Global Governance and the Problem of Order

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Chapter 1

Introduction

1.1 Background and motivation

The traditional understanding of international politics starts from the perspective of a sovereign nation-state and focuses on the interactions between the states. According to this view, the international system is comprised of more or less identical actors, which promote their interests and differ only with respect to the amount of power they possess. Although states are not the only actors in international arena, they are considered to be the most important players. Consequently, state power becomes the most significant variable.

The ultimate aim of every state is to gain as much power as possible in order to ensure its continuous existence and to realize any other interests it may have. The result is a system-wide struggle for power (in a more extreme form the struggle for survival), which is the defining feature of this essentially self-help international arrangement. Even though in reality is the political landscape much more complex, this reductionist account of international relations (IR) offers the benefits of theoretical simplicity and clarity. Within IR theory, this traditional view has been associated with the term realism.¹

The underlying element, indeed a crucial assumption, of this approach is the dichotomy between domestic (national) and foreign (international) politics. While national politics is characterized by the existence of a centralized authority (i.e. the government) over the state’s territory, international politics lacks such an

¹ For a comprehensive overview of this approach see Waltz (1979).
overarching body. The consequence is that the domestic sphere is considered *ordered* because there is a clear hierarchy of power, which establishes, implements, and enforces the rules of social order. By contrast, the international sphere is largely portrayed as *anarchical* precisely because it lacks such a hierarchical power-structure. Even though the rules guiding the behavior of states do exist, their enforcement is much more difficult and the compliance is thus rather voluntary and arbitrary. The central problem of international politics then becomes the creation of order in the absence of the supreme authority of the government.

The distinction between *the domestic* and *the foreign* is profound. According to Philip Cerny, most works in IR “[have] either explicitly or implicitly taken for granted that there are two distinct yet coexisting political processes and sets of institutions at work simultaneously in the modern world – domestic politics and international relations” (Cerny, 2010, p. 3). The reason why this distinction became so entrenched was the usefulness and accuracy of the traditional approach. For quite some time, the so-called ‘billiard-ball model’ of IR appropriately described the modern international system that has developed in Europe since the end of the Thirty Years War. However, the events of the 20th century (especially the outbreak of the Second World War, the Cold War and the subsequent end of bipolarity, and the onset of globalization) changed the system in such a way that the traditional model of IR is no longer adequate.

Two features have emerged as typical characteristics of contemporary international order. One is the growing plurality of actors in international arena. International politics is no longer a space solely comprised of states and their interactions. Non-state actors, e.g. international organizations, multi-national corporations, but also abstract entities such as financial markets, can significantly influence politics and states’ behavior. The international system has become much more complex and interconnected.

The other feature is a strong bias towards the liberal forms of power. Liberal democracy has become something like a blueprint for the organization of
government and its adoption is promoted and supported all over the world. Similarly, liberal and democratic principles are often at the core of many international institutions and the practices based on these principles are increasingly being used to manage international affairs as well. While this development is much more apparent at the domestic level, where gradual democratization and liberalization have very long history indeed, the spread of liberal democratic norms at the international level is, admittedly, rather recent process without a fully established outcome.

Starting from this sketch of political reality, this thesis aims to explore the problem of international order and global governance from a different perspective. Rather than sticking to the conceptual delineations of the anarchical state-based international system, it looks at world politics through the lenses of international governmentality, i.e. through the analysis of the practices of governing at the international level. Although governmentality analysis was originally developed to analyze the conduct of the government functions within the scope of domestic politics, it is increasingly being applied to the international domain as well. This approach is applicable especially to the advanced governing mechanisms that are designed to address global challenges that go beyond the capabilities of individual states. Critical analysis of these mechanisms and ordering principles, which are subsumed under the umbrella term global governance, constitutes the central topic of this thesis.

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2 This further contributes to the self-reinforcing liberal bias – democracy is promoted especially by the advanced Western liberal democratic states.

3 Democratization is understood here broadly as a process, which is aimed at a more inclusive form of politics.
1.2 Research questions

The general problem investigated in this thesis can be represented by the following research question. *How is the international domain ordered and governed in the times of globalization?*

More specifically, the research question can be split into four sub-questions:

1. What are the changes brought by globalization? How do they impact international politics?
2. Why does order matter and how is it achieved? What are the sources of international order?
3. How can we account for these changes theoretically? How can we incorporate globalization, power-politics, and liberal institutionalism into a theoretical framework?
4. What are the implications for global governance?

Each sub-question thus tackles a particular aspect of the research problem, namely globalization, international order, international governmentality, and global governance. These topics are then addressed in more detail in separate chapters.

The main argument of the thesis is constructed upon the following considerations. While at the national level, we can observe a long-term shift from the absolutist, concentrated forms of power to the more liberal forms of governing, the trend at the transnational level (at least in modern history) is the opposite – from anarchy to governance. The simple balance-of-power mechanism is slowly but gradually being replaced by more and more sophisticated governing mechanisms. In effect, the international domain and international practices are being subjected to regulation and control of multi-lateral authorities, in other words, they are being

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4 This observation holds if we consider the spectrum of power with two extremes, one with absolutely concentrated power and the other with absolutely dispersed power. More on this issue below.
governmentalized. What results is a new and a very specific type of international (global) order. Therefore, anarchy cannot be considered as the single most important ordering principle in international politics.

However, there is also a tension between the intentional ordering acts and spontaneous ordering processes. While economic interaction creates order spontaneously, this is not the case of political interaction. Politics was invented precisely to create and sustain social order. It is, however, a mistake to expect that political order (and corresponding institutional structures) can be constructed or designed in its entirety. As we shall see, a sustainable political order needs to reflect and observe also the logic of spontaneous order.

In practical terms this means that the systems of government (on any level), which favor freedom, soft power, and certain degree of spontaneity, are more sustainable (though not always more stable) than those, which rely on hard power, coercion, and total planning. At the same time, such systems require some underlying rules and effective regulatory mechanisms, which ensure sufficient compliance with the rules. This line of reasoning then contributes to an explanation why liberal governmentality emerges historically and why it spreads not only at the national level (e.g. in the form of liberal democracy) but also internationally (e.g. in the form of liberal institutionalism and democratic peace). The thesis analyzes this apparent dichotomy between self-organization and deliberate management, especially at the international level.

1.3 Theoretical and methodological approach

The focus of this thesis is on the problem of international order and the formation of global governance. These issues are closely related because global governance can be understood as a specific form of political order at the international/global level. (It is also one of the more desirable and optimistic solutions to the problem of international order.) Since this thesis is considered mainly as a theoretical project, it
employs two mid-range theories which both explain the formation of international order but they do so from very different, even completely opposite, perspectives. It is the space where both theories meet and overlap that is of the greatest interest and that can provide valuable insights into the central questions addressed in this thesis.

The first theoretical strand is represented by the theory of spontaneous order. Advanced especially by Friedrich Hayek and the Austrian school of economic thought, this theory explains the formation of social order in a process, which does not involve intentional (i.e. conscious, pre-meditated) planning but is entirely autonomous. Order emerges as a result of an intricate collective behavior. In this sense, order is a higher-level property of certain complex systems. This is essentially a bottom-up approach, which operates on an individual (unit) level but requires rather complex interaction between the units.

The second theoretical strand is based on the concept of governmentality. Originally developed by Michel Foucault, governmentality approach involves the analysis of power and especially the organized practices of governing. Governmentality analysis is thus concerned with the technologies of power. Typically, such study takes place at the level of an individual state but it is not limited to state politics alone. The main interest is in the rationality of government in a wider sense, which includes not only the actual conduct of power through various state mechanisms but comprises also other forms of institutionalized social control. As such, this is mainly a top-down approach.

While the primary sphere of interest is the domestic arena, governmentality analysis has been recently applied to international politics, too. International governmentality is thus concerned with the practices of governing at the global level and as such provides a different and not so common perspective on the problem of global governance. In contrast to the theory of spontaneous order, governmentality analysis enables a higher-level theoretical synthesis because it can incorporate both basic modes of social organization – spontaneous as well as intentional ordering
practices. It is the interplay of these two theoretical approaches, which constitutes the principal axis of inquiry in this thesis.

As the topic and the theoretical avenues suggest, this project is a synthetic theoretical work on global order and governance. I am interested in the feasibility conditions and the limitations of the governance efforts in the international domain and how they aim to resolve the problem of international order. This implies that the project needs to carry out a critical interpretative analysis of the intentional as well as the spontaneous ordering principles and governing practices in world politics and, if possible, incorporate them into a coherent framework. However, this is quite a big task, which would require much more space than that provided within the scope of a master thesis. Therefore, this thesis presents rather a first step in this direction and develops an elaborated preliminary outline of such potential research project.

1.4 Outline of the thesis

The thesis is comprised of four core chapters, each discussing one particular sub-question. Since every chapter has its own introduction, here I briefly outline only the themes that are discussed in the text below.

The topic of chapter 2 is globalization and its effects on world politics. In four sections, I summarize the latest development of globalization and its reflection in the academic literature, the transformation of the institution of state, and the most typical features of contemporary international system.

Chapter 3 analyzes the problem of socio-political order and its formation on the domestic and international level. Crucially, I employ Hayek’s distinction between spontaneous and made orders and show, how these ordering principles function within two distinct but intertwined systems that underpin most of the international interactions, namely the economics and politics.

Chapter 4 then introduces the international governmentality analysis as a promising tool for incorporating insights from two fundamental theories of IR –
realism and liberalism. I also discuss the changing nature of international modes (practices) of governing. Applying the view of Philip Cerny, this is portrayed as a shift of the governmental rationality from the traditional *raison d’État* to the contemporary *raison du monde*.

In chapter 5, the focus shifts to the concept of global governance. After discussing several definitions of the phenomenon, I consider some tensions that are present within the concept. In particular, these concern the spontaneity and intentionality in the formation of order that is based on the global governance framework.

In conclusion, I summarize the contribution of each chapter and point out the key arguments of the analysis. Finally, the results are brought together to provide the answers to the research questions.
Chapter 2

Globalization and its effects

2.1 Introduction

This chapter is conceived as a literature review, which serves as a departure point for the upcoming analysis of the contemporary international system and the ordering practices. Here, though, the main topic is globalization and its impact on international politics. Since globalization remains a powerful force in contemporary world, this chapter provides a necessary context for the argument that is advanced in the thesis. In addition, the purpose of this chapter is to highlight the processes of change and their theoretical reflection in the IR literature. A more synthetic view of international political landscape then emerges throughout the thesis and especially at the end of chapter 4 on international governmentality.

The text of this chapter is divided into four sections. In the first, I address the phenomenon of globalization in general. Following McGrew’s (2008) typology, I outline the origins of globalization processes and the three stages of modern globalization.

The second section opens with a brief review of the latest stage of the globalization debate in the academic literature. I look specifically at three different answers to the question whether the current globalization is somehow unique and distinct from the previous forms of globalization.

