

# World Politics in Turbulence

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## Introduction

The world financial crisis, which began in the spring of 2007 but erupted in September 2008 with the spectacular collapse of the US investment bank Lehman Brothers, will not rewrite the future of international relations, but it will accelerate the fundamental transformation in international politics which has already been under way for quite some time. This transformation is not only, and perhaps not even primarily, about the growing power and significance of China, Asia and other emerging economies, however much this presently dominates the public perception. Its most important aspect is that world politics overall are becoming more unpredictable, more uncertain and more dangerous. In this sense, the great world financial and economic crisis of 2008–2010 has been both effect and cause. Its outbreak and its dimensions were symptoms of growing systemic weaknesses in the international order, and its reverberations will probably cause this process of erosion to accelerate further.

Among the principal causes of this crisis were the systematic expansion of credit in the form of mortgages and credit cards by financial institutions aided and abetted by governments, together with the creation of a host of new and innovative financial instruments.<sup>1</sup> This led to an unparalleled consumption boom and helped to disguise serious structural fault lines and imbalances in America and in the world economy which otherwise might have become visible earlier. Prolonged lax monetary policies by the US Federal Reserve Bank unwisely fuelled this consumption binge, perhaps to defuse social strains caused by an excessive redistribution of

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1. See, for example, Raghuram Rajan (2010): *Fault Lines: How Hidden Fractures Still Threaten the World Economy*. Princeton, NJ/Oxford: Princeton University Press; Hans-Werner Sinn (2010): *Kasino-Kapitalismus: Wie es zur Finanzkrise kam, und was jetzt zu tun ist*. Frankfurt: Ullstein; Nouriel Roubini and Stephen Mihm (2010): *Crisis Economics, A Crash Course in the Future of Finance*. New York: Penguin (German edition: *Das Ende der Weltwirtschaft und ihre Zukunft*. Frankfurt: Campus).

US wealth and income in favor of the top stratum of American society.<sup>2</sup> Ultimately, there was scarcely a single important economic or political actor in America who had not contributed in one way or another to this crisis: they all played their part, from the banks and the insurance companies to the automobile manufacturers; from President Jimmy Carter in the second half of the 1970s to President George W. Bush; from both parties and both houses of Congress to the Federal Reserve and the regulatory authorities. In such circumstances, there was no realistic chance of averting the crisis.

When, after years of growth, the speculative US real estate bubble finally burst in the spring of 2007, this triggered the crisis. In terms of mathematical chaos theory, a hyper-complex American financial system had become »turbulent«; it could no longer be controlled effectively and thus was bound to collapse sooner or later. Yet this system also formed an important part of a global financial system which was, as it turned out, in large part equally crisis-prone. The tremors which shook American financial markets therefore triggered a crisis of global dimensions. The initial optimism, as expressed for example by the then German finance minister Peer Steinbrück,<sup>3</sup> but also by the political leadership of the People's Republic of China, that the problems would remain confined to the USA thus quickly proved to be misplaced. In the course of a few short weeks, the reverberations of the crisis hit the real economy: as during the 1930s, the financial meltdown thus mutated into a crisis of the global economy. World trade contracted sharply,<sup>4</sup> and eventually – in February 2010 – the damage also spread to the euro and thereby to the international monetary system.<sup>5</sup> The pattern revealed by this crisis was

2. In 2007, the top 1 percent of American households received 23 percent of total annual pre-tax income; during the 15 years before that, they accounted for more than half of total national income; Steven Pearlstein: »The costs of rising income inequality,« in *The Washington Post* (Oct. 6, 2010): A13 (quoting research by economists Thomas Picketty and Emmanuel Saez). According to data by the US Congressional Research Service, the income of this group more than doubled between 1990 and 2007, from about USD 800,000 to USD 1.8 million (measured in 2007 USD); Philipp Stevens: »Angry America raises the barricades,« in *Financial Times* (Nov. 4, 2010).
3. Roubini/Mihm (German edition): op. cit.; 161.
4. World trade collapsed at its peak level by about 15 percent. See Richard Baldwin: »The great trade collapse: What caused it and what does it mean?,« available at <http://www.voxeu.org/index.php?q=node/4304> (accessed on Nov. 7, 2010).
5. For a concise analysis of the Greek euro crisis and Germany's responses, see Erik Jones: »Merkel's Folly,« in *Survival* 52:3 (June/July 2010): 21–38.

clear: first, horizontal interdependence between national financial systems caused immediate worldwide contagion effects: once a major US financial institution was allowed to collapse, commercial credit extension froze worldwide. Second, interdependence across issue areas produced massive spillover effects in world economic activity and world trade. Third, the crisis quickly produced winners (such as China, large parts of Asia and other emerging economies, but also Germany) and losers (Iceland, first; Ireland, the UK, Southern Europe and, of course, the United States).

