giddens (1984:196-197) argues that modern society is the combination of the capitalist mode of production and the nation-state.

While the former represents the economic and social aspects of modern society, the latter embodies its institutional aspects. Hence, Giddens' (1984: 142, 165, 175) argument boils down to saying that a multidimensional and a time-space bound understanding of the emergence and the persistence of the nation-state is the only way of grasping the complexity of the nation-state. In a similar way, Held maintains that states are far from fixed or natural entities but that, on the contrary, they are historical. Accordingly, the modern state is "that type of state which emerged in the European states system from the sixteenth century onwards" (Held, 1992: 73).

The emphasis, in these accounts, has been on the effects of globalization on the nation-state. Their common ground is the increasing problematization of the nation-state as a result of which it becomes increasingly impossible for the nation-state to draw its legitimacy from the political community that has been hitherto locked within its boundaries. The harmonious relationship between the nation and the state within the nation-state has been disturbed and modern society has increasingly been transformed into what Ulrich Beck (1992) described as a 'risk society.' The increased risk and uncertainty have made the resolution of problems within the territory of the nation-state increasingly difficult for governments, which is a result of the process of globalization and is also itself a part of the globalizing forces integral to the process of globalization. However, it is also clear from these accounts that, in fact, for both Robertson and Giddens, the nation-state has been a historically and spatially specific entity with no fixed boundaries. They too, like Held and Walker, have depicted the problematic nature of a hitherto taken-for-granted and unproblematic nature of the nation-state. It is the same belief that makes its impact in Held's account of the 'cosmopolitan democracy' in relation to the issue of global governance.

In other words, what is already a problematic area for Held –the nation-state– gets only more problematic with the growth of globalizing forces that have not only caused a decline in state sovereignty but that have also pluralized the agents of sovereignty, among the most important of which are international firms. For Held, the classical idea of the sovereign state cannot be sustained in the face of current changes. The conventional definition of sovereignty has assumed a reciprocal and harmonious relationship between the national community and the state. The state is the ultimate source of power in society, above which there is no other authority. Thus, sovereignty in modern political theory is a dual process: the individual is the source from which the sovereignty of the

state ultimately takes its origin and *raison d'être*, and the state is the source of power, responsible for providing security for individuals in society and meeting society's expectations and demands. In fact, it is this classical conception of sovereignty that has become problematic, and, according to Held (1989: 215), this is the result of a number of 'gaps' or 'disjunctures' that have appeared "between the idea of a 'national community of fate' and the pattern of global interconnections." States are increasingly facing problems that are global in nature. As a corollary of this, their choices are limited and it has become increasingly difficult for them to determine which national policies to pursue in order to meet societal demands and to solve its problems. In Held's analysis (1989: 229-35), the causes of this situation are those gaps that have emerged first, between the formal domain of political authority and the structure and operation of world economy; secondly, between "the idea of the state as an autonomous strategic, military actor and a system of states whose main feature is the existence of hegemonic powers and power blocs"; thirdly, between the sovereign state and the existence of international organizations whose activities are increasingly transnational in nature; fourthly, between citizenship of a state with a national community and international law which defines rights and duties increasingly in extra-territorial terms; and finally, between the idea of state with a right to determine domestic policy and to represent it outside and an international political system that has grown to be global by making "the distinction between domestic and foreign policy harder and harder to sustain."

It can be argued, therefore, that the conventional definition of sovereignty grounded in the nation-state has become problematic. Strange (1994: 20-26) similarly places stress on the need to determine the changes in the locus of power in each of the structures within which power is exercised -security, finance, production and knowledge. Her analysis is interesting in terms of gaining a true understanding of the real nature of current changes and their effect on the state. She argues that states have been experiencing interdependence for a long time due to the growth of international trade, foreign investment, capital movements, and the internationalization of production. In that sense, interdependence is not a new phenomenon and the international relations literature of the 1970s was one that focused on this increased interdependence. However, in her view, it was nevertheless a state-centric understanding of interdependence for "it was understood that each state had become more dependent on events and decisions in other states" and for "everywhere, the world beyond the national frontier was impinging on national societies." She claims that there is a need to go beyond this state-centric model to a multi-

dimensional one. Accordingly, one should analyze not only the interdependence between states but also that between states and firms, and between firms. In her multi-dimensional model of interdependence, the emphasis is put on the last dimension i.e., relations between firms as important actors in the global political system. According to Strange, this last type of relationship between firms undermines “the foundations of the world of conventional international relations” whose partnerships, production-arrangements, collaborative research and networking have increasingly undermined the authority and blurred the identity of the state.