In the third section, I focus on the impact that various processes of globalization have on the institution of a sovereign nation-state. Rather than the demise of a state, this development is depicted as the transformation of its institutional form in a shift
from the industrial welfare state to a new state-form called by Cerny (2010) the
Competition State.

The final section then considers the impact of globalization on international
politics. I highlight three features of the contemporary international system that were
most affected by globalization, namely (1) the existence of the global inter-state
system that is governed by the principles of sovereignty and legality, (2) the
universality of economic relations and the world-wide adoption of market-based
economy, and (3) the broad appeal of democracy and human rights (Bisley, 2007).

2.2 The processes of globalization

Even though there is “no single universally valid definition of globalization” (Held &
McGrew, 2000, p. 3), the extent and popularity of the debate about globalization
created a widespread intuitive understanding of this phenomenon. Globalization
was initially described in the academic literature simply as “the widening,
deepening, and speeding up of worldwide interconnectedness” (Held, McGrew,
Goldblatt, & Perraton, 1999, p. 2). Almost fifteen years later, this ‘definition’ still
captures the essence of the globalization process and continues to serve as a starting
point for more sophisticated discussions.5 There is a broad variety of other
definitions, some of which contain more details and often emphasize different
aspects of globalization. In order to gain a more inclusive perspective on the
phenomenon, below is a selection of some typical alternative characterizations:

- “Globalization is a transplanetary process or set of processes involving
increasing liquidity and the growing multidirectional flows of people, objects,
places and information as well as the structures they encounter and create that
are barriers to, or expedite, those flows” (Ritzer, 2010, p. 2);

5 See the standard textbook of international relations/world politics (McGrew, 2008, p. 16) or other
recent contributions to the globalization debate, e.g. Rossi (2007, p. 28) or Bisley (2007).
• Globalization is “a process leading to greater interdependence and mutual awareness (reflexivity) among economic, political, and social units in the world, and among actors in general” (Guillen, 2010, p. 4);
• Bisley (2007, p. 31) sees globalization “as a set of consequences deriving from the reduced costs and increased speed of transporting goods, knowledge, people and capital around the world”;
• Alternatively, globalization can be also understood as “the process of emergence of institutions of planetary scope” (Modelski, Devezas, & Thompson, 2008, p. 2).

The debate over what globalization means and how best to capture its essence may indicate that globalization is a relatively new phenomenon. Indeed, according to Gills and Thompson (2006, p. 1), “too many observers regard these dislocating changes as something spawned only recently”. However, from a more general standpoint it can be argued that the processes that are subsumed and studied under the concept of globalization can be traced throughout the entire history of human civilization. Since exploration, cooperation, and competition (often in violent forms) are the defining characteristics of human social behavior, it is only a matter of time until these interactions encompass larger territories and, eventually, include the whole world.6

From this perspective, the potential for globalization is always present but the unfolding of its effects is not homogeneous. Globalization is happening at various speeds and includes different geographical areas in different times. Until recently, however, the progress of globalization was rather slow (Nester, 2010). This may be

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6 According to Gills and Thompson, the globalization processes are ongoing “maximally … ever since *Homo sapiens* began migrating from the African continent ultimately to populate the rest of the world” and “minimally … since the sixteenth-century’s connection of the Americas to Afro-Eurasia” (Gills & Thompson, 2006, p. 1).
the reason why academic reflection originally focused on the contemporary, more dynamic phase of globalization and deemphasized its earlier stages.

The sluggish tempo of early globalization can be explained by the observation that throughout the history of human civilization the tempo of development (modernization) was extremely slow. Societies were often caught in a Malthusian trap. As soon as the ancient agrarian communities developed new and more effective methods of food production any gains were immediately offset by the increase of population so the society as a whole was stagnating (Inglehart & Welzel, 2009). The living standards and social conditions remained largely the same or changed only slowly. And although there were established links between different peoples such as trade, proto-diplomatic contacts, and military ties (what we would call today ‘international relations’), the divisions among peoples were much more significant than mutual ties (Nester, 2010).

The qualitative change, which initiated the first major wave of globalization, took place only in late Renaissance Europe. The onset of a new and distinctly modern era was sparked not only by the great geographical explorations but, perhaps more importantly, also by the intellectual and scientific revolution. New philosophy, combined with a distinctly scientific method of enquiry, initiated the process of technological innovation and social upheaval, which culminated at the end of the 18th century in the events that are epitomized as the Industrial Revolution and the French Revolution. It is because of these origins that globalization can be interpreted as the “inevitable outgrowth of the modern world” (Nester, 2010, p. 9). This connection between globalization and modernization is also captured by Giddens in his statement that “modernity is inherently globalizing” (Giddens, 1990, p. 63).

The Industrial Revolution was a decisive breaking point from the past. Virtually every aspect of human life has been transformed or affected as a result of

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7 The significance and impact of Industrial Revolution is on par with other two major technological breakthroughs such as the Neolithic Revolution (transition from the hunting and gathering lifestyle to
technological change. Improved metallurgy, steam engines, and the mechanized production of textile (to name just a few iconic inventions) unlocked unimaginable possibilities and sparked unprecedented and long-term economic growth. The GDP per capita increased significantly and, for the first time in history, it allowed a substantial improvement in the living standards for a large number of people (Lucas, 2002).

These preconditions paved the way for the second major phase of globalization that unfolded during the long 19th century. Globalization in this stage was again much aided by the earlier inventions of new methods of communication and transport such as telegraph, steamship, and railroads. Equally important was the paradigm shift in the economic thought. The ideas of Adam Smith and David Ricardo gained influence and the dominant economic thinking shifted from mercantilism to capitalism. Finally, the widespread adoption of the gold standard enabled the creation of a globalized financial system (Rodrik, 2011). Taken together, these developments launched the era of New Imperialism\(^8\) – the colonial expansion of European powers, the United States and Japan. As a result, the 19th century was “the first truly universal era in human society” (Bisley, 2007, p. 40). Globalization in this period was “a product of political, social and technological change which, alongside economic integration, created a global system” (Bisley, 2007, p. 40).

After the series of setbacks in the first half of the 20th century, which were quite unexpected given the levels of global integration, the pace of globalization accelerated again. Similarly to the previous waves, new discoveries and new methods of communication provided a fresh momentum. This time, it was the invention of a transistor, which marked the beginning of the Information Age.

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8 “New” is used to contrast this era with the earlier wave of European colonization which took place between the 15th and early 19th centuries.
However, the critical mass in the spread and adoption of these new technologies was not reached until the early 1990s. This technological development coincided with the major change in world politics, which brought an end to the division of the world into the capitalist and the socialist bloc and the ‘non-aligned’ countries. Since the collapse of Communism and the subsequent end of the Cold War, the tempo and extent of globalization reached peak values.

McGrew (2008) classifies these three waves of modern globalization as follows:

1. The age of discovery (1450-1850).
2. The spread of European imperial powers (1850-1945).

However, as with the definitions of globalization, there are other plausible categorizations of globalization history. A more refined view, which identifies at least six stages of globalization, is provided by Therborn (2000).⁹

1. The globalization of religions from the 4th to the 7th century.
2. The European colonial conquests in the late 15th century.
4. The peak of European imperialism in the mid-19th century to 1918.
5. The post-World War II period.
6. The post-Cold War period.

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⁹ This classification is adopted from Ritzer (2010, pp. 37-38). Yet another arrangement, which puts the beginnings of globalization to the early 15th century, is provided by Robertson (1990). It is also available in Ritzer (2010, p. 38).
2.3 Academic debate on globalization

Contrary to the globalization itself, the academic reflection of globalization started quite recently in the late 1980s and gained significant momentum only during the 1990s. In a comprehensive overview of the globalization literature, Bisley (2007) divides the evolution of the debate into five stages. It is not necessary to reproduce here each phase in detail, a brief look at the last two periods will be sufficient. While the fourth stage in the early 2000s consolidated the debate, it also introduced voices that were critical about the consequences of globalization.\(^{10}\) In a response, the works in the mid-2000s defended the merits of globalization and emphasized especially its positive outcomes.\(^{11}\) Since Bisley’s classification could not have taken into account the impact of the global financial and economic crisis of 2008-2009, it is a fair estimate that the sixth stage of the debate would bring another wave of more critical contributions.

After several rounds of the debate, the main topic is not whether globalization happens or not. In fact, there is a broader agreement that “there has been a range of transformations in key spheres of human existence which, when taken together, have produced a dynamic and transformative context for world politics in the 21st century” (Bisley, 2007, p. 31). This development makes the popular sceptic-transformationalist-hyperglobalizer continuum introduced by Held et al. (1999) a bit outdated form of classification. According to Bisley (2007), the problem with this depiction is that it centralizes the person’s belief in globalization and mixes together its nature, causes, and effects.

A more important issue in the debate concerns the question whether the current stage of globalization is in some way different from what has been experienced in the

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\(^{10}\) For example, see Stiglitz (2002).

\(^{11}\) Notably Bhagwati (2004), Wolf (2004), and Friedman (2005).
past. Bisley (2007) identifies three major views regarding the uniqueness of contemporary globalization. The first position, represented especially by Held et al. (1999), sees the current levels of global interaction and interconnectedness as something extraordinary, both in their nature and their extent. Especially when considering the economic dimension of globalization, Perraton (2011, p. 60) argues similarly that the “available evidence does point to a fundamental transformation in the world economy, which in key respects is unprecedented”. For Held et al. (1999), however, the distinctive break from the past comes with the recognition that contemporary globalization affects virtually all aspects of social life. The advance of globalization may be most visible in the economic domain but globalization is progressing in other areas as well. Its effects are clearly visible in spheres such as culture or ecology and increasingly also in politics.

The second approach considers the current stage of globalization merely as a re-integration of world economy to the levels that were achieved just before the outbreak of the First World War. According to this view, the economic aspects of globalization are not fundamentally different from the late 19th century (Schwartz, 2010). In a similar manner, Sutcliffe and Glyn (2011) argue that globalization as a historical trend is exaggerated. Also Hirst, Thompson, and Bromley (2009, p. 2) tend to be more skeptical, calling globalization, as often portrayed by its devoted adherents, “largely a myth”. On a more specific topic regarding the nature of the global financial system Thompson (2011) as well as Rodrik (2011) make a persuasive case for a much more unified and stable financial system in the era of the gold standard than it is today. Even political and military ties in the 19th century European colonialism were comparatively global and complex (Bisley, 2007). The conclusion, therefore, is that contemporary globalization is not a substantially new phenomenon.

