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WHY INVESTIGATE INEQUALITY?

Traditional investigations into world order have tended to neglect the issue of inequality. They have confined themselves to questions such as: how relations are ordered among states; who comprises the 'society of states'; who makes the rules; and what kinds of leverage and coercion are available to enforce the rules? In other words, they have eschewed investigating the role that equality and inequality have played in promulgating and influencing international order.⁽¹⁾ Yet there are powerful reasons for investigating inequality in any discussion of order in international relations today. Although traditionally, great powers or super-powers have provided stability and order through leadership or the balance of power, today these rudimentary institutions will not suffice. Processes of globalization are challenging the bases of order in profound ways: first, as the evidence presented in this book demonstrates, by exacerbating inequalities both within and among states; and second, by eroding the capacity of traditional institutions to manage the new threats.

This chapter introduces these arguments in the following way. The first part defines inequality and argues that emerging inequalities in world politics challenge the traditional conception that order is best maintained through hierarchy among states. Yet inequality has been 'off' the world politics agenda for a long time. As charted in the second section, since the 1970s there has been a shift in normative arguments away from a concern about inequality among and within states, and towards a more focused concern with poverty and the poorest states. However, as the third section of this chapter argues, globalization presents a new set of challenges which, for practical reasons, force us to think once again about inequality. Globalization, it is argued, transforms the processes, actors and capabilities, and the agenda of world politics, necessitating more effective international institutions of management. Today institutions need to probe deeply into domestic politics, ensuring compliance with agreements on issues ranging from the environment, to trade and arms control. To do this effectively, they need full participation and commitment from a wide range of members. Yet, as argued in the final section of the chapter, existing multilateral organizations are still hierarchically arranged. Their authority and effectiveness depends upon the will and actions of their most powerful members and as the most powerful states balance up the advantages of stronger and more effective institutions against possible losses in their own control and sovereignty, they repeatedly come down on the side of the latter. This means they are committing themselves to maintaining the old hierarchical order, even in the face of its ineffectiveness in dealing with new challenges and problems.

INEQUALITY AND THE TRADITIONAL VIEW OF INTERNATIONAL ORDER

Order in international relations carries many meanings and many interpretations. At a Conference on 'Conditions of World Order' thirty years ago, several leading academic lights in international relations were brought together in Bellagio, Italy. They defined 'order' as 'the minimum conditions for coexistence'⁽²⁾, eschewing any wider definition of order which would open up discussions of necessary conditions for a 'good life' or any other set of deeper values. And indeed, this is a traditional vision of international order. It begins with a European conception of the 'Westphalian system'⁽³⁾, the key actors within which are sovereign states who are in a formal sense equal - each is accorded an equal 'formal' sovereignty. However, order among these states is traditionally understood to be a product of hierarchy. A balance of power among states, such as that prescribed in the Treaty of Utrecht 1713, prevented any one state from predominating or extinguishing the sovereignty of all others.

Inequality within the traditional conception of world order is a positive, restraining and ordering force. It permits the operation of a balance of power which substitutes for the centralized authority of Hobbes' Leviathan. At the same time, hierarchy in the international system, or the imbalance of power, has never meant a strict imposition of the absolute will of the most powerful state or states. Rather, within the hierarchical system institutions have emerged which permit limited accommodation and change. The Concert of Europe, for example, or the League of Nations, were institutions which reflected the need of the most powerful to accommodate those directly beneath them - to ensure they have a stake in the system so that they will assist in preserving the status quo. However, the scope of this type of accommodation within traditional realist views of international relations, has been strictly limited.⁽⁴⁾

Similarly, in contemporary accounts of international relations the comfortable relationship between power and accommodation is continued in theories that assume that 'hierarchy' breeds order. In the realist tradition, inequality simply describes the status quo in international relations and not a deeper set of normative concerns.⁽⁵⁾ Order is provided by a powerful state which sets up institutions and rules in the international system.⁽⁶⁾ The real debate within the recent literature has been about whether or not a hegemon is required to maintain and enforce the rules. It has certainly not focused on the degree to which a particular regime will cement or alleviate inequalities. Neo-realists argue that a hegemon is essential.⁽⁷⁾ The institutionalist critics of neo-realism argue that a hegemon is not required for the institutions acquire a driving force of their own, based on the interests which they generate.⁽⁸⁾ However, even within the institutionalist view, the role of norms and institutions can only be explained *after* a power-political framework has been ascertained.⁽⁹⁾ Hierarchy and inequality are thus asserted as a precondition for subsequent kinds of order.