It is possible to say that Strange’s analysis with the main emphasis on economic structures and processes parallels Held’s “first gap”, that is the gap between the sovereign state and the world economy. Although she has focused especially on the economic aspect of globalization and its impact on the nation-state, her analysis is important in terms of putting firms as actors in themselves or as agents of sovereignty that have become pluralized as a result of globalization.

Just as the context of politics has been hitherto thought of as confined within the boundaries of the nation-state and the agent of sovereignty, as solely the nation-state, democracy, too, has been conceived exclusively within the boundaries of the nation-state. According to Held (1991: 201-3), this understanding of democracy is clearly related to the principle of ‘majority rule’ –a concept that is at the center of Western democracies and at the root of the determination of whether a political decision is legitimate or not. Underlying this principle of majority rule has been ‘consent’, which is the manifestation of the “national community of fate that rightly governs itself and determines its future.”

In this respect, Walker (1993: 153) draws our attention to the relation between democracy and the people. His account illuminates our understanding of what is really the matter with the above-drawn concept of democracy today. Accordingly, he points out that if one instinctively and roughly understands democracy as something to do with ‘the people’, then the first question to ask, even before inquiring under what conditions ‘the people’ become able to have some control over their lives, is what one means by ‘the people.’ In other words, it is the idea of consent given by the ‘relevant community’ –the national community– that has become contested due to increasing global interconnectedness (Held, 1991: 203). Thus, the question is precisely one of what the relevant community is. In Held’s (1991: 204) words, “territorial boundaries demarcate the basis on which individuals are included in and excluded from participation in decisions affecting their lives (however limited the latter may be), but the

outcomes of these decisions frequently ‘stretch’ beyond national frontiers.” In the same way, Walker (1993: 156) argues the following:

It is the realization and perfectibility of accounts of political community fixed within the spatiotemporal coordinate of state sovereignty as well as the reconstruction of what we mean by political community under novel spatiotemporal conditions towards which contemporary thinking about democracy seems to be directed.

One could thus conclude that what is striking and distinct about Held’s approach to governance in relation to globalization is that the problematization of the nation-state and of democracy, though helped by the globalization process, is inherent in the problematic nature of the nation-state and in the notion of sovereignty. This already-problematic understanding of the nation-state has become only more problematic due to the operation of global forces and this stance can be contrasted to the second approach to governance –that of Hirst and Thompson.

4. The economy-oriented approach

Hirst and Thompson (1996) seem to argue that they conceive of governance, unlike Held who puts the emphasis on the question of democracy, primarily in terms of economic necessities and possibilities although they also analyze its inevitable reflection on politics that is conceived as no longer solely and exclusively situated within the confines of the nation-state. In their analysis, ‘governance’ is an important concept since “the issue of control of economic activity in a more integrated, internationalized economy is one of governance and not just one of the continuing role of governments.” In this context, they make a clear distinction between government and governance. Their analysis claims that states have hitherto claimed that they alone had the right to determine the specific activities within the boundaries of their territory. In other words, “they claimed a monopoly of the function of governance.” Thus, ‘government’ came to be identified with “those institutions of state that control and regulate the life of a territorial community.” By contrast, ‘governance,’ in their analysis, recalling Rosenau’s account of governance, is “the control of an activity by some means such that a range of desired outcomes is attained” and “is ... not just the province of the state.” On the contrary, a whole range of public and private, state and non-state, national and international institutions and practices are thought to be part of this new function (Hirst and Thompson, 1996: 183-4).