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The third view, which is embodied especially in the works of Immanuel Wallerstein, is much more systemic and takes into account a much longer period of time. Wallerstein (1974) and more recently Denemark et al. (2000) argue that the contemporary effects of globalization are the consequence of the development of the economic system based on capitalism. The increasing integration of markets as well as the international system of sovereign states create a world-system (a world-economy) that is based on exploitative economic relations, which redistribute wealth from the periphery to the core (Hobden & Jones, 2008). Social, political, and cultural institutions emerge to sustain and further advance global capitalist economy. According to Wallerstein, this system is ultimately flawed. At present, the capitalist world-economy is in its ‘terminal crisis’ and the current world system is in a transition phase towards some other kind of historical system (Wallerstein, 2006).

Every assessment of globalization now recognizes that it is an intricate and multifaceted phenomenon. However, it is the economic aspect of globalization, which is the most apparent and most investigated in the literature. As Bisley contends, it is surprising that while globalization has become such a popular topic, only few works attempted to analyze specifically the impact of globalization on world politics. He writes:

Although globalization was thought to be important, it has not been systematically integrated into existing theoretical analysis of international relations nor has it become a central problematic of the discipline. (Bisley, 2007, p. 212)

This is echoed by Cerny, who goes even further and sees globalization as a fundamental transformative force in the IR discipline. In his words:

Globalization is not merely about the impact of economic interdependence on a combination of domestic political systems and the interaction of states. It is about reconceptualizing the very field of political science as a whole (and other social sciences, too) in ways that describe and explain both the historical power of states and the current dramatic crystallization of those complex social, economic, and political webs that constitute the changing world system today. (Cerny, 2010, p. 31)
To illustrate especially these political implications of globalization, the following two sections consider the impact of globalization on the institution of state and on the international system.

### 2.4 Transformation of the state

The institution of state is currently the dominant form of sociopolitical organization. Virtually all land-based territory of the planet is divided and ruled by states. Everything else, including the only unappropriated landmass of Antarctica, sea and airspace, but also less typical ‘spaces’ such as Earth orbits, electromagnetic spectrum, or the Internet, is managed by the international regimes set up by states. Even where societies are organized in a traditional tribal way, as for instance in Afghanistan and in the neighboring territories of Pakistan, the institution of state is still in place at least formally. There are no more blank spaces on the contemporary political map of the world.

Although the development of statehood has a long history, the origins of the modern state-form can be traced back to the 17th century Europe at the end of the Thirty Years’ War. Through the legal recognition of the principle of sovereignty (i.e. the supreme authority over certain territory13), the Peace Treaty of Westphalia created not only the institution of a modern sovereign state but also the modern international system.14 And once the idea of a sovereign state was infused with the

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13 This is the definition of Westphalian sovereignty. As Krasner points out, “the basic rule of Westphalian sovereignty is that external authority structures should be excluded from the territory of a state. Sovereign states are not only de jure independent; they are also de facto autonomous” (Krasner, 2001, pp. 10-11).

14 The second part of this claim – the creation of the modern international system – has been contested by Hurrell (2007).
idea of a nation\textsuperscript{15} in the 19th century, the latest version of this form of political organization – the nation state – was created and quickly become widespread all over the world. According to Ritzer, this process can be described as an “integration of the sub-groups that defined themselves as a nation with the organizational structure that constituted the state” (Ritzer, 2010, p. 141).

With globalization in full swing in the late 20th century, it seemed that the institution of state was in ‘retreat’, as the authority of the government over society and especially economy was diminishing (Strange, 1996). The frequent argument in the globalization debate then was that the processes of globalization are ‘hollowing out the state’ (Bisley, 2007, p. 56). Indeed, globalization brings many pressures, which undermine the autonomy, capacity and authority of states. In addition, the institutions that compose the state have to increasingly interact with their counterparts abroad as well as with the plethora of other actors such as international agencies, non-governmental organizations, or large transnational corporations. The result is that the unitary state is being transformed into the disaggregated state (Slaughter, 2004).

However, the most basic function of the state, which is to ensure the security and prosperity for itself as well as its population, has been largely intact by globalization. Rather than complete erosion of the sovereignty and authority of the nation state, the Westphalian sovereignty is being transformed into the new sovereignty regime of “shared exercise of public power and authority” (McGrew, 2008, p. 28). Also, the idea of statehood has still very broad appeal, as the increasing number of the new UN member states demonstrates. Therefore, Thompson (2006) asserts that the modern state as an institution is certainly not in crisis.\textsuperscript{16}

\textsuperscript{15} The term nation can be defined in several ways but here it is sufficient to consider is as an ‘imagined political community’ (Anderson, 2006).

\textsuperscript{16} According to Thompson, “the modern state would be [in] a crisis if consent to long-established sites of authoritative rule were breaking down, previously capable states were unable to command coercive
Yet this does not mean that the functions of the state did not change. According to Cerny (2010), this development can be portrayed as the transition from the industrial welfare state to the Competition State. The industrial welfare state was able to shield selected sectors or activities of domestic economy from the influence of global economic forces. Moreover, it was able to directly steer the economy and influence business in the public interest to achieve certain goals like, for example, social welfare, the development of new industries, etc. And even, if necessary, partially replace the market mechanism with massive governmental intervention as, for instance, through the New Deal policies in the US that jumpstarted the economy after the Great Depression in the 1930s. (However, the experiment with complete control over the market, which was practiced in the form of a centrally planned economy in the communist countries, was a failure.)

On the other hand, the Competition State is entirely focused on the deregulation and liberalization of economic activities and opening them to global economic forces. The neoliberal ideal of openness and competitiveness is becoming a requirement, which is being promoted also internationally. Globalization transformed states in a way that they become the main driving forces of globalization (Cerny, 2010). Yet this transformation is almost inevitable, as pursuing an isolationist strategy has become virtually impossible. Big and resourceful countries such as Russia could perhaps manage on their own but for a small country there is practically no alternative but to join the globalized economy. In contemporary world, the efforts to achieve autarky can have disastrous consequences, as can be seen on the example of North Korea.

In the last five years, however, the neoliberal push for unmitigated deregulation and liberalization backfired. The worst financial crisis in 80 years, which was followed by deep recession, exposed the weaknesses of the globally interconnected power, and if the demands of international and supra-national institutions had enforceable claims against historically sovereign states” (2006, abstract). This is, however, not the case.
yet not properly regulated international financial system. Because of the coordinated and much better informed response to the crisis, the governments and central banks avoided the looming collapse of capitalism and, consequently, brought the institution of the state back into the foreground. Even though the ‘neoliberal consensus’ seems to be over, this will not result in any dramatic reversal or unwinding of globalization.

2.5 Transformation of the international system

Globalization is transforming not only the institution of state but also the international system of states. The overall change that the processes of globalization brought to international politics was not as dramatic or as far-reaching as it was originally thought. Despite some earlier expectations, nation-states have not disappeared but remained key players in the international arena. In fact, states still form the backbone of the international system. However, the relative importance of other actors has increased and the network of international organizations has grown denser than ever before. Correspondingly, the extent of international collaboration has increased significantly in recent years (Bisley, 2007). The new quality in the system is, according to Cerny (2010), the rapid growth of transnational linkages among various groups, which form new ‘webs of power’ affecting the nation-states.

Indeed, at the beginning of the 21st century, the power relations within the international system are very different compared to the second half of the 20th century. On the other hand, the actual conduct of politics perhaps did not change as much. There are several continuities as well as discontinuities with the Cold War era. This section highlights three features of the contemporary international system, namely (1) the existence of the global inter-state system that is governed by the principles of sovereignty and legality, (2) the universality of economic relations and

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17 More on this topic is in chapter 4.
Chapter 2

the world-wide adoption of market-based economy, and (3) the broad appeal of
democracy and human rights.

2.5.1 The inter-state system

Although there is hardly a universal consensus about the nature of the contemporary
international system, there are several features that can be described as typical. The
most obvious observation is that the international system is (still) essentially the
inter-state system. The contemporary international space, however, is not an
anarchical self-help system. The behavior of states and their mutual relations are
very much based on the principles of sovereignty and legality (Bisley, 2007). And
while the importance of sovereignty is diminishing (its traditional understanding is
being contested and redefined), there is a growing emphasis on the principle of
legality, i.e. on the general respect of international law.

As Reus-Smit (2008) notes, the existence of international law is a paradox. There
is much skepticism about the effectiveness of international law but states devote
great effort to regulating their behavior in the international domain anyway.
However, this paradox originates only if we accept the assumption that the
international sphere is an anarchical space and the state’s interest is the paramount
value. Although the regulation and compliance in the international domain is not on
a comparable level with the domestic sphere, states cannot act in a completely
arbitrary way.18 The supremacy of the raison d’État is already passé. Certain behavior
and certain actions are banned by international norms and compliance is being
observed and often enforced.19 The international domain is now hardly a space

18 According to Smit-Reus (2008) this level of compliance is actually quite high.

19 For example, consider the multilateral treaties banning certain type of weapons, such as the
Biological Weapons Convention, the Chemical Weapons Convention or the Non-Proliferation Treaty.
On the other hand, compliance with some environmental norms is not that exemplary, as the case of
the Kyoto Protocol demonstrates. Similarly, Iraq’s aggression against Kuwait has been repelled by a
without rules. In addition, practically all states are involved in the international system, through which they participate and conduct their relations. As Bisley (2007) notes, this outcome is historically unprecedented.

One important feature of the post-Cold War era, which is not that much different from the Cold War times, is the continuing influence of the United States. In terms of political, military, and economic power, the dominance of the US is unmatched. Although we cannot speak about true hegemony in the international system since even the US cannot impose a formal global rule, hardly any other state can challenge the position of the US. This Pax Americana is certainly not without its problems but the supremacy of the US contributed significantly to the more stable and peaceful international order.

The most serious contender now is perhaps China but its capabilities as well as its economy (in relative terms) are still not near those of the US. It is a fair estimate that the US will continue to dominate international affairs at least in the first half of the 21st century. However, sustained economic development is transforming several other countries into emerging powers, such as India, Brazil, Russia, and also the European Union. If these trends continue, the relative power of the US will gradually diminish. This process is already visible as the center of international politics slowly shifts from the North Atlantic to the South Asia.

2.5.2 Economic relations

The international politics today is different from the 20th century politics in one major aspect and that is the end of the ideological rivalry between capitalism and communism. The consequence is that there is no great power conflict similar to the nuclear standoff between two superpowers – the USA and the USSR. Also, after the failure of the centrally planned economic system, liberal market economy has been coalition force with the UN mandate and the First Gulf War was therefore legal. The Second Gulf War, however, did not have such backing but the United States carried out the operations anyway.
accepted as the default model of organization of economic relations. In its current form, though, the system is far from the theoretical laissez-faire free-market capitalism envisaged by economic libertarians. The debate about state interventionism versus free markets has been superseded and the management of economic processes by the government is now widely accepted. Economies are now distinguished according to the ‘varieties of capitalism’ (Hall & Soskice, 2001), which denote market-based economic systems with distinct national features and regulatory mechanisms.