In brief, the traditional view of order assumes that 'right depends largely on might'.⁽¹⁰⁾ In making any accommodation to the less powerful, the most powerful must beware that they do not diminish their own capacity to maintain order. The normative concern is to ensure order and concessions to justice or distributional equality, we are told, do not breed the conditions for order. By contrast, the more brutal reality of unequal states does.⁽¹¹⁾ Hence, for example, Robert Tucker's 1970s attack on the Carter

administration for listening to developing countries' demands for justice, and by accommodating them, escalating the demands at the same time as eroding the capacity of the United States to control them.⁽¹²⁾ In modern realist and neo-realist accounts of international relations, the way to deal with increasing disorder is to reinforce the traditional hierarchy of power.⁽¹³⁾

Yet the experience of the 1990s suggests traditional hierarchy does not maintain order in the face of new challenges. Although immediately after the end of the Cold War there was a brief euphoric period during which a `New World Order' led by the United States was trumpeted,⁽¹⁴⁾ the idea was short-lived. The United States and its close allies soon found that a global agenda of democratization, liberalization, peace and self-determination would often be self-contradictory. In transition or democratizing countries, difficult choices had to be made between either economic liberalization or democratization, with governments often forced to prioritize one or the other.⁽¹⁵⁾ Self-determination, on the other hand, often seemed to lead to civil war and conflict, nowhere so starkly as in the former Yugoslavia.⁽¹⁶⁾ A clearer hierarchy of power in the international system - the new `leadership' of the United States - did not offer solutions to these problems. Rather, a second wave of policy since the end of the Cold War has highlighted the shortcomings of existing international institutions (as will be discussed in the final section of this paper).

Today in order for countries to achieve the myriad goals of wealth, environmental protection, and a wide range of forms of security (see Andrew Hurrell's chapter), a more sophisticated order is required. Yet while the most powerful states in the system resist any reform of the institutions they dominate, it is difficult to imagine any such new order evolving. In the first place, normative arguments about the justice or injustice of global inequalities reflected within such institutions are likely to fall on deaf ears.

JUSTICE, ORDER, AND INEQUALITY

At the end of the twentieth century, there is little evidence of any widespread consensus or acceptance of a moral case for alleviating inequalities within or among states, or for reforming the international system in the name of justice. Such arguments against inequality have virtually disappeared from the agenda of world politics. At the same time, however, more limited formal arguments about equality still retain currency,

The widely accepted notion of a formal kind of equality among states borrows from ideas about the rights of `man'.⁽¹⁷⁾ This principle is not concerned with the unequal natural attributes of states such as their population, territorial expanse, or natural resources. Rather, equality in this formal sense means that

all states should be treated as equal members of international society.⁽¹⁸⁾ It is this kind of 'foundational equality' which has underpinned support for decolonization and self-determination,⁽¹⁹⁾ as well as the post-war international institutions organized on the basis of one state, one vote such as the United Nations General Assembly and the World Trade Organization.

Yet poorer, developing states soon became disillusioned with this formal notion of equality in world politics they achieved in the aftermath of the second world war. Decolonization, and access to international institutions did not result in a more substantive equality. For this reason, from the 1960s onwards, developing countries presented the issue of inequality to the world community in more exacting terms, arguing their case for greater 'distributional equality' on the grounds of justice.⁽²⁰⁾ 'Distributional equality' is concerned with the configuration of economic goods, social opportunities and political powers in a society. In international relations 'distributional equality' implies a need to transfer wealth and power from wealthy, powerful states to poorer states,⁽²¹⁾ but poses a problem about the relationship between poor individuals (who are the catalysts of moral duties of redistribution) and states (to whom the principles of equality are applied by analogy). These debate continue today, as analyzed by David Miller in chapter five. But since the 1970s the divide between the ethical debate and actual politics has widened dramatically. Arguments for redistribution and wealth transfers disappeared from the agenda of world politics in the 1980s, overwhelmed by the debt crisis and new neoliberal interpretations of inequalities both within and among countries. As a result, international institutions are no longer primarily fora within which North-South inter-state inequalities are debated.

