Introduction

The Global System in Transition

For the purpose of managing international peace and conflict, multilateral cooperation has important advantages over unilateralism. As the turbulent history of the 20th century has shown, unilateralism has often been accompanied by domination, fanaticism, and violence. By contrast, multilateralism is founded on international dialogue, mutual tolerance and respect, consensus building, accommodation of interests and values, and mutual understanding. Multilateralism has become increasingly more acceptable to nonstate actors, which have a growing influence on the international stage.

As history also reveals, however, neither a unilateral nor a multilateral approach has been very successful in preventing wars from breaking out. This is partly due to the character and magnitude of the threats to peace. But it is also the case that neither multilateralism nor unilateralism has ever been, nor probably ever will be, the absolute and independent source of international policy and action. Both approaches must thus be taken into account to understand present and future global problems, and the dichotomy between them must be understood when examining the potential sources of instability and conflict together with the future complexities of international cooperation, governance, and risk management.

The focus of this study is the global system and its political, economic, and ecological subsystems. This system serves as the context for analyzing the major global trends and changes shaping the new "human condition" of the world in the 1990s and in the early part of the 21st century. Today, there is a rare coincidence of historical discontinuities, with transformation occurring in many social, political, and economic processes and structures. In the global system, change takes many forms: regular and irregular, predictable and unpredictable, evolutionary and unsteady, linear and nonlinear, cyclical and noncyclical. On the global level, change is always multifaceted. The global system also contains elements of progress, decline, and retrogression that affect not only states but also groups of states, corporations, and international organizations. Some of these actors have been more astute than others in adapting themselves to a dynamic environment. But, when actors adapt their institutions as required by systemic change, does the old order simply vanish?

According to historical experience, the transition from one world order to another is never smooth. Transitional periods in the past have engendered uncertainty and tension; in those regions of the world most adversely affected by change, wars have erupted and nations have strategically realigned. Not surprisingly, patterns of transition differ according to the diversity of historical actors and forces.

The multidimensional complexity of the transitional phase of development is of critical interest to social science. This is the uncertain period between the old and new systems during which factors of each intermingle and compete, eventually producing change in the global order. Here, there is an interplay of a wide range of factors—geostrategic, environmental, anthropological, political, economic, social, technical, and organizational. Global actors also play a role. To understand the causes and implications of this interrelated and complex process requires special analysis.

On the threshold of the 21st century, the world is experiencing an especially profound and multifaceted historical change. A key element of this change has been the collapse of the Soviet Union, the last great empire of the modern age.

The decline of the great empires of the last half millennium has been protracted. It began with the collapse of the Spanish empire, which was followed by the successive disintegration of

the Ottoman, Austro-Hungarian, and German empires. After World War II, all other great empires disappeared except for the Russian empire, the greatest continental empire of modern history. Although the Russian empire had transformed itself into the Union of Soviet Socialist Republics with the declared aim of creating an international community based on political and economic equity, the Soviet state simply revitalized the geostrategic structure and goals of the Russian empire. Ultimately, this empire was liquidated by internal forces—by nationalism, anticommunism, and popular dissatisfaction with the state's inability to solve the basic needs and problems of the Soviet Union.

One result of imperial collapse has been an increase in the number of sovereign states, all of them patterned more or less along the lines of the European state structure. The current number of states is greater by far than at any other time in modern history, and it is still increasing. Between 1816 and 1946, 52 states were created and 23 destroyed. At the turn of the century, there were 50 states in the world, with only 26 of these being represented at the 1899 Hague Peace Conference. At the second Hague Peace Conference in 1907, 44 states were represented. Following World War I, 10 to 12 new states were either established or had their frontiers redefined. By the end of 1945, there were 63 states in the world. With the disintegration of the British, French, Belgian, Dutch, and Portuguese empires in the post–World War II period, 80 new states came into existence. The breakup of the Soviet Union further enlarged the ranks of independent states. By the end of the century, the number of states may exceed 200.