It follows that, according to their analysis (1996: 6), whereas by the 1960s the state had appeared to be the dominant social entity (made possible by the fact that state and society were virtually coterminous), the nation-state has ceased to be an effective economic manager since it

became increasingly impossible for governments to take monetary and fiscal decisions, contrary to the expectations of global markets and transnational corporations. They believe, nevertheless, that states are still salient and do retain an important degree of control over their borders and people, although they admit that the nature of this salience has changed markedly since the Keynesian era. They argue that a major reason for this situation is the decreasing legitimacy of the state as a result of the gradual elimination of war from interstate relations that made it harder for states to mobilize support behind the state apparatus. In this respect, they argue that the nation-state was much stronger during the Cold War for it reinforced the need for the nation-state whose military capacities and forms of economic and social regulation were most useful. In other words, the eventuality and the fear of a constant and immediate enemy made the nation-state necessary.

Therefore, in this account, one is faced with a problematization of the nation-state, which has been the result of globalization in general and economic globalization in particular. They perceive the rhetoric of globalization as one that completely rules out any role for the state, arguing that it is the complexity and multiplicity of levels and types of governance that assert the continuing and distinct place of the nation-state. This is not to say that they conceive of the nation-state and of sovereignty in ahistorical terms. On the contrary, one can sense their urge to make clear that the nation-state is a relatively recent phenomenon and that its claim to monopoly in governance is “historically specific and by no means foreordained” (Hirst and Thompson, 1996: 170-1). Nevertheless, it seems that ‘inside’ has become problematic for Hirst and Thompson only as a result of the ongoing process of globalization.

This stance manifests itself directly in their conception of governance in which they attribute a centrality to the nation-state. It has now become one of the agents as opposed to its hitherto being ‘the’ agent of governance within the boundaries of the national community since politics has become ‘polycentric’ meaning that in a complex system of overlapping and often competing agencies, the state is only one among many (Hirst and Thompson, 1996: 183). It is true that the continuing centrality attributed to the nation-state, in Hirst and Thompson’s account of governance, is not one stemming from the traditional understanding of sovereignty, which, as previously noted, they refuted when they made the distinction between government and governance, where the former was characterized by its claim to possess the monopoly of governance. In fact, they oppose the need for the nation-state “in its traditional guise as the sole sovereign power” and call their understanding of the place of the

nation-state in our times as one of ‘new sovereignty.’ However, the nation-state still retains its (what they call) ‘pivotal’ role in creating the conditions for effective international governance (Hirst and Thompson, 1996: 170).

This pivotal role is retained when the nation-state is considered to be the ‘suturing’ among many overlapping networks and layers of global governance since the effective working of governance necessitates the existence of a thread that would run through the complex levels and types of governance agencies with a view to establishing a division of labor, which would eventually preserve the ‘coherence’ of the system: “The policies and practices of states in distributing power upwards to the international level and downwards to subnational agencies are the sutures that will hold the system of governance together” (Hirst and Thompson, 1996: 184). In fact, they even see, in the process of the state’s surrendering of some of its sovereignty to supranational and international organizations, a novel occasion for states to acquire new roles, by arguing that “sovereignty is alienable and divisible.” In other words, the state’s continuing role in governance “has the function of legitimating and supporting the authorities they have created by such grants of sovereignty” (Hirst and Thompson, 1996: 190). However, it is not only its function in global governance of international economy that makes the state retain its centrality. According to Hirst and Thompson (1996: 171), the state’s possession of territorial control (however reduced by international markets and by new communication methods and thus, in no way as exclusive as it was in the past) is the major factor in the continuing salience of states.

What is puzzling, however, more than anything else is how a certain bias is inherent in the governance vision of this approach. Hirst and Thompson’s (1996: 189) proposal of five levels of governance is illustrative of this fact:

- 1) Governance through agreement between the major advanced states and particularly the G3,
- 2) Governance through a substantial number of states creating international regulatory agencies for some specific dimension of economic activity, like the WTO,
- 3) Governance through the control of large economic areas by trade blocs such as the EU or NAFTA,
- 4) Governance through nation-level policies that balance cooperation and competition between firms and major social interests,

5) Governance through regional level policies of providing collective services to industrial districts.

