THE FUTURE OF GLOBAL GOVERNANCE

MANAGING RISK AND CHANGE IN THE INTERNATIONAL SYSTEM

MIHALY SIMAI

UNITED STATES INSTITUTE OF PEACE PRESS
Washington, D.C.

The views expressed in this book are those of the author alone. They do not necessarily reflect views of the United States Institute of Peace.

United States Institute of Peace
1550 M Street, N.W.
Washington, D.C. 20005

© 1994 by the Endowment of the United States Institute of Peace. All rights reserved.

First published 1994

Printed in the United States of America

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences—Permanence of Paper for Printed Library Materials, ANSI Z39.48-1984.

Library of Congress Cataloging-in-Publication Data
Simai, Mihaly, 1930–
The future of global governance : managing risk and change in the international system / Mihaly Simai.
p. cm.
Includes bibliographical references and index.
ISBN 1-878379-34-8 (alk. paper) — ISBN 1-878379-33-X (pbk. : alk. paper)
1. International cooperation. 2. World politics. 3. Economic development. I. Title
JC362.S53 1994
327.1'7—dc20 94-13637
CIP

Contents

Preface v

Introduction xi

Part I: The Conceptual and Historical Development of Global Orders 1

1. Order in the New Global Political Context 3
2. The Concept and Character of Global Order 9
3. Criteria for an Effective Global Order 13
4. Past Ideas about Universality, Peace, and Order 17
5. Past Attempts to Institutionalize World Orders 25

Part II: Continuity and Change in the International Political System 33

6. States and Ideologies in the Post-Cold War Era 35
7. The United States in an Evolving Multipolar World 47
8. The Political Consequences of European Unification and Fragmentation 57
9. The Politics of Change in Asia 83
10. Old Problems and New Opportunities in the Middle East 97
11. The Politics of Latin America, Africa, and the Developing Countries of the South 107

Part III: Conflict and Cooperation in the Changing Global Economic System 119

12. The Politics of the Global Economy 121
13. Changing Regional and Global Conditions of Economic Growth 131
14. New Global Priorities: An Agenda for Cooperation 169
15. The Human Dimension of Change in the Future Global Economy 179
16. Technology and the Global Economy 197
17. Trade and Capital Markets in the Changing Economic System 221
18. Toward a Transnational Economy in a Fragmented World 233

Part IV: Multilateralism of the 21st Century in the Making 243

19. Continuity and Change in Global Governance 245
20. New Global Needs and the Network of International Cooperation 263
21. Post–Cold War Politics and Multilateral Institutions 279
22. The Changing Attitudes of States toward Multilateral Cooperation 295
23. The Governance of International Intergovernmental Organizations 315

Part V: Holding the World Together 337

24. Adjusting to the New Challenges and Opportunities of the System 339

Notes 355

Index 377

Preface

For political decision makers, the prospect of change is much like the prospect of a blind date: although it may be desirable, it is unpredictable and the results may well run counter to one's preconceptions and plans. Unlike a blind date, however, change is inevitable. Political success has thus always depended on the abilities to understand and to master change. At this, the last stage of the turbulent 20th century, these abilities are being tested as never before.

In recent decades, changes have occurred at dizzying speed and brought dramatic consequences. We have seen a political landslide in Central and Eastern Europe and the former Soviet Union; the end of the Cold War; the evolution of a new international power structure; a technological transformation and information revolution; the emergence of competitive regional groups; the transnationalization of the international economic system; and a rising awareness of the dangers posed to the global ecosystem. The end of the ideological war between capitalism and communism has closed a major chapter in history, but it has also opened a new chapter, one of ideological conflicts waged on local and regional levels and in which nationalism, xenophobia, and ethnocentrism feature prominently. The victory of national self-determination and democracy in vast regions of the world has raised many expectations; however, if these

expectations remain unfulfilled and the promises made by new, inherently unstable states are broken, then violent ethnic and social movements seem certain to arise and grow.

Change cannot be prevented, but its consequences must be managed. Unfortunately, the ability to promote change in the modern world is far ahead of the ability to calculate change's implications and to deal with its consequences. Although the Cold War has ended, the international community has yet to create a grand design for a new global order, and it may not develop one for a while. Some experts predict international institutional changes that will herald a new era in collective risk management and global governance. These expectations are fading amid devastating civil wars, social dilemmas, and economic difficulties. Thus far, change has produced more academic debates than concrete measures. In many countries, steps have been taken only toward reformulating national strategic interests and goals; there has been little focus on how to deal with change in an international sense.

A policy-oriented work with theoretical foundations, this book examines the tasks that confront the international community and assesses its capabilities to manage change. This book also suggests global measures that could improve multilateral risk assessment and management, and ties its conclusions to the new values and norms of international cooperation. It is not an addition to the globalist utopias, but contributes to the international dialogue of concerned people: academics, decision makers, and public opinion leaders. It is in favor of multilateral institutional cooperation but does not idealize the United Nations or other multilateral agencies. My approach is global, but I appreciate the inevitable strands of continuity with the past and take into account the new elements of bilateral cooperation and evolving regionalism.