Inequality and redistribution in the 1970s

Inequality shifted to centre stage in world politics, alongside 'North-South politics' in the 1970s. Southern coalitions of decolonized and developing states emerged sharing a collective identity cemented by a shared sense of historical injustice and significant material inferiority to the industrialized world.⁽²²⁾ North-South negotiations which had commenced with the formation of the Non-Aligned Movement in the United Nations, expanded into the Group of 77 within the UN economic system, and into the formation of UNCTAD.⁽²³⁾ Overcoming inequality became a key tenet of demands for a new international economic order and later in the negotiations for a new Law of the Sea.⁽²⁴⁾

At the same time, inequality also became a central concern of domestic politics within much of the industrialized world. During the 1960s political movements and policies emerged which strove to overcome inequalities rooted in race, gender or poverty, such as President Johnson's Great Society, and welfare and education reforms within Britain. Bearing with this trend, a lively theoretical debate about justice, equality and inequality took centre stage in the study of politics, spilling over into the study and rhetoric of international relations.⁽²⁵⁾ At both domestic and international levels, the effectiveness of

political systems came to be defined not merely in terms of 'order', but equally in terms of 'justice'. The very fact of inequality in international relations - the fact that some states were so rich, whilst others were so poor - founded claims for a more equal sharing of resources among rich and poor and, specifically, greater transfers of resources from North to South, preferential terms for trade and investment, and a negotiated share of any new international resources - such as the fruits of the deep sea bed.⁽²⁶⁾ What became known as the North-South debate was fed by three very different kinds of arguments about the injustice of inequalities among states.

Underpinning one case for redistribution among states was the argument of historical injustice. Colonialism, it was argued (particularly in Africa), had exploited and stripped resources from developing countries: justice demanded redress and transfers back of some of the wealth and technology accrued through exploitation.⁽²⁷⁾ A different emphasis ran through arguments coming predominantly from Latin America where underdevelopment was blamed on the structure of the world economy which integrated countries in such a way as to keep them on the periphery - an under-class of primary producers.⁽²⁸⁾ Finally, a more theoretical argument for redistribution emerged in the wake of John Rawls' 1973 work *A Theory of Justice*, which set out a robustly egalitarian standard of justice for politics within the borders of the state.⁽²⁹⁾ Inequalities, it was argued, are only acceptable insofar as 'they are to be to the greatest benefits of the least advantaged members of society'. Writing in the early 1980s, Charles Beitz extended these principles to apply them to international society, arguing for transfers from rich to poor states on the grounds that interdependence has bound them into a community analogous to domestic political society.⁽³⁰⁾ His argument reflects a style of argument and standard of justice which ran through many writings at the time.⁽³¹⁾

All three accounts of international inequality in the 1970s - neocolonialism, dependency theory, and theories of distributive justice - prioritized inequality on the agenda of world politics and posited that the evolution and continuation of international order depended upon a greater degree of 'justice'. This transformed universal organizations into fora of the 'North-South' debate. The *zeitgeist* was summed up in the Brandt Report, an independent investigation by international statesmen and leaders into development, which recommended an immediate 'large-scale transfer of resources to developing countries', an international energy strategy, a global food programme, and a start on some major reforms in the international economic system.⁽³²⁾ Yet by the time the report was published, the international community had changed dramatically.

Inequality and neoliberalism in the 1980s

In the early 1980s new leaders had come to power in the United States, the United Kingdom, and Germany each bringing a new harder rhetoric to both domestic and international politics. Ronald Reagan,

Margaret Thatcher and Helmut Kohl soon made the Brandt Report look anachronistic. Inequality was pushed off both domestic and international agendas, replaced by theories of self-help, and an emphasis on individuals and poorer countries 'taking responsibility for their own choices and policies'. Underdevelopment in 'the South' was soon being explained in terms of the policy failures within each of the developing countries which were highlighted by the debt crisis. The demands of 'justice' would be met, argued these new 'neo-liberals' by ensuring that processes of distribution and economic exchange were just,⁽³³⁾ and this meant ensuring the unfettered operation of free markets wherever possible. In political rhetoric the argument was framed as ensuring that corrupt regimes would be disciplined by the market. At the same time, a concerted attempt was made to curtail and discipline international organizations which had become fora for the debate about inter-state inequality.⁽³⁴⁾

The consequences of the shift in ideology were several. In the first place, aid flows to developing countries were cutback as the rationale for such redistribution was rewritten. In the second place, assistance offered to developing countries became conditional on adherence to policy prescriptions largely being written in Washington DC.⁽³⁵⁾ Overall the impetus was to cutback the role of the state, reducing the extent to which governments would or could actively play a role in redistribution (whether with positive or negative results) within the economy. In many countries this period of liberalization was accompanied by a marked exacerbating in inequality (as charted by Stewart and Berry in this volume). Finally, the shift in ideology led to an overhauling of theories of development.