States are the primary units of the global political system, pursuing their perceived national interests wherever they may be. The experience of the past 20 to 30 years has shown that the global political system functions less well and less predictably if the potential sources of discord and conflict among a growing number of states are not managed, moderated, and resolved. The collapse of the Soviet-Russian empire represents a new era of interactive coexistence between smaller and larger states.

The disintegration of the Soviet Union has also ended an era of political and military bipolarity, closing the book on Cold War alliances, proxy wars, and the magnitude of the nuclear threat known in the period of mutually assured destruction. At the

same time, that disintegration has brought about the partial collapse of Europe's political structure as established by the Allies at Yalta and Potsdam in 1945. The central element of this structural breakdown has been the unification of Germany. There have also been changes—most notably, the fragmentation of Yugoslavia and Czechoslovakia—in the peace regime established by the Versailles treaties after World War I. These changes and the multiplicity of ethnic and small-state conflicts they bring in their wake pose new challenges not only for European security but also for the global security system as established within the framework of the United Nations.

The global system is also being affected by the declining hegemony of the United States. This is certainly a long-term process: the United States is, and will remain for many years, the strongest power in the system. Still, the erosion of its hegemony involves the breakdown of those institutions, regimes, and arrangements that were based on it.

The late 20th century is a critical period for states: Will they, or will they not, be able to function effectively on behalf of their national interests in domestic and international arenas? The modern state system represents a concentration of power in the state, which in theory exercises full authority over the people and resources within its territory. The state is a secular power. It guarantees an individual's autonomy, although it also establishes a degree of social control through its institutions. Today, however, the traditional means of domestic social control are fast becoming incapable of dealing effectively with crime, drug abuse, and the many other social problems that are damaging to societal norms and cohesiveness. Internationally, these states may be facing an unfamiliar "post-Westphalian" world where secular and unitary states are no longer dominant.

Disintegration in the East is being paralleled by integration in the West. This latter process, reflecting the forces of globalization and transnationalization, is far from smooth. While the international commitments of states are everywhere increasing, as are the constraints on sovereignty, there is also resistance to transboundary regulatory institutions.

Certainly, the role of the state is changing. Domestically, relations between governments and their civil societies are going through important transformations, and the role of

nongovernmental structures is growing. Internationally, the changes are even greater. The boundaries between international and domestic domains are being erased in many areas. Although great differences exist in the character and intensity of these changes vis-à-vis the state, one way or another even the strongest states are constrained, whether in real or in normative terms. In some areas—international capital and information flows, for example—states are either losing control altogether or imposing greater and often unsustainable burdens on their resources for retaining control.

Moreover, the state system is changing more rapidly than are international organizations (with the possible exception of the European Community), the result being that these organizations are incapable of dealing with the domestic policies of states having international consequences. The weakness of international organizations is a serious source of instability, particularly in the international economic system.

In economic terms, the last quarter of the 20th century symbolizes the end of the post-World War II era of global development, which was typified by large savings utilized for domestic investments and international capital flows, rapidly expanding world trade, major structural changes in output and consumption patterns, full employment, the expansion of social services, and surplus personal incomes—at least in the West. The East and the South never fully experienced global prosperity. Since the 1970s, a major shift has occurred in the economic policies of many governments, policies which had previously been based on the active involvement of the state in regulating economic processes for the benefit of the welfare state structures and full employment in the developed industrial world. This shift is no mere change in dominating ideologies, or a replacement of neo-Keynesians by monetarists. Rather, governments everywhere have become aware that their effectiveness in economic management has been substantially curtailed by both domestic constraints and the forces of the global economy.

Additionally, the last third of the 20th century has witnessed the end of a long technological era begun in the late 19th century. The transition to a new technological era based on a few main generic technologies has been under way since the late 1960s. The implications of technological change are reflected in

the acceleration of what has been called the "creative destruction" of economic structures and fixed assets; at the same time, new production and consumption patterns have evolved, especially in the developed industrial countries. Information technology is making traditional transactions among firms, governments, and other microactors and macroactors increasingly obsolete. The unevenness of technological change is an important source of global polarization, resulting in shifts in comparative advantages and capabilities.