This economic paradigm shift is mirrored by the institutional adjustment. The economic institutions established in 1944 as the Breton Woods system, namely the International Monetary Fund (IMF), the World Bank (WB), and the General Agreement on Trade and Tariffs (GATT), later institutionalized as the World Trade Organization (WTO), were originally Western organizations with a significant influence from the United States (Woods, 2008). Even though the original Breton Woods system did not last, these organizations quickly developed into the institutional framework for world economy. Currently, they represent the main building elements of the global economic governance.

The Great Financial Crisis of 2007-09 showed that the financial deregulation and liberalism have gone probably too far. Regardless of how we interpret the original causes of the crisis, its consequences have been exacerbated by the lack of proper regulation of the financial system. This claim is supported by a recent OECD study, which suggests that “bank regulation might have contributed to or even reinforced adverse systemic shocks that materialised during the financial crisis” (Slovik, 2012, p. 2). In a similar tone Delimatsis (2012, p. 2) argues that “regulatory frameworks and the regulatory orthodoxy of financial markets which prevailed in recent decades have proved incapable in terms of prevention, management and resolution of the financial turmoil”. The need of reform has been apparent long before the crisis. An extensive critique of the post-Breton Woods organizations can be found already in
Stiglitz (2002). However, the profoundly new system of the global economic governance is a project still in the making.

2.5.3 Democratization and human rights

Since the 19th century, the world has experienced at least three major ‘waves of democratization’ (Huntington, 1991). The rise of democracies in the long run as well as the sharp decline of autocracies in recent period is clearly apparent, for example from the Polity IV dataset. Democracy has been now incorporated into the human rights system, which was not possible in the Cold War period due to the structural systemic constraints and ideological opposition (Hurrell, 2007).

Of course, this broader trend has been much aided by the adoption of democracy as a primary goal of the US foreign policy. Nevertheless, democratic ethos has been fully embraced also by the UN and many other international organizations. Democratic membership criteria have been established in the Americas and Europe (Hurrell, 2007) but not only there. At present, democracy has become a norm rather than an exception. Indeed, this trend is so successful that the democratic discourse has been embraced almost universally, even by the states, which are clearly not democratic.22

The appeal of human rights is even more powerful and universal than that of democracy. The essential idea behind human rights is that all individuals possess these rights “simply by virtue of being human, of sharing in a common humanity” (Brown, 2008, p. 508). In this area, globalization is the primary factor that can be credited for establishing the international human rights regime (Brown, 2008).

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20 Perhaps the recent events in the Middle East dubbed the ‘Arab Spring’ could be considered as the ‘fourth wave’ of democratization.

21 Polity IV project examines the characteristics of political regimes on a timescale from the year 1800 up to 2011. Datasets and graphs are available at http://www.systemicpeace.org/polity/polity4.htm.

22 In fact, there are only a few countries, which openly declare their system of government as non-democratic.
A subject, which has been originally associated with domestic political and legal framework, has been transformed into a global issue that continues to receive a growing worldwide attention. Legally speaking, the international human rights regime has been codified only in 1948 by the adoption of the Universal Declaration on Human Rights. However, we should not underestimate the impact of liberal ideas that influenced international thinking from the late 18th century (Hurrell, 2007). It was the American and French revolutions, which first aimed to establish societies based on the broad recognition of human rights (Forsythe, 2012).

While the criticism of the ‘universality’ as well as the particularly ‘liberal account’ of human rights is well-known and in some cases also valid, it cannot conceal the reality that human rights have been strongly embraced by the international community of states. If this trend prevails, the human rights regime will further undermine the traditional notion of national sovereignty. One particular example in this regard is the newly introduced set of principles of humanitarian intervention under the UN initiative Responsibility to Protect.
Chapter 3

The problem of order

3.1 Introduction

In this chapter, I consider the problem of socio-political order, which can be arguably framed as the fundamental problem of politics. A distinction is usually made between the well-ordered domestic polity and the much less ordered (anarchical) international space. I keep this distinction here only provisionally because, as we have seen in the previous chapter, globalization renders the difference between ‘the domestic’ and ‘the international’ politics as much less significant. This argument is explored in greater detail in chapter 4 together with the governmentality approach to international politics, which transcends this distinction. Before that, however, it is necessary to discuss why order is important and how it can be attained.

This chapter is divided into three parts. In the first section, I focus on the domestic aspects. I analyze how the problem of order originates and how societies attempt to resolve it. Rather than providing a complete history, which has been done extensively elsewhere, I consider only the contemporary solution, i.e. how modern societies establish political order within the institutional arrangement of a nation-state.

In the second section, I discuss especially the international or global dimension of the problem. The usual starting point is the assumption of anarchy in the international sphere. There are, however, very good reasons to consider this assumption as outdated or just plainly wrong. Part of the argument – international law – has been already presented in the previous chapter. Another component that is
considered in this section is the existence of many hierarchical relationships between the states.\(^{23}\)

Finally, the third section asks about the sources of order. Crucial for the argument of this thesis is the analysis of order conducted by Friedrich Hayek. Hayek is usually known as an economist and is hardly mentioned within the discipline of political science. However, his philosophical analysis of rules and order is among the most fundamental treatments of the topic. With respect to the research question of this thesis, I introduce Hayek’s distinction between intentional and spontaneous type of order. This distinction matters because it shows the limitations of any type of rational design, i.e. the intentional construction of order. In addition, it also points out the conditions under which intentional ordering practices may not be necessary (or not necessary in large extent) because order can emerge spontaneously. As I argue in chapter 5, these insights are overlooked in the global governance discourse.

### 3.2 Domestic order

The problem of order is inherently present in any form of social organization. Hence, it is the defining feature of politics, which is understood as a process of organizing (and gaining) control over human community. To solve the problem of order means finding an answer to the ultimate question of how people should live together.

Of course, the rules that guide social behavior exist from the dawn of human civilization; they are a natural part of life within a human community. But the problem of order goes beyond the rules and customs that are determined by the evolution. It stems from the interaction among individuals and it often involves a conscious deliberation about the rules that should guide this interaction.

\(^{23}\) Even this ‘hierarchical’ argument is not the end of the story, as chapter 4 demonstrates.
From this perspective, different forms of political order provide different answers to the question of how to organize society. Since this question is notoriously difficult to answer, it is not surprising that the problem of socio-political order is among the oldest topics in political philosophy. From the times of Ancient Egypt and Classical Greece, the problem of order today still is “how order can be attained in the human community, after what should it seek to pattern itself, and who or what should impose the pattern” (Rengger, 2000, p. 9).

As the history progresses and each era brings different conditions, opportunities, and challenges, the answers differ and so vary also the models of social organization. A detailed historical overview of the evolution of political organization can be found in Fukuyama (2011), Watson (1992), and to some extent also in Rengger (2000). The standard development path for most human societies led from the tribal origins, when groups were organized largely on the basis of kinship, up to the institution of a centralized state. Another step then involved experimenting with various forms of government.

Due to the constantly changing circumstances, it is doubtful that in the long term some particular social arrangement can be singled out as ‘the final’ or ‘the best’. But even though the institutional arrangements always reflect local and temporal specificities, some forms of socio-political organization clearly work better than others. More importantly, some forms are much more morally acceptable than others. In this regard, there seems to be a cautious consensus that such an ‘ideal’ form of government can be identified with the liberal democratic regime. Before addressing this issue in more detail, let us first consider the question of what order actually is.

Quite simply, order can be understood as the existence of “stable and regular patterns of human behavior” (Hurrell, 2007, p. 2). This basic definition describes order as the opposite of chaos or anarchy. Apart from considering political order as a mere fact of social life, order also represents a value per se. Political order and correspondingly also the ‘practices of ordering’ are often endowed with some
purpose and reflect certain goals and values (Bull, 2002). This view is reflected in another definition, which sees order constituted through “the norms, practices, and processes that ensure the satisfaction of the basic needs of the social group in question” (Hoffmann, 1987, quoted in Hurrell, 2007, p. 3). However, as it will become apparent later, it does not follow that every form of social order is a result of an intentional act and has to reflect certain purpose.

Returning to the definition above, a certain degree of regularity is necessary if people are to live within a community. Order is not an uncommon quality; in fact, it is a fairly typical feature of any social arrangement. What differs and what constitutes the source of the problem of order, is the quality and character of order. Hypothetically, we can imagine a continuum where on one side is anarchy (understood as the absence of rules), while on the other side is total control (understood as the excess of rules). Society without order would be in a chaotic condition, which would most likely resemble the Hobbesian state of nature – the war of all against all. Society with too much control would look like the Orwellian-type of totalitarianism.24

Of course, both extremes are hypothetical constructions or ‘ideal types’, which do not have a real-world counterpart.25 Societies are almost always placed somewhere inside this continuum, reasonably far from both extremes. Also, most societies are quite stable (meaning that the conditions are predictable to a reasonable extent) for most of the time, with social change occurring rather slowly and manageably. Even when social arrangement is undergoing a rapid transition as, for

24 For a historical overview of the evolution of state systems and a comparative analysis, see Watson (1992).

25 Nevertheless, it would be possible to identify several cases in the history of humankind when socio-political organization was leaning towards one extreme or the other.
instance, during a revolutionary change, it rarely results in a complete destruction of social structures or in the implementation of totalitarian controls.\textsuperscript{26}

The crucial question in an ongoing debate is rather what, how, and to what extent should be subjected to ‘ordering’. Societies apply control to different domains and/or groups of people in various degrees. The history of human civilization can be thus interpreted as a process of localizing the society on the continuum of order, somewhere between both extremes. In the end, it is an ongoing effort to find and establish such conditions, which would enable life in an ordered, yet sufficiently free social arrangement.

If we compare the domestic and the international domains of politics, it is obvious that the political space within a state is much better organized (ordered) than the space between the states. The state is an ordered form of social organization because it institutionalizes rules that guide social interaction. These rules are created, implemented, and enforced by the complex power-structure and corresponding mechanisms of governance. Historically, the conduct of power was (and to a great extent still is) organized hierarchically. This implies the existence of the ultimate authority that serves as the source and the guarantor of order.

With certain degree of simplification since the actual conduct of power is often a very complex issue, the ultimate authority can take three forms according to the number of people that are on the top of the power pyramid. This can be either a single person (for instance a king in traditional feudal monarchies or a dictator in autocratic states), or a particular group of people (such as the political bureau of a communist party or a religious council in theocratic states), or virtually all people exercising their power through an institutionalized legal system (as in the modern liberal-democratic states).