Three aspects of this crisis seem to be of particular significance. First, it did not break out on the periphery of the world economy in highly indebted developing countries (like the debt crises of the 1980s or, most recently, in Argentina from 1999 to 2002) or in emerging countries (as in the case of the Asian crisis in 1997/98), but in the heartland of capitalism, in the USA and Europe. As a result, the American (neoliberal) model, which hitherto had portrayed itself as superior, tumbled from its pedestal, and the USA, whose reputation had already been tarnished by the Enron scandal in 2001, now lost its status as a role model and thereby also a significant degree of international influence. But Europe, too, was unable to evade the undertow. As a result, the crisis accelerated the already discernible trend towards a shift in the global economy and world politics to China, Asia and the emerging industrialized and commodity-producing countries. It also further accelerated the erosion of the current international order, because this order is – for good or ill – a Western order, indeed primarily a »Pax Americana,« designed and made in the USA.<sup>6</sup>

Second, there was the very size of rescue schemes for failing financial institutions and economic stimulus packages. Governments worldwide spent some 2,400 billion US-dollars<sup>7</sup> in order to counteract imploding credit markets and the sudden collapse in economic activity. These drastic interventions were considered essential to avoid a second world economic crisis similar to that in the 1930s. Most of those involved at government level probably looked on these massive rescue packages in the same way as German Chancellor Angela Merkel who, in defence of her government's measures before the German Bundestag, declared: »There is no alternative.« Yet those extraordinary measures will have serious and long lasting consequences for public finances worldwide. The crisis also

6. Michael Mandelbaum (2006): *The Case for Goliath: How America Acts as the World's Government in the Twenty-First Century*. New York: Public Affairs.

7. This astronomical sum corresponds to around 4 percent of the global gross national product (GNP) for 2008 of around USD 58 trillion.

showed that governments, despite all the warnings, had failed to provide for adequate regulation of international financial markets and their most important actors, as had been promised in the wake of the Asian crisis in 1997/98: they had in fact done too little, too late.

The third important aspect of the crisis concerned its impact on the international (economic) order. Clearly, the dominant position of America, in particular, and the West in general has been weakened – but it is far from clear what this means. While the G8 summits – which had been experiencing problems of relevance and legitimacy long before 2008 – clearly no longer were the most relevant framework for international economic cooperation and policy coordination, the G20 showed few signs of providing an effective replacement, let alone the foundations of a new international economic order. Thus, the power and influence lost by America appeared to dissipate, rather than to migrate elsewhere.

Overall, the crisis seems to be not only highly consequential in itself, but also of possible paradigmatic significance. The paradigm might look as follows: the inherent dynamics of global transactions in systems marked by advanced interdependence and complexity render normal political controls inadequate, laying the system open to the threat of implosion and collapse. This can be averted – if it can be averted at all – only by extreme, scarcely repeatable political crisis measures. This paradigm may come into play in the future in other global systems such as climate, the global energy system, the oceans, the forests or world agriculture.

## The Political Framework: Globalization and Its Consequences

The effects of globalization on international relations in general and, specifically, on world politics can be summed up in a single word, borrowed from mathematical chaos theory: »turbulence«.<sup>8</sup> This new, turbulent world of international relations and politics is characterized by three overarching trends: (i) the supersession of geopolitics by geo-economics; (ii) mutations of the international security »problematique,« which is increasingly shifting from the interstate level to security threats

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8. See Benoît M. Mandelbrot (2004): *The (Mis)Behavior of Markets, A Fractal View of Risk, Ruin & Reward*. New York: B&T; for an early introduction of chaos theory into international relations theory, see James N. Rosenau (1990): *Turbulence in World Politics, A Theory of Change and Continuity*. New York: Princeton University Press.

within societies and those stemming from transnational relations; and (iii) the growing importance and intensity of conflicts between different value systems and ideologies, in particular between integrationist (such as democracy and human rights) and particularistic ideologies (such as nationalism or religious fundamentalism). The overall impact of these trends is a diffusion of power and influence, the erosion of existing structures of international order, and thus increasing difficulties shaping the evolution of international relations through political actions in such a way that the opportunities presented by globalization can be exploited sustainably, while its risks remain contained.