Geostrategic and technological changes have a major influence on the international order and on those forces shaping the processes leading to a new order. The present changes are of epoch-making importance. Indeed, the world is in a state of transition to a new historical order, the parameters and regulating forces of which remain to be determined, though it seems likely to be an order of dynamic, fluid, and rapidly fluctuating processes difficult to fully apprehend and control. Thus, it is necessary for the world to embrace collective multilateral governance to manage those factors of instability and risks already visible in the system with the aims of promoting more efficient conflict prevention, building multilateral cooperation regimes, and facilitating risk management. Rather than focusing on the institutional details of multilateral governance, decision makers and analysts would be better served by understanding the nature and structure of cooperation and the complex international processes where it must be applied.

The Nature of the Global System and Its Subsystems

A study that covers such a great variety of world problems cannot be equally comprehensive in all issue areas. Hence, the focus of this book is on those problems that require or influence collective actions. A "nonconventional" systems theory framework is employed because it seems the most relevant of competing theories for the analysis and synthesis of the interactions among the primary global actors and of important processes and their anticipated outcomes.

A *system* can be defined as the entirety of interactions and interdependencies among groups or items within a specified structure or framework. Naturally, different structures can be

characterized as systems, and different theories seek to explain, describe, or quantify the intensity and nature of interactions, sources of change, and consequences of transformations within specific systems. Analysts of specific systems usually try to insulate a part of the empirical world against the randomness of the rest of that world. General system theory (or theories) deals with those problems that characterize all systems: equilibria and disequilibria, regularities and irregularities, sources and consequences of turbulence, and so forth.

This book looks at the *global system* (or *international system*). The global system encompasses the entirety of relationships among those actors that influence processes and changes beyond national frontiers. Operating in a structure characterized by the existence of states, these actors inevitably include the states themselves. Other important actors are intergovernmental organizations assigned the responsibility of managing destabilizing forces and risks, as well as certain nongovernmental institutions and organizations, like transnational corporations. A great number of relations have developed among these different actors in a wide variety of fields. Some of these relations are integrative; others can lead to disintegration and fragmentation.[1]

Further, the global system is, by its nature, embedded with social, ideological, and cultural structures. The role of social formations in systemic processes is especially important, because it influences virtually all of the system's components. In economic terms, social formations are defined as the structures of property, motivation, information, and institutions—all structures through which power is concentrated, diffused, and transferred.

For political, economic, and ideological reasons, nation-states have developed according to different societal formations. Freedom, democracy, particular moral principles, and pragmatic optimism, together with certain elements of social Darwinism, were key to forming the societal structure of the United States. The tsarist heritage of Russia, combined with a utopian communist ideology, had, in Russia's semideveloped economic environment, a major impact on the early social formation of the Soviet Union. China developed on the basis of cultural and social traditions developed over thousands of years, interwoven with major experiments in modernization, whether ideological, administrative, or economic. The process of social formation and transformation

manifests great variety, flexibility, and adaptability, and represents a dynamic factor in the global system.

While the global system is constantly undergoing change, the amount and rate of change within its subsystems vary. A "subsystem" is an autonomous system having unique attributes that determine a certain logic to be followed by the actors and regulating forces within its parameters. However, all subsystems—political, economic, and ecological—have common characteristics. Their composition is, uniformly, of multiple interrelated actors whose interactions can be controverting of individual or common interests. Another common feature is that change, not equilibrium, determines their processes. The quantity and rate of change in subsystems may become a worldwide source of conflict, especially when reacted to differently by the world's various regions. Together, the international political system, the world economic system, and the ecosystem form the global system with its curious dynamics, synergies, and dissolutions.

The *international political system* is a multilevel structure. At its base it represents the totality of relations among states. These relations are characterized by power politics, interdependence, and diplomatic and military relations in peace and war.