Their proposal of the possibility of governance at five levels is an endeavor on their part to respond to some claims that, in their view, overstate the extent of the dominance of world markets and their ungovernable nature. The two authors argue that the alleged 'helplessness' of humanity in the face of contemporary economic forces is a 'myth' similar to what they call "primitive myths" that claim human beings are helpless in the face of the forces of nature. Therefore, Hirst and Thompson (1996: 6) emphasize the need to seek "to break the spell of this uncomfortable myth." Moreover, they oppose both the neo-classical economic thinking, which claims that "as markets approach perfection and freedom from external intervention they become more efficient as allocative mechanisms", and the Marxist leftist argument that "international capital is an unequivocally malevolent force that is indifferent to national or local concerns." As Hirst and Thompson (1996: 189) point out, the former school of thought assumes the virtual irrelevance of the public power and believes that it will only harm the working of international economies, while the latter supposes that "political authority submits to the will of capital and can do nothing to counter it with the existing world system." Hirst and Thompson (1996: 188-9) hold that companies active in international markets have a strong interest in the continuation of public governance since they seek a certain degree of stability and security in financial markets, a secure environment of free trade and the protection of commercial rights. Thus, the main concern for Hirst and Thompson is to show that there is *still* the possibility and feasibility of global economic governance.

However, this concern seems to limit their exploration of the possible scale and scope of that governance. This is evident in their admittance that the institutional arrangements and strategies that they propose can ensure only some minimal level of international economic governance. More importantly, they argue that this minimal level of international economic governance, in its turn, can work only to the advantage of the major industrialized nations and that such governance cannot alter the extreme inequalities found, for example, in trade, investment, wealth and income, between nations. In other words, they state explicitly that "it is not the case currently that radical goals are attainable: full employment in the advanced countries, a fairer deal for the poorer developing countries and more widespread democratic control over economic affairs for the world's people." They also think that this should not lead us to lose hope for forms of control and social improvement that can be achieved if a modest change

on the attitudes of key elites takes place (Hirst and Thompson, 1996: 6-7). The real question at issue, in their view, though unfortunate, is inevitably “not whether the world is governable toward ambitious goals like promoting social justice, equality between countries and greater democratic control for the bulk of the world’s people, but whether it is governable at all” (Hirst and Thompson, 1996: 189). In fact, they state openly that “the issue at stake is whether such a coherent system will develop, and it takes priority over the question of whether international governance can be democratic” (Hirst and Thompson, 1996: 184). In other words, coherence is central to effectiveness and is perceived as being ‘prior’ to justice and democracy. Coherence, in turn, is constituted through the ‘suturing’ function of the nation-state within the complex layers and types of agencies.

Hirst and Thompson’s lack of interest and trust in the democratic underpinning of the institutions of governance manifests itself in another reason they give for their claim of the continuing centrality of states. It is the legitimacy of the nation-state stemming from the democratic state’s role as the possessor of a territory in which it controls its population (Hirst and Thompson, 1996: 171). They believe that the agencies outside the nation-state could in no way have this legitimacy in the eyes of that population. In fact, the only way through which Hirst and Thompson (1996: 191) could conceive democracy and accountability of international governance is again through the persistence of states. They argue that it will be the role of states to ensure that the institutions of governance are accountable to their constituencies and that it will be the major states’ backing of key decisions by reinforcing them through domestic laws and local state power that will guarantee the enforcement of these decisions by international agencies.

On the other hand, while Hirst and Thompson’s neglect of justice and democratic control is a sign of a serious defect in their design of governance, which is primarily motivated out of economic management concerns, it is nevertheless possible to question the feasibility of democratic control in an informal and global network of institutions. It is at this crucial juncture that the main weakness of the cosmopolitan democracy approach in relation to democracy appears. While it is true that representative institutions of liberal democracies can no longer provide sound mechanisms of democratic control, i.e., accountability (due to reasons previously explained), as Held himself admits, there is reason to question the assumption that the system of overlapping authority structures would provide more accountability than the conventional models of democracy with their existing mechanisms.