\textsuperscript{26} Two examples from the recent political realities are the cases of Egypt and Syria. While in the first case, the socio-political institutions were largely left intact, in the second case the unsuccessful transition resulted in a civil war, which almost completely destroyed social order.
The evolution of political organization shows that the trend was to gradually limit the arbitrary power of an individual or a privileged group of people and to replace it with some non-arbitrary arrangement. In other words, we observe a shift from the rule of man to the rule of law. That is why modern constitutions recognize that power belongs to all people but it is exhibited as the rule of law. The actual conduct of power in advanced modern societies is, arguably, a complex process, which involves the principle of equality before law, the separation of powers including various checks and balances, and the democratic control over the representative government, to name just a few typical features.

These developments of political organization hint why there can be a cautious optimism about the claim that the problem of order has been solved at the domestic level with liberal democratic regime as the optimal socio-political arrangement. What is more, this broader (though not universal) consensus on the basic principles of good governance is also recognized by major international institutions, including the most comprehensive and representative ones – the United Nations group. Possible criticism, which sees these institutions as a projection of the Western views and values, should not obscure the fact that this system is by far the most developed and inclusive international arrangement in place.

### 3.3 International order

Societies do not exist in isolation but are constantly confronted with other groups. Therefore, the problem of order as described above is not limited to the organization of the intra-societal space but involves also the inter-societal dimension. With the relatively recent formation of sovereign nation states as the latest and the most widespread form of social organization, the problem of inter-societal coexistence can be described in more familiar terms of *international* order. This step, which admittedly jumps over the most of human history as well as the historical thought about the problem of order, brings the discussion right into the contemporary era. It
The problem of order presents the problem in its distinctively modern form or, as Rengger (2000) puts it, as the ‘problem of order within modernity’.

From the theoretical perspective, there are a variety of views on how to understand international order. Bially Mattern (2005) identifies three consistencies. First, international order refers to the relationship among states and thus a more accurate description would be the interstate order. Second, international order is not universal, in that not every state needs to participate in it. And third, international order is considered as a normative good, precisely because it provides regularity and predictability.

In practical terms, the need to seriously revisit the problem of international order is highlighted by the changes in the organization of international politics that happened in the past 30 years. In a rather short period of time, the bipolar world that was locked in the struggle between two superpowers has been abruptly replaced by the unipolar world dominated by the United States. In turn, the US hegemony transformed into a more amorphous arrangement as new powers emerged and challenged the traditional distribution of power. In addition, economic globalization, interconnectedness, and interdependence reached unprecedented levels. And, for the first time in history, states are confronted with socio-economic and environmental problems of a truly global scale.

These developments require large amount of coordinated collective action. Yet at present, the international domain hardly constitutes an environment, which would be conducive to addressing global issues effectively. Unlike the domestic sphere of the national state, the international system still lacks the well-ordered institutional structure with clearly defined areas of responsibility, procedural rules, and law-enforcement mechanisms. Even where this structure is already emerging, its ability to govern effectively is limited when compared to national administrations.

The relative difficulty in establishing political form of governance at the international level is in stark contrast with the relative ease in establishing international economic ties. Indeed, the economic integration is global, while political
governance is still very local and at most only a regional phenomenon. In other words, while there is an advanced form of economic order at the international level, political order is only emerging. This asymmetric development depends very much on the fundamental difference between economic and political interaction and the types of order that is produced as a result of these interactions.27

Even though the problem of order may have been solved on the level of individual polities, the space among the states remains, allegedly, in the condition of anarchy. All major theoretical approaches to IR start from this traditional assumption and anarchy is perceived as a major obstacle to international order (Lake, 2007). However, anarchy is not interpreted as a complete chaos since some rules that guide and regulate the behavior of states in the international system already exist. Rather, anarchy is understood as the absence of a supreme authority, which would enforce proper compliance with these international norms.

Unlike the state, the international domain is not a space with the proper rule of law. The ability of states to create, implement, and enforce international rules is much weaker compared to national sovereign governments. What matters more, and what can ultimately be the decisive factor in any dispute, is power. More powerful actors gain more influence and can shape international affairs (and the international system) accordingly. As a result, the overall degree of order in the international system is much lower when compared to the order within the states.

This is problematic because it propagates the same difficulty that has been encountered on a lower level – the struggle for power. The international space is opened for the domination contest with the aim of gaining hegemonic control. But since the actors react on each other’s steps, attempts to become a hegemon provoke reaction and opposition is quickly formed, providing one side does not have a decisive advantage to overwhelm all the others. The system can find equilibria in the anarchical balance-of-power-type of order or in the hegemonic control. These two

27 This argument is developed in the next section.
extremes replicate at a higher level the continuum of order encountered in the previous section.

But as was the case with the individual polities, the international system is usually located somewhere between the poles. Throughout the history, there have been several examples of both types of order but these are not the only options. According to Lake:

There has always been a wide variety of hierarchical relationships within the international system, including empires, protectorates, spheres of influence, dependencies, and other relationships in which the sovereignty of the subordinate polity is ceded in whole or in part to a dominant state. (Lake, 2007, p. 48)

For instance, consider the ancient panhellenistic sphere bound by common Greek language and culture, Roman Empire, the medieval Christendom or the Islamic realm, the 19th century British Empire, or even the contemporary supranational entity such as the European Union. These political structures are ordered according to different principles than the balance of power. Anarchy in the international domain, as it is traditionally understood, is a relatively recent state of affairs, which has been introduced by the establishment of sovereign national states.

But what if anarchy is unwanted and hegemony unattainable? Under such conditions, the existence of international institutions and international law is already a considerable achievement. The major problem, however, is the absence of authority, which would safeguard the general obedience to the law (i.e. the rule-following) and thus impose order. In other words, what is missing on the international level is an effective institutional infrastructure, which would implement and enforce the rules. This does not require an entity with the ultimate power over all others, i.e. the hegemonic control. The sovereign state is also not above the law, although it has a virtual monopoly on coercive actions. The apparatus of the state

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28 A more accurate statement would be perhaps that the state is not any more above the law, given such legal mechanisms such as the state’s constitution or international peremptory norms.
guarantees the rules of the game, implements the law, serves as the arbiter for disputes, and enforces compliance. Similar institutional arrangement could bring much higher levels of order to the international level as well.

The closest the world has to such an infrastructure is the United Nations family of international institutions. However, some elements of the UN system are hopelessly impotent when it comes to dealing quickly and efficiently with global problems or international crises. More hopes are thus invested in the advanced regulatory mechanisms that are subsumed under the term ‘global governance’. But rather than a solution, global governance is in its present form primarily an accurate description of the problem. So far, its working is only supervening on the available institutional infrastructure and does not represent a qualitatively different approach to the management of global affairs.

The lack of an overarching global authority is only part of the problem. Another issue is the enormous disparity in the scope of economic and political globalization. While the economic interconnectedness is unparalleled, the corresponding political organization is not sufficiently developed and thus represents no match for globalized economic forces. Global economy has a clear advantage over global politics. Due to the long dominance of neoliberal ideology, the proper regulatory mechanisms that would tame globalized capitalism are inadequate or missing. The danger is that the economic sphere can take over the political sphere and claim primacy in the political decision-making process. Economic growth matters but it cannot become the ultimate, nor the only, objective of political decision-making.

I revisit the problem of governance of the international in the following two chapters. Before discussing these issues in more detail, it is necessary to look at the two fundamental sources of order.
3.4 The sources of order

At the beginning of this chapter, the socio-political order has been broadly defined as the existence of ‘stable and regular patterns of human behavior’. A more abstract treatment of order can be found in the first volume of Hayek’s book Law, Legislation and Liberty. Order is defined as follows:

A state of affairs in which a multiplicity of elements of various kinds are so related to each other that we may learn from our acquaintance with some spatial or temporal part of the whole to form correct expectations concerning the rest, or at least expectations which have a good chance of proving correct. (Hayek, 1973, p. 36)

Both definitions imply that order is characterized by the presence of some underlying rules. There are several conditions, which these rules need to satisfy. First, they have to be intelligible (even if not directly known) because incomprehensible rules are no different than chaos. Second, rules have to be sufficiently stable because rules that change all the time are indistinguishable from chaos. And third, rules have to be followed (at least to a certain extent and rather more often than not) otherwise they become meaningless and, again, unrecognizable from chaos.29

Moreover, for any type of social order to be a functional one and not merely a declaratory one, there has to be a mechanism, which would establish compliance with the underlying rules. The performance of this mechanism eventually determines the success or failure of a particular type of order. In addition, these conditions assume that the underlying rules are such that they could actually produce order. As Hayek remarks, not every regular behavior produces an overall

29 It is possible that the last condition, which requires a rule to be followed, is redundant. It can be argued that the very meaning of the word rule already presupposes that it has to be followed. Such meaningless rule is no rule at all. Nevertheless, it is better to make this point explicit.
order. If the rule requires that any individual kills another upon encounter, then the result is a complete disorder (Hayek, 1973).

But where do social rules come from? The existence of order immediately brings up the question of its origin. Usually, it is God, Nature, or even History that becomes a prominent candidate for the role of the source and the guarantor of political order. Although such ultimate reference points are useful in legitimizing the existence of a particular type of order, not to mention the claim to power for the ruling elite, they are essentially metaphysical sources. If we keep strictly to physical and social world, order can either emerge spontaneously or it can be created by an intentional human action.

This is where Hayek’s contribution becomes essential. Although this distinction was not unknown, it was Hayek who brought attention to these two basic types of ordering principles and highlighted their importance for social sciences (especially for economics and politics). According to Hayek, this distinction is “indispensable for any understanding of the processes of society as well as for all social policy” (Hayek, 1973, p. 37).

In Hayek’s terminology, these two types of order can be described as made order and grown order. The made order is deliberately constructed – it is an artificial creation. In case of directed social order, we can talk about an organization. The made order can be also described as exogenous because it is a product of forces

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30 In fact, Hayek goes even further and claims that “social theory begins with – and has an object only because of – the discovery that there exist orderly structures which are the product of the action of many men but are not the result of human design” (Hayek, 1973, p. 37).

31 Hayek is using special terms derived from classical Greek to describe both types of order, namely taxis for a made order and kosmos for a grown order. While these Greek terms contain more precise definition, I will continue using the more approachable (and quite self-explanatory) English terms made order and spontaneous order. For more details on Hayek’s terms, see Hayek (1973), especially pages 36-38.
outside the system. On the other hand, the grown order arises spontaneously – it is self-generated and thus an endogenous order.

Regarding their properties, made orders are relatively simple or, more precisely, their complexity is limited by the ability of the maker to control such orders. They are usually concrete, and, since they are the result of deliberate creation, they serve a certain purpose. In contrast, spontaneous orders are not limited in complexity. Indeed, they are often very complex with abstract (i.e. not directly perceivable) relations. Most importantly, spontaneous orders do not have a specific purpose. However, as Hayek adds, our knowledge of the existence of spontaneous order may be very beneficial for our pursuit of other purposes.