In essence, then, the aim of this book is to seek answers to two overarching questions: One, what are the major political, economic, technological, environmental, and social changes confronting the world today, and what risks do they pose? And two, given what we know about these changes and risks, what new adjustments will have to be undertaken to make the world as peaceful and as stable as possible?

This book represents a new stage in my long-standing research on global political, economic, and social changes. My initial

research was stimulated by the early global projections of the United Nations (in which I was participating) in the 1960s, at the end of the "golden age" of the post–World War II era. The results of the first stage of my research were published in 1976 in *Toward the Third Millennium*. My views at that time were strongly influenced by three assumptions: first, that, in spite of systemic differences, global gaps, and political conflicts, there was a strong international convergence of problems; second, that most problems required multilateral cooperation rather than bilateral or unilateral action; and third, that the world, with the help of the United Nations, could solve the existing and evolving demographic, technological, and economic problems in a global cooperative framework. This third assumption proved to be too optimistic. It did not take into account such important realities as the diverging interests of the major powers, the increasingly unequal and competitive character of the global economy, the implications of the oil price explosion, the collapse of the Bretton Woods system, the increasing systemic weakness of the Soviet Union, and the new wave of the arms race. However, the main conclusion of *Toward the Third Millennium*, that the post–World War II era was approaching its end, was correct.

Interdependence and Conflicts in the World Economy, published in the mid-1970s and based on my research and experience as an expert on the United Nations, analyzed the nature of evolving economic conflicts in an interdependent world and the interfaces between science, politics, states, and multilateral organizations. The main conclusion of *Interdependence and Conflicts in the World Economy* is that the growth in interdependence and interaction among states does not eliminate the sources of conflicts, and actually has become a source of new ones. This growth, however, has radically modified the character of conflicts and has introduced new incentives for their management and solution.

The third phase of my research was conducted within the framework of a multiyear program of the United Nations Development Programme (UNDP) dealing with the human dimensions of global development from a comparative perspective. Concentrating on the future of global employment problems and education issues, some parts of my research were published by the UNDP and the North-South Round Table in four volumes (*Human Development, Adjustment and Growth; Human Development: The Neglected Dimension; Human Development in the Changing World;*

and *Change: Threat or Opportunity for Human Progress*). These publications warn about the evolving "human crisis" dimension of change.

In the fourth phase of my research, I concentrated on the global agenda of the 1980s: increasing polarization, evolving new power structures, and changes in the functioning of the markets. My findings were summarized and published in 1990 in *Power, Technology and the World Economy*. A main conclusion of that work is that the global economy has entered a new phase characterized by deepening long-term problems, which have become major crises in areas such as the Soviet Union, Central and Eastern Europe, and many regions of the developing world. Another conclusion is that the new stage of economic and technological development has made the dominating patterns of international cooperation increasingly inefficient and irrelevant. I was not able to predict the political changes of the late 1980s and early 1990s, but my analysis of the global economy and the changing positions of the major countries resulted in projections about the socioeconomic sources, national and global determinants, and consequences of those changes.

This fifth—and, I trust, not final—stage of my research looks at the late 1980s, the 1990s, and beyond and argues in favor of a multilateral approach and multilateral institutions to deal with current and future global problems. This book is divided into five parts: a discussion of the historical development of global order concepts and the need for new formulations; an analysis of the new realities and formations in the international political system; a review of the search for collective security in an era of intense economic competition; a consideration of global multilateral cooperation; and a concluding assessment of challenges and opportunities.

"Mankind has always lived dangerously," observed the French philosopher Raymond Aron. This is the broad, yet unifying theme of my earlier and present work. Despite the demise of Soviet-style communism and the disappearance of the threat of imminent global nuclear catastrophe, myriad other dangers now confront the peace and stability of the world. Although some observers talk about the emergence of new opportunities that, if taken, will finally usher in an era of world peace, I believe that we must face up to the unresolved problems and dangers

of the past while also dealing with threats that are only just beginning to appear. Above all, the world needs to acknowledge the existence of many nonmilitary problems that are emerging in various parts of the world, and it needs to address them much more intensively and efficiently through a multilateral and cooperative approach.

I should like to express my gratitude first of all to the United States Institute of Peace, which facilitated my research and provided excellent human and technical support and a creative, stimulating atmosphere. I am also grateful for the critical remarks and recommendations of my colleagues, especially W. W. and Elspeth Rostow, Samuel Lewis, Alexander George, Louis Sohn, Michael Lund, Otto Koester, Nigel Quinney (who also edited the manuscript), James Rosenau, Robert Cox, Modesto Vasquez, Robert Manley, Donald Puchala, William Diebold, Uner Kirdar, and the many others who helped me in the various phases of my research (including the participants of a workshop held at the United States Institute of Peace in 1992 on the future of multilateral cooperation). It was, however, my research assistant, Tim McInnis, who provided the critical support to a desperate Hungarian scholar, helping me to find my way to various institutions and parts of the United States and to navigate through the labyrinths of linguistics, references, footnotes, and computers.

March 1994