Relations between states and the nonstate actors of the system are conditioned by several factors. Among these, domestic political motivations play a crucial role. Indeed, the international political system is broadly inclusive of domestic political structures, processes, and institutions, in addition to various relations between states and nonstate actors. After all, domestic factors define the quantity of national resources that can be devoted to international issues. They also define national objectives in international relations and discriminate among the different partners and forms of cooperation. National objectives include strengthening national security, increasing national wealth and welfare, advocating certain values and ideas, improving the national reputation, and pursuing national self-interest in other issue areas. States do not exist in vacuums, nor do domestic factors. Both are interactive components of the international system.

The leading part in international affairs is played by a handful of powers—the "price makers" of the system. Even these countries, however, must adjust their policies to accommodate one another's actions. Adjustment, of course, is the permanent requirement

for the smaller states—the "price takers" in the system. It is as states adjust to each other, or to price makers, that political ideologies are generated by domestic actors. Although change is a constant characteristic of the international political system, major, epoch-making changes are produced by global crises that result from global wars, hegemonic decline, or large-scale and long-lasting economic contractions or depressions.

It has been suggested that the systemic model tends to minimize the importance of political ideologies, notwithstanding the ideological justifications given for the actions of states. One American scholar has argued:

> This de-emphasis on ideology, then, suggests that the analyst of world politics need pay little attention to what policy makers say about their policies. Clearly, they will say whatever will make their actions look good. They will talk about freedom, national self-determination, liberating people from Communist or capitalist slavery, and bringing about world peace, law, order and justice. But such concepts should not be confused with the concrete interests that are the real, underlying reasons for the state's behavior.[2]

In fact, political ideologies are more than window dressing for national policies. They express interests, values, attitudes, and culture in international relations, and they often reflect the influence of other factors. Ideology can play an extremely important and positive role in an era of major change. But creeds such as fundamentalism and orthodoxy can also rally nonstate actors, or even some states, to oppose and obstruct virtually all change, including the development of more cooperative relations with other groups or countries. The increasing influence of ideology today can be seen in the rising number of nonsecular Islamic states and in the revival of nationalism in Central and Eastern Europe. Plainly, ideological motives have also fueled international terrorism.

The international political system is the ensemble of national actions and interrelations. As a system, it expresses the political characteristics of the era, articulates mutually acceptable forms and instruments for seeking advantage in the system, defines the contests, determines the choices available to states, and places limits on their aspirations. It can also be a source of major and sudden shocks in the global system. A vital task of international

governance is to reveal accumulating tensions within the international political system and to prevent the outbreak of conflicts and violence by means of collective institutions and instruments.

The *international economic system* (or world economy) is the totality of global production, consumption, and exchange activities undertaken by microactors working within national economies and/or the world market. They are conditioned and interconnected both within nations and internationally by the diverse and increasingly globalized markets (in goods, capital, labor, and technology), and are influenced by the economic policies, international agreements, and other actions of various national macroeconomic and international organizations that manage cooperation regimes.

The state-centered character of the international political system is in increasing conflict with the transnational nature of the world economy. This conflict is aggravated by the dual-track character of the international economic system, with growing technological and income gaps and inequalities between the richer and poorer countries. The international economic system of the late 20th century is a highly complex formation. It comprises about 200 political units in the framework of which an unspecified, but very large, number of microunits creates the global product. The number of consumers is approaching 6 billion. Behind this magnitude exist immense inequalities and quality-of-life differences. Ancient technologies, the dominant tools of production used by poorer regions of the world, today coexist with highly productive, modern technologies—sometimes within the same countries. Famine and poverty coexist with unprecedented levels of welfare.

The world economy comprises different sets of relations, like monetary, trade, and technology relations, which are themselves special systems regulated by the market and by cooperation regimes. These sets of relations have become vitally important to the existence of states. Economic relations are the media for interdependence and competition. Spillovers of economic shocks and crises are communicated or transferred by them.