The distinction between spontaneous and made orders is crucial when we consider the difference between economics and politics. A good example of a complex social system with spontaneous order is market-based economy.\textsuperscript{32} In this case, order emerges spontaneously as an unintended consequence of human behavior. It arises as a result of the totality of individual decisions taken by the interacting actors. The individuals follow their own interests and engage in transactions with other participants on the market. Although their preferences differ since different people want different things, their aims are essentially the same. All market-participants want to complete the transactions in the most favorable (i.e. profitable) terms. Out of their interaction (arbitrage), or in its primitive form the bargaining process, arises the market price and the transaction is settled.\textsuperscript{33}

Prices can be influenced by many factors but the important thing is that this perpetually adjusting price-mechanism reconciles supply and demand and provides the market-participants with crucial information about the relative scarcity of

\textsuperscript{32} Other examples include the evolution of language and the evolution of life.

\textsuperscript{33} Or not if the price does not offer a ‘good deal’ for either side. In such cases, parties usually need to adjust their expectations.
marketed goods. Although prices can fluctuate wildly and markets are therefore in a state of constant self-adjustment, the economy as a whole is most of the time in a sufficiently stable condition to allow smooth execution of transactions.\(^{34}\) This process is essentially what Adam Smith described as the ‘invisible hand’ of the market.

In case of politics, order is produced as a result of intentional behavior. Political interaction does not produce order spontaneously because it misses a unifying element like the one that is present in the interaction on the market – the willingness to complete the transaction or, in other words, the desire for profit. Even though all people may share the willingness to live in an ordered society, their views differ about how such society should look like. Also, the feedback mechanism (like the price-mechanism described above), which would automatically reconcile differing views, is not available. Political interaction is at the very basic level determined by power-relations and not mutual interest. Individuals with more power achieve their aims over those with less power. Politics, unlike trade, is usually a zero-sum game. The consequence is that political order does not emerge spontaneously but needs to be created and sustained.

That does not mean, however, that cooperation is impossible. Quite the contrary, politics is an activity, which brings people together in order to achieve goals that are beyond the capacity of an individual. The argument is that political behavior operates through a different set of principles (rules) than market interaction and thus requires an active management of order, which, however, should not go too far. On the type of underlying rules then depends what kind of order (mode of governance) the society would have.

\(^{34}\) Wildest fluctuations happen at the very center of the price-creation mechanism where demand directly meets supply. Stock exchange, or any other type of exchange, provides a telling example. Further away, however, prices are usually stable enough to allow completion of transactions with relative ease and peace of mind.
Therefore, in society both forms of order are essential. Intentional construction and management of order is complemented by spontaneous ordering processes. As Hayek notes:

In any group of men of more than the smallest size, collaboration will always rest both on spontaneous order as well as on deliberate organization. ... For many limited tasks, organization is the most powerful method of effective co-ordination. (Hayek, 1973, p. 46)

All groups and organizations such as households, private companies, multi-national corporations, and any other associations, are integrated in a larger system (society) with high degree of spontaneous order.35 Within this system, a special function is attributed to the government because its primary function is to implement and uphold the rules.36 This is done through the state apparatus and various mechanisms of governance, which do not need to be discussed here. What is more of an interest, however, is that the application of these governing mechanisms is being broadened from the domestic to the international level. This is a relatively new development and in the next two chapters, I look particularly at the problem of the governance of the international domain.

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35 The degree of spontaneity is proportionate to the level of freedom society enjoys. In totalitarian societies there is hardly any spontaneous order precisely because the regime aims for absolute control over all aspects of social (and often even private) life.

36 Most governments typically do not limit their activities to this ‘housekeeping’ job.
Chapter 4

International governmentality

4.1 Introduction

After discussing the impact of globalization in chapter 2 and the problem of order in chapter 3, this chapter explores international governmentality. This is a different and a relatively new approach to international politics, which aims to incorporate several developments discussed above, especially the changing nature of the international system, the traditional power politics, and the global spread of liberal norms and institutions. Moreover, governmentality analysis provides a conceptually contrasting view on the problem of order than the Hayekian analysis. These conceptual differences, which are relevant for the phenomenon of global governance, are discussed in chapter 5. Before turning to global governance, however, we have to introduce an interpretation of international politics from the perspective of international governmentality.

This chapter consists of three sections. In the first, I revisit the traditional distinction between the domestic and international sphere. I look especially at the reconfiguration and deconstruction of various types of borders and boundaries and show, how these processes lead to a brand new understanding of politics.

In the second section, I introduce the governmentality analysis and its application to the international domain. From the original analysis of governing practices at the domestic level, this approach has expanded its scope in such a way, that some analysts even talk about the ‘governmentality turn’ in IR.

Synthesizing the arguments from both sections, the third section then presents a new image of world politics. The most significant feature of this ‘rethinking of world
politics’ is the shift from the traditional conception of *raison d’État* (the national interest) to the new notion of *raison du monde* (the world or global interest).

### 4.2 Reconfiguration of borders

The distinction between the national and international politics is a traditional one. It is a deeply entrenched and quite convenient way of structuring politics, both in practical conduct as well as in theoretical reflection. At the same time, though, this distinction is a very modern one because its origins lie in the creation of the modern international system. Before the widespread adoption of the principle of state sovereignty and the establishment of nation states the terms *national-international* were virtually nonexistent. Similarly, the meaning of another conceptual pair *domestic-foreign*, which we use today almost interchangeably with *national-international*, was different and the conceptual boundaries of these terms were much less clearly delineated before sovereign states emerged as the dominant form of societal organization.

The dichotomy *national-international* is, however, only a specific case of the more general *inside-outside* distinction. Coming back to previous chapters, where several aspects of these types have been already mentioned, the *inside* is typically portrayed as an ordered, hierarchical domain with the established rule of law and also as a space for the pursuit of collective values such as freedom and social justice (Cerny, 2010). On the other hand, the outside is seen primarily as an anarchical, unordered domain, where balance of power is the single most important ordering mechanism. In the IR terminology, this view is associated with realism.

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37 The inside-outside dichotomy can be also personalized into the primal distinction between the self and the other, or in a collective form between us and them.

38 Using the term ‘realism’, however, immediately begs the question of how *real* realism actually is. This thesis makes the case for a quick answer that reads – not much.
But even if we accept that the dichotomy *national-international* is something more than just a popular fiction, this conception of politics is becoming untenable. The effects spawned by globalization, some of which were described in the first chapter, are gradually disrupting and fragmenting the traditional narrative of the sovereign state and the international state-based system. For instance, McGrew (2008, p. 24) claims that “a post-Westphalian world order is emerging and with it a distinctive form of global politics”.

As a result, both distinctions domestic-foreign and national-international are becoming blurred and much less accurate descriptions of political landscape. In effect, this reconceptualization of national-international could be seen as a return to the more universalistic times before the occurrence of nation states. Cerny describes this process as follows:

The traditional inside/outside distinction and the vertically organized forms of power intrinsic to it are being not only eroded but also systematically crosscut by horizontal linkages, organizational forms, and power relationships, whether political, social, or economic, in increasingly complex forms of transnational interdependence. (Cerny, 2010, p. 73)

This process can be visible, for instance, in the speed and frequency of the reconfiguration of various political, economic and socio-cultural borders. According to Cerny, the boundaries between different territorial units (states) are becoming less significant, while much more important are becoming the newly formed boundaries between different economic sectors, socio-cultural networks and interests groups, or state, public and private agencies and organizations. The boundaries are “in a growing state of flux and deconstruction” (Cerny, 2010, p. 56). This is consistent with Bartelson’s view that:

*Not only do we live in a world in which the territorial differentiation into distinct nation-states is being challenged by a functional differentiation into distinct issue areas, but we also live in a world in which the sovereign equality of states no longer constitutes the baseline for further stratification according to relative wealth and power.* (Bartelson, 2006, p. 474)
As globalization progresses, the ‘dialectical clash of liberalism and realism’ (Forsythe, 2012, p. 51), which asserts that international law and organization demand liberalism while widespread practice of foreign policy is realist, is becoming more and more apparent. However, as I argue throughout the thesis, it is quite likely that the changes reached a ‘critical mass’, which justify the claim that we are moving beyond this clash.

Theoretical perspectives on the discipline are already recognizing and reflecting this process. Realism is perhaps the only major theory, which upholds the traditional view at its fullest. But almost every other approach including various forms of liberalism, Marxism, constructivism, or post-modernism are incorporating these developments into their theoretical frameworks. On the other hand, these theories still retain state as the basic unit of analysis and hence as the ontological foundation of the theory.

What is more, this reconfiguration has already produced a debate within the IR field about its subject. The very name of the discipline has been challenged. Currently, it is being redefined as can be seen in the increasingly many references which replace the traditional label ‘international relations’ and adopt much more inclusive designation of ‘world politics’ or ‘global politics’.39 The discussion about semantics (i.e. clarifying what we are actually talking about) is yet another sign of more profound changes that are unfolding in the outside world.

The ‘post-Westphalian order’ may not yet be fully apparent in the general discourse on politics but the first hints can be recognized even outside the academic domain. For instance, quite a few politicians in the EU are deemphasizing the concepts such as ‘nation’ and ‘sovereignty’ and highlighting a more universalistic understanding of politics (albeit only within the EU borders). Similarly, the understanding of the term ‘nation’ in the US or France is completely stripped off of

39 See, for example, the standard textbook of international relations The Globalization of World Politics: An Introduction to International Relations (Baylis et. al., 2011) or Cerny (2010).
its country-of-origin (i.e. cultural, linguistic, etc.) connotations and refers instead to the group of people with a common citizenship. On the other hand, this process creates a tangible opposition. In the EU, the movement that advocates less integration and demands the transfer of powers back to the nation states is gaining voice, although it does not represent a mainstream opinion. Also, elsewhere in the world the constitution of a nation state did not even take place, to the consternation of groups, which see themselves as a nation and the establishment of their state consider as the paramount objective.

4.3 Governmentality approach to international politics

Given that globalization is indeed reconfiguring the IR discipline and transforming our understanding of politics, we are faced with the question of how to account for these changes. This becomes especially relevant if, as for example for Neumann and Sending (2010, p. 1), these changes are indeed “so massive that we need a new framework for studying global politics”. As the authors specify later, what is actually needed is a concept of politics that “retains realism’s focus on power and politics and yet recognizes the centrality of ideational factors such as norms in the transformation of global politics” (2010, pp. 7-8). This section and the next outline one such alternative approach.

The concept of governmentality was originally introduced and developed by Michel Foucault in his lectures at the Collège de France in 1978 and 1979.40 In general, governmentality, or the rationality of government, can be understood simply as the organized practices of governing. The governmentality analysis then investigates precisely this process or activity of governing, i.e. what techniques are used and how and to what they are applied. It does not come as a surprise that there is a connection with the problem of order. The existence of government already implies a form of

order and, as Larner and Walters note, “governmentality is ... concerned with ordering people and things” (2004, p. 3).