## Dynamics of Globalization and the Turbulence of International Relations

Globalization means, to borrow an apt expression, that »everything is connected to everything, but much more than before.« More accurately and in scholarly terms, under the conditions of globalization all forms of cross-border societal transactions increase in extent, speed, breadth (of content), (geographical) reach and intensity (or depth of consequences).<sup>9</sup> In these terms, globalization can be traced back far into the past. More narrowly, the term refers to a particular phase of globalization. With the often exponential acceleration and intensification over the past 50 years or so of cross-border societal transactions, the quality of globalization has changed, resulting in what we generally mean today when we talk about »globalization.« »Transaction processes« in this context encompass all forms of inter-societal and inter-state communication (from simple e-mails or telephone calls to diplomatic measures), the exchange of knowledge, goods, services and capital, but also transactions through the medium of political power and the use of force, from the final communiqué of a G20 summit and the authoritative decisions of the European Court of Justice, through the murder by the mafia of witnesses who have fled abroad or terror attacks by Al Qaida, to the deployment of intercontinental nuclear weapons.

The dynamics of »much more than before« – in other words, globalization's new quality – are fuelled by the explosive growth in knowledge due to science and research. This, in turn, drives forward technological

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9. See, for example, David Held et al. (1999): *Global Transformations, Politics, Economics and Culture*. Stanford, Ca.: Stanford UP (still one of the best overall discussions of the subject).

change – »technology« meaning here *applied* knowledge which (for example, in the form of goods or services) is employed to achieve individual and societal goals.<sup>10</sup> These goals can consist of overcoming sickness, hunger and underdevelopment and, generally, an *increase in prosperity*; technological progress, accordingly, drives the *economic* dynamics of globalization. But they can also relate to the quest for *security from fear*, to the pursuit of happiness or even to *altruistic motives*. Technological dynamics therefore also produce cultural changes.

The implications are far-reaching. With regard to the trajectory of weapons technology, for example, to which the logic of globalization also applies, the perspective seems to point to smaller and smaller groups of actors being able to command ever greater, more far-reaching and more rapidly deployable means of destruction, with a vanishing point at which individuals might be in a position to extinguish our entire civilization in the blink of an eye. (Thank goodness we have not yet reached that point.)

What does this mean for international relations? For a start, in every area of societal activity the number of »relevant actors« – in other words, those who can (or could) exert sustained influence on developments – is growing.<sup>11</sup> So are interdependencies and vulnerabilities between them, for technological advances often go hand in hand with more complex divisions of labor in producing social responses. These actors might be states or international organizations, economic entities such as transnational corporations, non-state actors such as the Catholic Church, Amnesty International or Al Qaida, but also individuals (recall, for example, the encounter between George Soros, a Hungarian-American investor, and the UK government over the exchange rate of the pound on September 16, 1992 [»Black Wednesday«, which Soros won]). Actors are *relevant* whenever their behavior puts them in a position to *facilitate* or to *obstruct* desired future developments. At least some of these actors will also be in a position to demand a role in decision-making processes in which political goals and strategies are determined. For politics, this means that the behavior of an ever larger number of interested and relevant players must be coordinated, accommodated and included in decision-making processes, often across national borders.

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10. Daniel H. Deudney (2007): *Bounding Power; Republican Security Theory from the Polis to the Global Village*. Princeton, NJ/Oxford: Princeton UP; 193–214.

11. Hanns W. Maull (2000): »Welche Akteure beeinflussen die Weltpolitik?«, in Karl Kaiser and Hans Peter Schwarz (eds.) (2000): *Weltpolitik im neuen Jahrhundert*. Bonn: Bundeszentrale für politische Bildung; 369–382.