The challenge to the idea and coherence of democracy posed by the national and international interconnectedness of political decisions and outcomes, on the one hand, and the limits imposed on a nation's control of its fate, and the accountability of its institutions, by the web of emergent regional and global organizations and networks, on the other, raises pressing questions about the nature of the organizations and forces which are mounting this challenge; that is, about the accountability of such diverse organizations and agencies as MNCs, the IMF and NATO. While mechanisms exist in principle to provide a measure of accountability in some of these organizations -to shareholders, in the case of MNCs, to representatives of member sovereign states, in the case of the IMF and NATO- the nature of their accountability, if any, to the ordinary citizens of the nation-states in which they operate, or to the diverse groups they affect beyond a given nation-state, remains an acute and pressing question (Held, 1991: 225).

Moreover, Held himself draws our attention to a second problem besides accountability: the problem of legitimacy. Consent, as noted before, has been the basis of democracies characterized by majority rule. However, Held argues that the problem facing us today is twofold:

Not only that both routine and extraordinary decisions taken by representative nations and nation-states profoundly affect citizens of other nation-states -who in all probability have had no opportunity to signal consent or lack of it- but also that the international order is structured by agencies and forces over which citizens have minimum, if any, control and in regard to which they have little basis to signal their (dis)agreement (Held, 1991: 225-6).

Thus, as Held states, it is possible to say that the very scope and relevance of the principle of legitimate government has increasingly become questioned by global processes and that there does not appear an easy solution to the problems of accountability and legitimacy at the level of global governance. Held (1995: 272-4) emphasizes that the full implementation of 'cosmopolitan democracy' necessitates, among many other things, the formation of an authoritative assembly, such as a reformed General Assembly of the United Nations, and admits to the difficulty in reaching agreement on the terms of reference of an international democratic assembly of the 'cosmopolitan democracy.' Czempiel (1992: 264), in the same way, puts stress on the difficulty of operationalizing democracy, as a variety and number of divergent indicators are used to measure it.

The economy-oriented approach leaves us face-to-face with a fundamental question: How can governance, which is, by definition, based on consent (the main component of governance and that which distinguishes it from international regimes) be conceived of without any consideration for justice and democracy? As for the 'cosmopolitan

democracy' approach, although it places democracy at the top of its agenda and is itself based on this concern, one wonders under what terms this governance will establish democracy, how democracy will be defined and on what terms participants will participate freely and equally in this system. Thus, one can say that even when democracy is seen as the primary matter as well as the *raison d'être* of the search for a new type of governance and the basis of 'cosmopolitan democracy', it remains a difficult task to give the definition and terms of 'democracy'. As for the account of governance based on a concern for economic governability, the issues of justice and of democracy remain neglected and can be easily sacrificed for the higher goal of economic management.

5. Conclusion

The concept of globalization provides new conceptual tools or a different way of asking questions to understand the real nature of socio-political change (Keyman, 1999). It has come to be widely believed that the analytical tools of 'modern' understanding of social and political change are not fit for the understanding of change in general. As Mitchell Dean (1994: 3-4, 56, 93) argues, modernity treats history as a uniform, foundational, true and natural (in the sense of a progressive –with a positive connotation) move from a premodern, traditional, underdeveloped and non-rational phase to a modern, industrial, developed and rational one. In this sense, history and change have been treated as both justification and reassurance of our identity as subjects. In this context, Robertson's (1992) account of the *Gemeinschaft/Gesellschaft* problematic is illustrative of how *Gemeinschaft* has been the main reference point for *Gesellschaft* to reaffirm its identity and how *Gesellschaft* evaluates the past in accordance with its present criteria.

This process results in a number of dichotomies such as traditional/modern, rational/non-rational and so on. It is a picture where certain things are the constituent factors of others and where the ultimate explanatory reference point is modernity itself. Craig Calhoun's (1995: 290) call for a "refocusing of our understanding of modernity" may be seen in this context, as an attempt to render modernity and its sovereignty into something that is to be explained. This refocusing of our understanding of modernity as well as our questioning of conventional analytical tools –the dichotomies– have been made possible by the very process of globalization. What globalization does is to make the old distinctions obsolete due to an annihilation of space by time, which has

had the effect of bringing nearby what was once the geographically distant, and therefore, frozen.