Government and governmentality are closely related concepts. In Foucault’s understanding, government was characterized as the ‘conduct of conduct’. More specifically, government is “a form of activity aiming to shape, guide or affect the conduct of some person or persons” (Gordon, 1991, p. 2). Dean elaborates this description further:

Government is any more or less calculated and rational activity, undertaken by a multiplicity of authorities and agencies, employing a variety of techniques and forms of knowledge, that seeks to shape conduct by working through the desires, aspirations, interests and beliefs of various actors, for definite but shifting ends and with a diverse set of relatively unpredictable consequences, effects and outcomes. (Dean, 2010, p. 18)

According to Gordon, the process of government (i.e. the government as an activity) involves:

The relation between self and self, private interpersonal relations involving some form of control or guidance, relations within social institutions and communities and, finally, relations concerned with the exercise of political sovereignty. (Gordon, 1991, pp. 2-3)

We can see that the government and governing are understood here very broadly, basically as a range of control techniques that are applied to the self as well as to the populations. In other words, governmentality can be seen as “a range of forms of action and fields of practice aimed in a complex way at steering individuals and collectives” (Bröckling, Krasmann, & Lemke, 2011, p. 1).41

Although the concept of governmentality was originally developed to analyze primarily the domestic practices of governing, governmentality analysis is being increasingly utilized within the IR discipline, too. This is, however, a relatively recent trend, apparent only in the past decade (Walters, 2012). Despite or perhaps because

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41 See also Foucault (2009, chapter 4), for a detailed explanation of the term.
of that, governmentality in IR is becoming a ‘burgeoning phenomenon’ (Innes & Steele, 2012) and Aalberts (2012) even speaks about the ‘governmentality turn’ in IR.

There are several reasons for this development. According to Dean (2010), it is the result of working of a pervasive discourse on globalization and the emergence and growing importance of global governance and its conceptual and functional counterpart global civil society. Innes and Steele (2012) then add also the almost ubiquitous presence of the neoliberal economic system. Especially the rise of political liberalism has been associated with the concept of governmentality since it is an essential element of the latest development of governmentality. However, as Walters (2012) notes, governmentality is by no means associated solely with domestic and/or liberal modes of governing.

The growing body of works that utilize governmentality analysis and apply it to the international domain has been recently subsumed by Walters under the heading ‘international governmentality studies’. It typically covers areas such as international security, sovereignty, or economic development. Walters (2012) also provides a comprehensive overview of the scholarly literature, which develops the governmentality analysis across various topics within the IR. Especially relevant are the applications to global governance (Neumann & Sending, 2010) and political economy (Guzzini & Neumann, 2012). A broader overview of topics and applications of the governmentality approach is available, for example, in Innes and Steele (2012) and Larner and Walters (2004).

According to Neumann and Sending (2010), there are two main advantages of the governmentality approach. First, it enables to better explain the relation between the states and non-state actors in international politics in general and in global governance in particular. Rather than the transfer of power from the state, this process can be conceptualized as the changing logic or rationality of government.  

42 See also Cerny (2010) and the section 2.4 of this thesis.
Second, governmentality analysis can also theoretically incorporate the diffusion of liberal norms while not reducing the relevance of power politics.

Particularly relevant for this thesis, however, is the difference in the evolution of the practices of governing at the domestic and international level. While at the national level, we can observe a long-term shift from the absolutist, concentrated forms of power to the more liberal forms of governing, the trend at the transnational level (at least in modern history) is the opposite – from anarchy to governance. Neumann and Sending express this difference as follows:

While the trajectory of government at the national level is one from sovereignty and direct control to biopower and liberalism, the trajectory of government at the global level is one from interstate cooperation, diplomacy, and balancing, one could say, and toward a postsovereign mode of governing called “global governance” where liberal forms of governing are superimposed on the preexisting framework of the sovereignty-based competition, cooperation, and conflict between states. (Neumann and Sending 2010, p. 14)

Quite expectedly, such ‘superimposition’ of liberal techniques of power on the international domain that is still governed by the realist principles impinges on the working of the global governance mechanism. These practical limitations, as well as some conceptual problems present in global governance, are explored in the last chapter of this thesis. In the next section, though, we look at how international politics is conceptualized with the toolbox provided by international governmentality analysis.

4.4 New image of world politics

The main benefit of this novel theoretical approach is the possibility to interpret the changing nature of international politics that was brought about by globalization as an evolution in the governmental rationality. In this view, governing practices are undergoing not just a functional expansion but also a qualitative change. The functional expansion relates to the gradual broadening of governmentalization,
which means that more and more international issues and interactions are subjected to ‘official’ managing techniques. The qualitative change consists in the gradual liberalization and democratization of these practices. This is where the phenomenon of global governance has its conceptual origins.

This development is not unprecedented. For example, the important political events such as the Peace of Westphalia of 1648 or the Congress of Vienna of 1815 changed not only the political landscape but also the international governmental rationality. In case of Westphalia, it was the establishment of the interstate system based on sovereignty, which constituted a decisive break from the “old forms of universality” (Dean, 2010, p. 231) as represented by the notions of Empire and the Church. The Congress of Vienna then contributed to the formation of a new global paradigm based on liberalism (Dean, 2010). In a similar fashion, the end of the Cold War in 1989 can be interpreted as a shift in (and a further expansion of) international governmental rationality in that it brought to an end the geopolitical standoff between the two power-blocks and, perhaps more importantly, that it dissolved the ideological polarization between capitalism and socialism and established liberalism as a dominant ideological view.

From a Foucauldian perspective, these milestones gained their special character and historical significance precisely because they represent a qualitatively different rationality of governing of the interactions at the international level. Moreover, while this dynamics of the international system cannot be fully explained by the traditional approach, it fits neatly within the Foucauldian framework, which sees it as a progressive transformation of a more general governmentality phenomenon.

When applied to the contemporary situation, the political dimension of globalization can be considered as a gradual extension of governing practices to the global level, with the corresponding formation of institutional structures in the form of global governance. This process shifts the conceptual focus away from the institution of a state and its sovereignty. What is observed and described as the transfer of power from the state to non-state actors is, according to Neumann and
Sending (2010, p. 5), “an expression of changing logic or rationality of government”. In effect, the result of the political facet of globalization is, in the words of Philip Cerny, a post-nation-state project (2010, p. 41), which is strongly grounded on liberal principles.

The transposition of governmentality practices from the national to the international level can be also described as a formation of the international raison d’État (Dean, 2010) or as a shift from the traditional and geographically limited raison d’État to truly global raison du monde (Cerny, 2010). Cerny characterizes it as follows:

The new governmentality of raison du monde ... sees problems, interests, values, and potential solutions as having a critical and growing transnational or even global dimension. Raison du monde prioritizes a process of groping toward a new world political superstructure, however messy and incremental. (Cerny, 2010, p. 175)

The seeds of the ‘new world political superstructure’ can be linked to the emerging global governance complex.

In addition, Cerny, who is following closely Foucault’s interpretation, understands the emergence of this new (postmodern) governmentality type as a result of the tension “between the two most fundamental structural trends of modern society, economy, and polity—namely, between institutional hierarchy, on the one hand, and the liberal primacy of the individual, on the other” (Cerny, 2010, p. 176). New governmentality synthesizes these trends and produces the system of “managed neoliberalism” (Cerny, 2010, p. 160).

This interpretation echoes the view of Neumann and Sending (2010) from the previous section (see quote on p. 49) but goes a bit further. The new governmentality of raison du monde is not just ‘superimposed’ on the predominantly realist

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43 In the specific case of the European Union, we can observe the shift of (selected) governing practices to the supranational level. One does not have to be a federalist to acknowledge a gradual emergence of something like a supranational raison de l’Union.
environment of international relations, as is argued by the authors. Instead, in Cerny’s view, the international sphere is transformed by the working of the neoliberal governmentality in such a way that it transcends the concepts of borders altogether. World politics, according to Cerny, is seen as “neither an embryonic global state nor an integrated world marketplace as such, but a complex, multilayered, fungible—yet increasingly hegemonic—set of simultaneously globalizing and governmentalizing political *practices*” (Cerny, 2010, p. 176).
Chapter 5

Global governance

5.1 Introduction

This final chapter brings all the themes discussed so far together. The concept of global governance in its current form is an umbrella term for the advanced political mechanisms that are required to manage the increasingly complex issues with global ramifications. I explore the notion of global governance and some of its problems in two main sections. In the first, I look at the concept of global governance, namely how it originated and what is typically described by this term. The most prominent definitions are discussed along the justifications for the establishment of the global governance framework. Since the term is often used in a very broad sense, I argue for a more restrictive interpretation.

In the second section, I consider conceptual tensions that are present within the notion of global governance. The need for global regulatory framework is often understood as a task of rational design, i.e. as a deliberate construction of order. Invoking the Hayekian analysis from chapter 3, I argue that such attempts are limited. The logic of spontaneous order asserts that intentional construction of order is only possible within certain limits and cannot be solely the product of rational design. This argument is also supported by the governmentality perspective, which further highlights the liberal and self-organizing aspects of the global governance concept.
5.2 The concept of global governance

The intellectual origins of the term global governance can be traced to the late 1980s within the literature on international regimes (Kacowicz, 2012). Intensification of the processes of globalization brought the term *complex interdependence*, which was developed by Keohane and Nye\(^{44}\) to describe the growing intricacies of economically and politically interconnected world, to a new level. Whereas the management of world affairs in the previous period led to the establishment of many international regimes and international institutions, this network became in the contemporary era so much denser that it could be meaningfully addressed in new categories. As Keohane demonstrates, international interdependence evolved into globalism and international institutions are gradually transforming into a global governance framework (Keohane, 2002). The term *global governance* was introduced precisely to embrace and justify the development of advanced regulatory mechanisms on a global scale.

The need for such mechanisms has become increasingly apparent. Indeed, the justification of the global governance framework often involves a reference to a better management of issues with global impact, typically economic and environmental affairs. According to Kacowicz, global challenges require “the establishment or creation of new political mechanisms that transcend the state system in order to cope with the complexities of our world” (Kacowicz, 2012).\(^{45}\)

Although the need for these ‘new political mechanisms’ is quite evident, it is much less clear what exactly they should entail and how they should be established.

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\(^{44}\) See Keohane and Nye (1977).