In other words, politics must contend with a drastic increase in *complexity*. The significance of this is generally underestimated or even ignored by decision-makers. In fact, the basic state of politics – and therefore of political actors, too – today is not power but impotence. This is because the chaotic processes characteristic of complex or »turbulent« systems, while shaped by causal mechanisms, are incomprehensible to those affected. They tend to react with their eyes firmly set in the rear mirror, relying on linear extrapolations of the past which are bound to go astray. The ability of decision-makers to get what they want is thus seriously qualified, but they usually hate to admit this. As a result, across the whole spectrum of politics, from the local to the global level, a gap is opening between the growing *demands made on politics* by a multitude of »relevant« actors and interests (and the common good of mankind), on the one hand, and the at best slowly increasing (if not stagnant or even declining) *capacities of politics* to steer events in the desired direction, on the other. Politics is certainly making efforts to improve its capacities, but on balance it still seems to fall short of what would be needed. (Naturally, the capabilities of individual political systems, structures and processes differ considerably and the gap and its evolution will differ from case to case, and it may even close, rather than open further, in a few instances. Yet overall, the trend seems to be in the other direction).<sup>12</sup>

From this perspective, since the end of the East–West conflict world politics have experienced a progressive erosion of political order at all levels.<sup>13</sup> To that extent, the fashionable concept of global governance is rather problematic: it describes something which politics would dearly love to provide and certainly urgently needs, but which it rarely actually obtains. The reality of global governance in 2010 is that there is scarcely any important international organization – be it the UN, NATO, the EU, OSCE, the WTO or the IMF – and scarcely any international regime (such

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12. Exactly how serious the consequences of this development could be is illustrated by the, at first glance, surprising assessment of Admiral Mike Mullen, chairman of the US joint chiefs of staff, who in June 2010 identified US sovereign debt – in other words, the result of the difficulties experienced by American politics in coping adequately with society's current problems within the framework of the available options – as the greatest threat to US national security, *including* the potential dangers emanating from weapons of mass destruction and Al Qaida. See Edward Luce: »US Deficit Key to Orszag Departure,« in *Financial Times* (June 25, 2010).

13. Cf. National Intelligence Council (2010): *Global Governance 2025: At a Critical Juncture*. Washington, DC: NIC and EU-ISS.

as the non-proliferation regime, the international currency system or European Monetary Union) which does not find itself mired in crisis, to a greater or lesser extent.

The erosion of political order most clearly manifests itself at what is strategically their most important junction of politics: the nation-state. »Precarious statehood« and »failed states« over the past 20 years have become key issues of international security, from the wars in the Balkans to Afghanistan and Pakistan.<sup>14</sup> But this erosion is by no means confined to the »Third World.« The effects of globalization have exposed statehood everywhere to adaptive pressures. They concern both its classic functions of guaranteeing domestic and external security and an effective and legitimate social order, and the »modern« state functions through which the state provides its society with public goods such as a basic welfare system, education and economic stability and the social infrastructure of the »competition state« (Eric Helleiner) or »Wettbewerbsstaat« (Eckard Minx), which are supposed to make national economies fit for global competition over jobs and tax revenues; states try to contribute to this both materially (for example, through infrastructure such as transport routes, ports and airports) and immaterially (for example, through good legal systems, advanced education or basic scientific research). Maintaining and evolving functioning and effective statehood therefore has become a very demanding task which requires continuous adaptation of the state in its administrative as well as in its political sphere. Whether and to what extent these adaptations succeed is becoming an increasingly important issue in the new global competition of political systems between Western democracies and non-Western, authoritarian, but capitalist regimes such as the People's Republic of China.

## Globalization and International Order: Three Overarching Trends

Globalization is the most important *cause* of change in the world economy, world society and world politics. Its *consequences* can be found, among other things, in two of the most important discontinuities in world politics in recent decades – the opening up of China and the end of

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14. See the »failed state index« provided by the magazine *Foreign Policy* and The Fund for Peace, available at <http://www.foreignpolicy.com/failedstates>. For efforts by the international community to rebuild failed states, see Mats Berdal (2009): *Building Peace after War*. London/Oxford: Routledge.



the East–West conflict. The Soviet leadership under Mikhail Gorbachov tried to adapt the Soviet state to the new conditions. It started with foreign policy, recognizing the enormous economic burden imposed upon the Soviet Union by the arms race with the United States. Then, Moscow tried to rebuild the political system. The Chinese communist party leadership, for similar reasons, had already decided to open up economically to world markets with the reforms initiated by Deng Xiaoping in 1978. (The ground had been prepared for this by a strategic opening of Chinese foreign and security policy towards the West in 1972). To be sure, Beijing drew different conclusions from Moscow from its – broadly similar – analysis of the structural weaknesses of their socialist economic systems: China opted for gradual economic policy reforms while retaining the primacy of the Communist Party and essential features of democratic centralism, while the Soviet Union under Gorbachov made political restructuring («new thinking» in foreign policy, «perestroika» and «glasnost») its focal point. This eventually led to the implosion of the Soviet empire and German reunification. The Chinese Communist Party's strategy has – so far – been spectacularly successful, while the Soviet Union collapsed. In the space of 20 years, China rose from political isolation after the suppression of the democracy movement in 1989 to becoming the USA's most important global economic and political partner and a potential challenger (the fundamental if ambivalent interdependence of the two states is well described by the concept of the «G2»).<sup>15</sup>