On the other hand, as Robertson (1992) compellingly argues, globalization has become itself internal to the understanding of socio-political change by giving us the possibility, first, to understand it and then, to devise new ways to cope with it, to adjust ourselves, and if possible, to convert it to our best interest.³ Thus, the nation-state could no longer be used as the sole unit of analysis –the ‘certainty’ that we use to understand the world. The increased interpenetration of ‘inside’ and ‘outside’ has brought closer the global and the local that had been hitherto thought as insulated from each other, with characteristics specific to each within their own realm. In other words, following Robertson, one could say that it becomes itself a unit of analysis that is internal to the change itself.

It is in this context that one can consider globalization also as an agent of political mobilization and of individual enablement, and not only as being subject to constraints of increasing intensity and variety, that are more often presented as outside or beyond the control of the individual. This is the definition of ‘structure’ in Giddens’ structuration theory: “rules and resources recursively implicated in social reproduction” (Giddens, 1984:169-71). Structure is thus both constraining and enabling for its agents. ‘Recursiveness’ shows that agents, in and through their activities, make those activities possible, which amounts to what Giddens termed ‘the duality of structure.’ Structures would not exist without the human agency though it is not the case that it is the agents who create structures. Agents reproduce and transform them.⁴ Once structure is defined in these terms, it becomes not something that explains other things but rather a ‘medium of action’ which combines both possibilities and constraints for social action to come about. Conceived in this way, globalization is not necessarily a source of constraint but it may also be a medium of action, which is a line of thinking paralleling the argument for the need to take globalization as a unit of analysis.

In this respect, this paper argues that governance could be considered as a device to deal with globalization by taking it in a dual way as both constraining and enabling. In the cosmopolitan democracy model, international governance is an attempt to surpass the hitherto taken-for-

³ For further elaboration of this point, see also Keyman (1999).

⁴ Giddens (1984: 172) argues that this conception of structure/agency relationship stands in sharp contrast to the Durkheimian understanding that “sees in structural constraint a source of causation more or less equivalent to the operation of imperial causal forces in nature” and that gives no freedom to human action.

granted models about the boundaries of politics and of democracy and to enable democracy to operate in a true sense. The economy-oriented approach, on the other hand, represents a deep concern with the problematization of the nation-state's functions in the field of economic management due to economic globalization. Thus, its understanding of international governance, which is based on a multi-layered network of international economic institutions, is thus an attempt to deal with this *newly emerged* problematic situation.

Based on different motives and departing from different starting points in their way of the problematization of the nation-state, both approaches end with a problematization of the boundaries of politics. Despite the weaknesses of both approaches (the cosmopolitan democracy model presents a vague definition of democracy and seems to be unaware of the question as to what and whose terms this cosmopolitan democracy will operate, and the economy-oriented approach seems not to care about justice and democracy in international governance), one could say that by taking the issue of governance at the heart of their analysis of social and political change, they help us to problematize our own political imagination about the limits of politics and democracy.

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Özet

Küreselleşme ve yönetim teorilerine eleştirel bir bakış

Bu çalışma küresel yönetime iki farklı yaklaşımı karşılaştırmaktadır: Kozmopolit demokrasi yaklaşımı ve iktisat-merkezli yaklaşım. Küresel yönetim konusunu çözümlerinin odak noktasına yerleştiren bu yaklaşımlar siyasetin sınırlarına ilişkin düşünüş tarzımızı sorunsallaştırmaktadır. Kozmopolit demokrasi modelinin öncelikli sorunsalı demokrasiyken iktisat-merkezli yaklaşım küresel yönetimi iktisadî işletmeciliğin bir aracı olarak görmektedir. Gene birinci model ulus-devleti demokrasinin gerçekleşmesi için doğası itibarıyla zaten sorunlu bir yapı olarak görürken (küreselleşme bu sorunlu yapıyı doğrulamakta ve daha da vurgulamaktadır) ikinci model ulus-devletin sorunsallaşmasının kaynağını küreselleşmede bulmaktadır. Her iki yaklaşım da bazı açılardan yeni sorunları beraberinde getirmektedir: Birinci yaklaşımın zayıflığı demokrasiyi ancak muğlak bir şekilde tanımlaması ve öngördüğü kozmopolit demokrasi modelinin kurallarının demokratik sorumluluğu garanti edememesidir. İkinci yaklaşım ise adalet ve demokrasiyi iktisadî işletmeciliğe tabi kılmaktadır.