\(^{45}\) With globalization reaching its height, James Rosenau voiced this concern as follows: “Reinforced by the collapse of time and distance, the weaknesses of states, the vast movements of people and the ever greater complexities of modern life, the question of how to infuse a modicum of order, a measure of effective authority and a potential for improving the human condition into the course of events looms as increasingly urgent” (Rosenau, 2002, pp. 70-71).
This is reflected in the notion of global governance, which is not very specific and represents a typical umbrella concept. This catchall feature is apparent from its intellectual history. After its introduction in the late 1980s, the term gained wider scholarly attention after the establishment of the United Nations Commission on Global Governance (UNCGG) and the publication of a pioneering work on the topic edited by Rosenau and Czempiel\(^{46}\) entitled *Governance without Government: Order and Change in World Politics* (Kacowicz, 2012). The UNCGG defined global governance in its report *Our Global Neighborhood* from 1995 as follows:

> Governance is the sum of many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest. (CGG, 1995)

Similarly, Rosenau understands global governance as:

> A summary term for highly complex and widely disparate activities that may culminate in a modicum of worldwide coherence or that may collapse into pervasive disarray. In the event of either outcome, it would still be global governance in the sense that the sum of efforts by widely disaggregated goal-seeking entities will have supplemented, perhaps even supplanted, states as the primary sources of governance on a global scale. (Rosenau, 1999, p. 294, quoted in Kacowicz, 2012)

Emerging global governance system has been infused with hopes that global challenges can be adequately matched by corresponding global responses, i.e. by the adequate and effective governing practices. However, the intricacy of such tasks can be overwhelming, as the fate of the Kyoto protocol or the aftermath of the 2007-08 financial crisis demonstrated. Apart from the more effective framework for solving global problems, it is the problem of order, which is also invoked in the discussion

surrounding global governance. This is apparent from a newer characterization of the concept provided by Weiss and Thakur:

Global governance is the sum of laws, norms, policies, and institutions that define, constitute, and mediate trans-border relations among citizens, society, markets, and the state in the international arena—the wielders and objects of international public power. Even in the absence of an overarching central authority, existing collective arrangements bring more predictability, stability, and order to trans-boundary problems than we might expect. (Weiss & Thakur, 2010, p. 6)

In this context, Kacowicz (2012) suggests that global governance should be used as a proxy for the classification of world orders. He proposes a continuum of governance, where at the one end of the spectrum is simple international order (understood as the anarchical international society) and at the other world government, respectively. Along the continuum, global governance evolves through various stages, which correspond to the different ‘modes of global orders’. The international sphere is depicted as moving away from anarchy towards a more organized and ordered arrangements.

However, this interpretation suggests that global governance is understood in a very broad sense, even broader than the actual definitions of the concept. This can be a bit confusing. Given that the term global governance is associated with the advanced mechanisms of governance that are implemented at the global level, which is a relatively recent development, it is not clear why should it be stretched all the way to cover all forms of international organization. The term global governance, in its narrower understanding, can be then reserved for later and much higher levels of order, in other words, for more ordered forms of global organization of governance.

Infusing the concept of global governance with the notion of governmentality from the previous chapter opens new perspectives. In addition to the
‘institutionalized’\textsuperscript{47} facet of global governance, governmentality analysis highlights the actual ‘practices of regulation’, where regulation is understood “not as the ‘command and control’ of populations, but rather as notions of responsibilizing individuals through new instruments of management that emerge from the market-driven logic of neoliberal governance” (Innes & Steele, 2012). Consequently, governmentality deemphasizes the state and the traditional understanding of sovereignty and enables to include non-state actors and individuals as well.

The next section considers some conceptual and practical problems that are connected with the notion of global governance.

5.3 Conceptual tensions in global governance

The transformation of international relations into world politics induced and exacerbated by globalization indicates that there is a need for political decision-making mechanisms that would enable addressing global challenges quickly and effectively. At present, this is rarely the case.\textsuperscript{48} As was mentioned in several places throughout this thesis, the absence of an overarching global authority can be perceived as a significant shortcoming of the contemporary international system. Arguably, the lack of such authority impinges negatively on the compliance with international rules, which is the basic precondition for effective governance of the international sphere. The concept of global governance has been introduced to overcome these limitations.

This section develops an argument that points out some tensions within the concept of global governance. In addition, I argue that global governance with its

\textsuperscript{47} The term institutionalized is referring to the institutional framework of global governance, i.e. the international organizations that conduct and implement global governance functions.

\textsuperscript{48} This is not to say that global issues are not being resolved at all. Rather, it is generally perceived that current decision-making and implementation mechanisms (including the UN system) are inadequate and do not reflect the developments on the international scene.
emerging institutional network does not have to become a system of pooled authority comparable to the world government. In other words, there is no need to mimic the domestic institutional arrangements at the international level at all costs. Rather, as the chapters on spontaneous order and international governmentality demonstrate, there are conceptual tools to frame global governance as a form of an emergent yet managed order, which is sufficient for the regulation of global affairs.

The concept of global governance exhibits a dualist nature, which is reflected in the half-analytic and half-constitutive character of the term. On the one hand, global governance subsumes and describes the spontaneous formation of advanced regulatory mechanisms at the global level but on the other, it aims to constitute these mechanisms through intentional actions based on rational design.

First, let’s consider the spontaneous character of global governance processes. There are three areas where the emergence of an unintentional order is particularly observable, namely global economy, international law, and the democratic peace among liberal-democratic states. The emergence of order in economic systems has been described in chapter 3. The origins of international law are largely based on international customs and general principles, which guide the behavior of international actors and serve as a basis for more formalized sources of law such as treaties. The spontaneous character of order is underlined also by the largely consensual nature of international law. The democratic peace phenomenon (in other words the absence of war between democratic states) comes, as is often repeated, “as close to anything we have to an empirical law in international relations” (Levy, 1988, p. 662).

The intentional element is demonstrated, most apparently, as the rational design of international institutions, which are understood broadly as “explicit arrangements, negotiated among international actors, that prescribe, proscribe,

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49 See also Chan (1997), Gat (2005), and Owen (1994).
and/or authorize behavior” (Koremenos, Lipson, & Snidal, 2001, p. 762). According to the authors, international institutions are designed to advance the interests of states. However, this view can be broadened to include also genuine attempts to organize, manage, and regulate the international sphere in its crucial aspects, such as economy, law, and security as mentioned above. In these areas, the intentional practices complement or build on the spontaneous practices, in some more than in others. In principle, there is nothing wrong with intentional ordering practices and/or rational design as such. (In fact, they are even necessary.) However, the actors need to be aware of their limitations. As the Hayekian analysis of spontaneous order suggests, in a sufficiently complex system it is impossible to design workable regulatory mechanisms in their entirety. Arguably, the international domain represents such a complex system.

In addition to spontaneous order, neoliberal governmentality is another source of self-governing practices. As Neumann and Sending (2010) point out, liberal tradition is important in two ways. First, the advent of liberalism led to the broadening of the scope of governmentality. As a result, more and more phenomena are subjected to governing through coordinated actions. Second, the method of governing is markedly different. The essentially modern way is to ‘govern through freedom’. Liberal norms and practices have become a new standard and also a benchmark for assessing the practices of others.

Liberalism is a connection, which brings together the logic of spontaneous order and new forms of governmentality overwhelmingly present in the global governance framework. However, the perspective of governmentality is different. It is neither a bottom-up nor a top-down approach. Instead, power in neoliberal governmentality has been reconfigured from hierarchical to horizontal, network-like forms of

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50 See also the special issue of International Organization 55(4) devoted to the topic.

51 See chapter 4 for more details.
organization (Cerny, 2010; Innes & Steele, 2012). Moreover, liberal governmentality introduced the element of responsibility. According to Innes and Steele:

Self-governance is encouraged through tactics that shift responsibility for behavior to the subject. These tactics reward certain types of behavior and punish others, provoking individuals, states, or other agents to assume responsibility for their compliance with a particular type of behavior or set of norms that are informed by a liberal rationality of governance. (Innes & Steele, 2012)

This shared culture of liberal governmentality is permeating the international system and considerably changes the concept of state sovereignty and the corresponding ways of interaction among states and other actors in world politics.

One last point should be, however, raised. Although the spread of liberal governmentality could be a reason for cautious optimism, its liberal foundations could also represent a significant bias and thus a problem not only in terms of theoretical analysis but also regarding the practical conduct of policy.
Chapter 6

Conclusion

This theoretical thesis focuses on the problem of order and the governance of the international domain. In particular, the thesis addresses four research questions:

1. What are the changes brought by globalization? How do they impact international politics?

2. Why does order matter and how is it achieved? What are the sources of international order?

3. How can we account for these changes theoretically? How can we incorporate globalization, power politics, and liberal institutionalism into a theoretical framework?

4. What are the implications for global governance?

Chapter 2 looks at globalization and its effects on world politics. Globalization remains a major force, which serves as a catalyst for the gradual expanding of governing functions to the international sphere. Rather than destroying the state, globalization transformed its institutional form and its functions. This can be portrayed as a shift from the industrial welfare state to the Competition State. States remain important actors in the international arena but they are no longer the only or the decisive players in the conduct of international politics.

Chapter 3 addresses the problem of order. Order matters because, as the antipode of anarchy, it brings regularity and predictability which enable and facilitate social life. Order can emerge spontaneously by self-organization (typical example is the market-based economic system) but it can be also created and
managed (as in politics). However, both forms of order work only to a certain extent and they fail to provide generally acceptable and sustainable outcomes if taken to the extreme. As Hayek points out, in society both forms of order are essential. Liberal democracy and managed capitalism can be considered as via media between the extremes of anarchy and totalitarianism in case of politics and free market and central planning in case of economy. This compromise is an important part of their success at the domestic as well as international level.

The topic of chapter 4 is international governmentality. At present, liberalism is the most important driving factor of the conduct of governing functions not only domestically but also internationally. More issues are becoming governmentalized in the international domain as states try to manage their interactions and global problems in a better and more efficient way. International politics has evolved beyond the traditional realpolitik with its raison d’État into a network based world politics with many transnational linkages and raison du monde type of governmentality.

Finally, chapter 5 provides a conceptual analysis of the global governance phenomenon. Since the international sphere is a complex system, it is impossible to design a comprehensive institutional framework, which will be able to effectively control and manage international affairs. International order cannot be designed, but it can arise spontaneously and it can be managed and sustained as a result of favorable states’ practices and interactions. The absence of an overarching authority does not represent a decisive obstacle for the formation of order. What is, however, necessary, is a mechanism that will ensure the compliance with rules and manage the emerging order. From the perspective of international governmentality, such mechanism is being developed under the global governance framework. These advanced regulatory mechanisms are largely based on neoliberal principles, which favor responsibility of the subject and encourage self-governance. In economic domain they replicate, to a certain extent, the logic of spontaneous order.
As I mentioned in the general introduction, the formation of order and governance is a ‘big topic’ in world politics. In relation to such an extensive project, this thesis can be considered as a preliminary exploration. A comprehensive account would then develop a true genealogy of global governance. It will have to investigate its liberal foundations and consider especially the limitations and truth conditions of such international ordering practices. In addition, there are some difficult questions regarding the limits of freedom and control and the position of the international system on the continuum of order and governance. These questions are indeed the grey area or even the black box of global governance.
Bibliography