This evolution also accelerated the material and substantive re-orientation of world politics from its focus on the security problems of the Cold War to «geo-economics». This overarching trend, whose epicentre comprises China's policy priority on «peaceful development,» encompasses a whole set of individual tendencies, such as:

- ▶ The overall shift of economic activity from the established industrialized countries towards the newly emerging countries in general, and towards Asia and China, in particular. Thus, the centre of gravity in international relations also moved eastward;
- ▶ the increase in local, regional and global environmental damage as the dark side of economic advance on a global scale;

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15. See the debate about this in *Foreign Affairs*; C. Fred Bergsten: «A Partnership of Equals,» in *Foreign Affairs* (July/Aug. 2008); Elizabeth Economy/Adam Segal: «The G-2 Mirage,» *ibid* (May/June, 2009); C. Fred Bergsten: «Two's Company,» *ibid* (Sept./Oct. 2009).

- ▶ international competition for raw materials;
- ▶ the economic and political ascent of energy- and resource-rich states, such as Brazil, the OPEC states, and Russia, as well of other emerging countries (India, Indonesia, Turkey, South Africa);
- ▶ the growing importance of large enterprises which are state-owned (or have close ties to the state) as commodity producers or exporters in the emerging countries, again headed by China; and
- ▶ new competition concerning how best to govern markets between, at the extremes of the spectrum of different approaches, the (neo)liberal and democratic welfare state model of the West, on the one side, and the mercantilist-authoritarian »capitalism with Chinese characteristics« on the other.<sup>16</sup> This competition turns around who has the most effective, most efficient and most sustainable political solutions to development problems on a national, but also on an international scale. Yet the protagonists in this competition are also heavily dependent on one another and thus condemned to cooperation if they want to prosper. A return to the great power politics and territorial struggles of the nineteenth century therefore seems far-fetched.

*All* of the competing and cooperating states, whether the OECD countries, the BRIC states (Brazil, Russia, India and China) or other emerging countries, are capitalist, they *all* boast economies with a strong private sector.<sup>17</sup> Yet in *all* of these economies the state not only lays down the fundamental rules and regulations governing economic activities, but it also intervenes in economic processes in various ways and often to a considerable extent, indirectly or directly (for example, via state-controlled enterprises). *All* of these economies are therefore mixed economies; even in the USA, the stronghold of economic freedom and the bastion

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16. This competition between different models was first prominently analyzed by Joshua Cooper Ramo (2004): *The Beijing Consensus*. London: The Foreign Policy Centre. See also Stefan Halper (2010): *The Beijing Consensus, How China's Authoritarian Model Will Dominate the Twenty-First Century*. New York: Basic Books.

17. The number of large private fortunes, of millionaires and billionaires, is therefore growing across the world – and especially in the emerging countries – at an accelerated rate. In the middle of the current decade there were around 6.2 million millionaires in the world, 85 percent of whom were in the Western industrialized countries; at the end of the decade (2009), there were already more than 9 million, three million of them in Asia. Although in 2009, still around half of all millionaires came from the USA, Japan and Germany, China had already reached fourth place, with around 477,000 millionaires (*FT*; Sept. 19, 2006; June 22, 2010).

of neoliberal economic theory and policy, the ratio between government expenditure and gross national product (GNP) in 1980 – before the (supposedly neoliberal) economic policy reorientation under President Reagan – amounted to 34.1 percent (as against 46.6 percent for the Federal Republic of Germany). In 2008, the ratio stood at 38.8 percent (versus a 43.3 percent in Germany). It is therefore not a question for any of these economies *whether* the state intervenes massively, but rather *how* it does so.