Among the different actors in the system, there are economic and technological superpowers setting the norms, and there are dwarfs, whose yearly output is smaller than the annual cash flow of a medium-sized supermarket in any developed industrial

country. The contrasts are not less dramatic on the microlevel: there are both global giants (transnational corporations) and barefooted entrepreneurs in the informal sectors of developing countries.

The global economy, and its way of functioning, is the main source of opportunity, income, and wealth; however, it is also a source of concern for many countries. Major changes take place in the global economic system as the result of radical technological innovations, the emergence or decline of major powers (competitors), and fundamental policy changes by the key countries of the system affecting income, output, trade, and investment. Changes are also interrelated with the global political system in terms of the role of economic power, the sources of instability, and the implications of political and economic conflicts and competition. The international economic system is also a key factor in the state of the global ecosystem.

Past theories of international relations have overlooked the *global ecosystem* as an integral component of the global system. The natural environment has mistakenly been presumed to be an inexhaustible source of natural resources; at best, it has been dealt with as a "global commons" that either should, or should not, be managed by cooperation regimes. Recently, however, deepening global ecological crises, as well as existing and potential international disputes over ecological problems, have changed the views of some scholars. The view of the ecosystem as an integral part of the global system, as a subsystem with special characteristics and postulates, is becoming widely shared, as seen in the development of international environmental policies, cooperation regimes, and law, and in attempts by grass roots organizations to safeguard the environment.

The global ecosystem (the atmosphere, hydrosphere, geosphere, and biosphere) is both the natural environment that sustains human society and the sum of interrelations between society and that environment. It has been characterized as a "self-organizing" or "self-regulating" system, in which the biosphere has become an increasingly active element. The global ecosystem is a highly complex mosaic of regional, subregional, and national microsystems where factors that have diverse environmental consequences interact. These microsystems affect the global system differently, but they are interconnected and

mutually influencing. The macrosystem they form is a cumulative global network, which in turn influences how the microsystems function.

A major conflict exists between the functional requirements of the global ecosystem and those of the global political-economic system. The basic requirements for sustaining the ecosystem are relative stability and ecological harmony, or balance. The ecosystem changes when major imbalances emerge as the results of human actions or natural catastrophes. As a complex system, the ecosystem is stabilized by "feedback loops" (the corrective reactions of natural or human forces). In general, the dynamics of nonlinear systems are chaotic. Stability under such circumstances implies that trajectories of disturbance remain within a relatively well-defined framework. Environmental catastrophes are disturbances that cannot be contained and thus radically affect ecological balance. As a result of extensive human economic activity, the feedback linkages with the biosphere are changed radically. The needs of the political-economic system are dynamism, expansion, growth, and greater profit margins. This is often achieved at the expense of the ecosystem. Harmonizing the two sets of requirements is painfully difficult, requiring deliberate, well-coordinated international actions for achieving ecologically sound schemes for sustainable economic growth. It calls for responsible collective governance.

These, then, are the outlines of the global system and its subsystems. A word of caution is required before we proceed to employ the nomenclature of systems theory, however.

A widely recognized problem in social science analysis is defining terms and categories. In political science, researchers often work with analytically imprecise categories that are understood and applied differently by various schools of thought. For example, the concept of the increasingly fashionable category of "governance" has yet to achieve a universally accepted definition.[3]

An associated variable of some complexity in defining terms is the diversity and polyglotism of human cultures. Naturally, conceptual frames of reference and nuance vary by culture; a given intellectual construct in English may represent a different notion and be improperly interpreted and apprehended in French, Russian, or Swahili. For example, in certain languages

"governance" simply means "the management of a household." Because of cultural differences, even seemingly opposite concepts as "chaos" and "order" are not necessarily understood dichotomously. In Chinese, the character for crisis simultaneously represents chaos and opportunity.

Similarly, concepts of "anarchy," "chaos," the "global system," and "world order" are neither easily transferable nor universally acceptable frameworks for students of international affairs. Indeed, even members of the same sociolinguistic group who accept the necessity of applying a systemic approach to the study of international relations are not always in agreement over the meanings of chaos and order.