The second overarching trend concerns the *mutation of security issues*. During the period of the East–West conflict, the well-known traditional security dilemma still weighed heavily on international politics. In the world of the security dilemma, territory and population formed the basis of state power, which was dramatically magnified by the two revolutions of the late eighteenth and nineteenth centuries: the French revolution of 1789 and the industrial revolution starting to take off in the middle of the nineteenth century. In their efforts to maintain and to extend their own national sovereign power, they became a threat to one another, as those »national interests« were usually pursued through policies ultimately based on the threat and use of military force. The apotheosis of this security dilemma, with all of its dreadful consequences, was the First World War.

Yet this security dilemma also produced the seeds of its own demise. With the arrival of nuclear weapons and intercontinental delivery systems, the security dilemma became existential. The two blocs in the Cold War confronted each other in a stalemate of »mutually assured destruction« (MAD). Like two scorpions in a bottle, neither could sting without being stung by the other. The security dilemma thus had mutated, with far-reaching consequences, into existential mutual interdependence as a result of revolutionary developments in weapons technology during the second half of the twentieth century.<sup>18</sup>

The security dilemma discussed so far and its mutation into mutual assured destruction between the nuclear powers concerned competition *between states*. It will continue to be relevant in the future, but – at least for the time being – consigned to the background. Coming to the fore-front now is a new, but at the same time very old security dilemma: the dilemma of *violence within societies* as a result of collapsed, collapsing or perverted statehood. If and when the state monopoly on violence

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18. Deudney: op. cit.; 244–264.

begins to crumble, »violence entrepreneurs« may move to seize control of lucrative sources of revenue, in particular through the exploitation of mineral resources. Often such local armed actors may align with organized crime gangs or terrorist organizations engaged in activities beyond their own borders, thus giving rise to *transnational forms of security threat*. Some of these groupings have already tried to acquire nuclear, biological or chemical weapons of mass destruction (WMDs) and one – the Aum sect in Japan – has even made an attempt to deploy biological WMDs, thankfully without much success.<sup>19</sup>

Overall, as a result of these mutations of the security problem, the focus of security policy has shifted from inter-state to *transnational* and *intra-state/intra-societal risks and threats*. The boundaries between states are thus becoming increasingly porous, their internal control and authority shaky. The reverberations of those new security problems in recent years have led to international interventions, usually authorized by the United Nations Security Council in collapsing and collapsed states from the Balkans to East Timor, from Haiti to Afghanistan, with the aim of restoring or re-establishing collapsed state structures with outside support. The results so far have been disappointing. Even where – as in the Balkans – the international community and, in particular, the EU have invested heavily in state-building efforts under international control over long periods, success has been limited.<sup>20</sup>

A last mutation of security issues concerns the *risks and dangers stemming from the inadequacy of political governance*. This security problem, too, is both new and very old: people have always had to cope with the elements and with natural catastrophes. What is new is that such catastrophes may also arise on a global scale from unintended consequences of human activities (climate change, exhaustion of marine ecosystems, destruction of global commons such as oceans or forests). The ability of societies to prevent such problems or to cope with their consequences depends to a considerable extent on the capacity of their political systems to manage and coordinate individual behavior. This capacity now appears broadly doubtful.

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19. Kyle B. Olson: »Aum Shinrikyo: Once and Future Threat?,« in *CDC Emerging Infectious Diseases Journal* 5: 4 (July/Aug. 1999); available at <http://www.cdc.gov/ncidod/eid/vol5no4/olson.htm> (accessed on Nov. 9, 2010).

20. See, for example, Elizabeth Pond (2006): *Endgame in the Balkans, Regime Change, European Style*. Washington, DC: Brookings Institution Press.

The third overarching effect of globalization on the international order concerns the cultural dimension of values and ideologies.<sup>21</sup> Globalization processes allow interactions to arise where none existed before; in this way they bring people to interact with one another – but also *against* one another – who previously had no contact, often also snatching them out of their accustomed milieus and social contexts. Accordingly, while globalization does function as a force of transnational integration, at the same time it also divides and fragments. In fact, both aspects of globalization appear to be linked dialectically: the more potent the forces of integration become, the stronger become the counter-forces of fragmentation, separation and the search for one's own or the particular, the uniqueness of one's own experience – in other words, identity.

A key enabling condition of globalization is individual freedom of action. Only where there is some latitude for individuals to pursue their search for prosperity, security, esteem and happiness can knowledge create new forms of interaction, new products and new processes (though knowledgeable individuals will also push against the barriers impeding their initiatives). Western values of individual freedom, human rights, private property, the market economy and democracy, which arose from Europe's rational and secular culture since the enlightenment, therefore evince a high affinity for globalization. Other values closely associated with globalization's integrative orientation include internationalism, a willingness to cooperate, trust and solidarity, and the perception of the other as a potential partner, rather than as an enemy.

Simplifying somewhat, the various integrative ideologies linked to globalization can be reduced to the formula: »human rights, democracy and market economy.« These ideas, at present, probably (still?) represent the most attractive economic and political ideology on offer worldwide.<sup>22</sup> However, the value orientations of fragmentation and de-solidarization, in particular aggressive nationalism and ethno-nationalism and religious fundamentalism, are proving stubborn rivals. The political relevance of ideological conflicts between globally oriented, integrative and universal values, on the one hand, and exclusionary and particular values, on the

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21. The term is used here in a neutral sense, with no normative connotation: ideologies may be good or bad, but they are always systems of thought built around certain shared core values.

22. See Christopher Coker (2002): *Globalisation and Insecurity in the Twenty-first Century: NATO and the Management of Risk* (Adelphi Paper No. 345). London: OUP.

other, lies in the great significance which values have for the coordination of individual behavior. Visions of a better world can develop considerable political potency, even if they are not political themselves in the narrow sense – as the historic rise first of Christianity and then of Islam demonstrated. In the present stage of globalization, internalized values and convictions guiding individual behavior are one possibility to compensate for the difficulties of nation-states to coordinate societal behavior – the fundamental problem of the state and of politics today.

## Globalization and Power

Under conditions of globalization, politics tends to spread beyond national boundaries. Although political processes are located at clearly distinguishable levels from local to global politics, they are also becoming increasingly intermeshed. The hinges between different political levels, by means of which interactions between national societies can be coordinated in regional and global contexts, are increasingly important, but their effectiveness now often seems doubtful as part of the broader challenge faced by politics. The task of enabling people to »live the good life« together in prosperity and self-determination, which is the essence of politics, requires ways and means to make the most of the opportunities and to keep in check the risks that come with globalization. In the first instance, that is still the job of the nation-state. However, its ability to do this job is diminishing appreciably, both because societal expectations of politics are rising and steering societies in the desired directions is becoming more difficult. In short, the state and political actors in general lack power.

»Power« is understood here (after Weber) as the opportunity of a political actor to assert himself in the face of resistance and thereby (after Ronald Dahl) *to shape decisions and thus future developments in accordance with one's own wishes*. Power is the central transaction medium in the political sphere; it also forms the basis of state authority. It rests on specific characteristics and capabilities of actors, but also on positions in hierarchically structured institutions. It can be exercised by virtue of the fact that others have lesser power attributes and capabilities or that the authority inherent in an office or the prestige of one's position in society are freely accepted and behavioral precepts obeyed. Power can be aimed at what others are supposed to do or what they should refrain from doing – but also (more subtly) at the social and political structures

and institutions which restrict the range of individual options, as well as at how they see themselves and their own identity.<sup>23</sup> (Granting or denying citizenship is also an act of exercising power). Globalization has far-reaching consequences for individual and collective power:

- ▶ Under conditions of globalization, knowledge tends to become the most important power resource. The power potential of individuals and social networks will therefore tend to increase relative to that of state actors, whose legitimacy can be challenged and whose authority can be circumvented by informed individuals. As a result, power is diffused; the mobilization and concentration of social power required to achieve desired collective ends will become more burdensome.
- ▶ This applies in particular to constructive power: power to destroy or to veto, in contrast, can be mobilized comparatively easily: the dynamics of technological development make available more and more powerful instruments, and the vulnerability of society to disruption also grows.
- ▶ Finally, the conditions of globalization not only increase the costs of mobilizing power, but also the price of power. If the wrong political decisions are made, or if none are taken where they would have been needed, this could cost both the nation-state concerned and the world community dearly. As a result, in times of globalization, paradoxically, political responsibility increases hand in hand with political impotence. Globalization therefore dilutes national power. In order to hold its ground, states must learn to live with the consequences of globalization and to adapt to it. Setting themselves against the waves of globalization is as hopeless as the attempt by the legendary King Canute to order the incoming tide to go back. Surfing on these waves, however, is by all means possible, provided one has the requisite skill. This is the challenge confronting states – at home, and abroad.

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23. See Michael Barnett and Raymond Duvall: »Power in International Politics,« in *International Organization* 59 (Winter 2005): 39–75.