Cultural differences go beyond mere linguistic differences. Human beings, who are in the final analysis *the* actors on the stage of international relations, are members of societies within which values, ideologies, customs, and history condition ways of thinking. It is not the task of this study to discuss the extremely complex role of culture in international relations. However, how the many political cultures influence the decision-making process and how political transactions are affected by biases and predispositions remain fundamental questions. Culture, together with other key factors (geographic and historical conditions, for example), is one of the most enduring variables conditioning changes and influencing the forms and content of governance.

The Structure of This Book

This book is divided into five parts. Part I begins with an overview of the historical development of concepts of global order and of attempts made in the past two centuries to institutionalize some of those concepts. It then asks whether, in light of past experience, we can arrive at a set of effectiveness criteria with which to evaluate and design a new global order. The conclusion is reached that, given the unprecedented nature of the risks confronting the post–Cold War world, qualitatively new approaches and policies seem necessary to strengthen global political, economic, and environmental security. But will new approaches arise automatically?

Part II begins the search for an answer to that question by examining the character of changes in, and issues facing,

contemporary global and regional politics. As in all areas of international life, old and new problems coexist and intermingle. Some changes have as yet been only partial, while others, although more fully experienced, are still of uncertain duration and direction and their long-term implications remain unknown. However, changes in the perceived interests and policies of the main actors allow some conclusions to be reached. The evolving global structure will, it appears, be hierarchical, involving a number of important regional powers. Interrelations between domestic and international issues will become more complex and antagonistic. Although new opportunities have emerged for the collective management of the main sources of global political instability and risks, global politics have been left more confused and less predictable by the increasing diversity of interests among the main actors, by the simultaneous presence of integrative and disintegrative forces, by the appearance of new internal and external sources of tension and conflict, and by the political heritage of the Cold War. Consequently, major efforts are needed to strengthen the collective capabilities of humankind to address the problems confronting global security.

Global security must be understood in a comprehensive framework, one that includes economic factors. Recognizing that current and future interrelations between global politics and economic changes will differ in many ways from past experience, part III of this book analyzes the main trends in the world's economic system and the dangers they pose for global security. Globalization is a key process in this respect. Through such means as the information revolution and technological transformation, globalization has transcended a variety of national and regional divisions and bound societies together in an increasingly but unequally transnationalized economy. Globalization is also an expression of the growing interconnectedness of national economies. This interconnectedness is also unequal and the degree of interdependence is highly asymmetrical. The gap between the needs of globalization (liberal trading regimes, freedom of movement of capital and labor, and so on) and the responses of states is wide and growing wider. International intergovernmental organizations have proved to be incapable of dealing efficiently with the new requirements of international economic cooperation and global development.

Part IV asks a central question: What are the present weaknesses and potential strengths of the international system of multilateral cooperation in dealing with the new problems facing the global system? In this part of the book, the place and role of the mechanisms of global multilateral cooperation are examined in relation to bilateral and regional as well as worldwide cooperation in the post–Cold War era. Although the present crisis in the global multilateral system of cooperation may be only temporary, the major powers are clearly not yet prepared to increase the power of multilateral agencies across the board. The policies of countries toward the multilateral system are changing relatively slowly and not always in a positive direction. There is no grand design for the reform of institutions that acknowledges the evolving socioeconomic and political needs of collective security and risk management.

Part V, the last part of the book, is not just a conclusion, for it suggests what will be the main trends of the new era into the early 21st century. The argument of part V centers on the contention that the needs of international cooperation are, and will remain, highly diverse from the point of view of the countries involved in the various multilateral regimes and systems. The conditions for effective global governance may also develop in a highly unequal fashion. In light of the increasing problems facing humankind, faster progress toward more effective global governance requires the elaboration of a new vision, the implementation of major institutional reforms, the strengthening of the intellectual, political, and financial foundations of existing organizations, the exercise of bold and imaginative leadership, and the undertaking of new initiatives. If humankind is not once again to miss an historic opportunity to establish a more cooperative and secure world, these admittedly demanding requirements must be fulfilled.