Neoliberals had little truck with the argument that developing countries faced structural constraint. They pointed to the newly industrializing countries of East Asia (such as Japan, Singapore, Hong Kong, Korea, Taiwan), arguing that these economies succeeded in spite of the alleged structural bias of the world economy, because governments had made good policy choices, and relied on markets. The shift in the argument about inequality from 'structural barriers' to 'policy choices' removed inequality from the realm of international politics and cast it instead into that of economics and public administration. Yet, as we will see below, not only is there still debate about why the NICs flourished,⁽³⁶⁾ there are also still strong barriers in the world economy which inhibit growth and welfare in developing countries.

'Just' and 'unjust' inequalities in the 1990s

Today justice claims based on the inequality of resources among states have all but disappeared. Dependency and structuralist explanations and prescriptions have not been revived. The liberal political theory arguments for redistribution have been significantly watered down. John Rawls himself, in turning to apply his argument for redistribution to the international system seems to have been influenced by the subsequent anti-egalitarian spirit of the 1980s and early 1990s.⁽³⁷⁾ In his application of justice to world politics, we find no demand for distributive justice. In his *Law of Peoples* Rawls stops short at the suggestion of mutual assistance in times of famine and drought and ensuring, if feasible, that in 'all

reasonably developed liberal societies' people's basic needs are met. This statement reflects a much wider watering down of concerns about inequality among states in world politics.

By the 1990s just one kind of inequality remained prominent on political agendas (both domestic and international), and that was, and still is, poverty. Previously 'equality' was promulgated as the goal of a just society, and this required attempts to reduce resource differences between individuals or groups of people. Now, 'poverty alleviation' has replaced it and that requires reducing or eliminating some supposedly absolute standard of deprivation.⁽³⁸⁾ Practically, this shift is seen in policy prescriptions which require governments to remove across-the-board benefits (be they pensions or food subsidies) and to 'target' welfare measures towards the most poor. This shift is highlighted in two chapters of this volume (Deacon, and Stewart & Berry). As Stewart and Berry note, the problems with targeting are not just practical (that the poor are often not in a position to access the benefits), but also political: if only the poorest benefit from state welfare policies, there is a danger that the benefits can subsequently be cutback with no strong political protest, since the poor usually have the weakest capacity to influence policy.

A further element of the increased attention on poverty is a new categorization of the South. In the 1980s, institutions dealing with the debt crisis began to distinguish among different categories of poor and developing countries, using descriptions such as 'middle-income', 'lower-middle-income', 'low-income', and 'highly indebted'. Most institutions have now agreed that they ought to focus their most concessional lending or assistance on the poorest countries, as pronounced by the G-7 at their London Summit in July 1991.⁽³⁹⁾ Indeed, since 1996, the International Monetary Fund and the World Bank have put together a debt relief initiative for the poorest and most highly indebted poor countries offering relief on portions of debt.⁽⁴⁰⁾

Finally, in the early 1990s the new focus on poverty alleviation has been accompanied by a desire to reduce the role of the state, including in delivering aid and administering development projects. In practice, this aim was partly achieved by an increased reliance on non-governmental organizations (NGOs). In the late 1990s, however, the multilateral institutions and their powerful industrialized country members have found that the market-oriented development blueprint has wrongly neglected the role of institutions. As a result, conditional lending today reflects an aspiration to 'strengthen and modernize' the state and its capacity to deliver. However, the renewed focus on institutions and the state has carefully proscribed any revival of arguments for strongly redistributive taxation and fiscal policies. Similarly, at the international level, there is continuing rhetoric against inter-state redistribution and a dampening of all arguments for greater equality among states. Yet, this discourse hides continuing deep and deepening inequalities in the world political and economic systems.

Remaining barriers to equal treatment

The rules governing the world economy were a source of major discontent to developing countries seeking to overcome inequality in the 1960s and 1970s. In the 1990s it may still be said that developing and industrialized countries do not compete on a level playing field. This reality contrasts sharply with the theory that globalization will open up new opportunities for countries who make good policy choices. Developing countries have been persuaded to liberalize and deregulate their economies so as fully to exploit opportunities in a more global world economy. Yet, if we take international trade rules as an example, a study of the rules demonstrates that the opportunities developing countries might exploit are far from equal.

The Uruguay Round of trade negotiations promised to liberalize rules for all countries, yet the negotiations have left intact a system which is biased against developing countries. Overall developing countries are still disproportionately affected by tariff barriers. It has been estimated (in 1997) that developing countries face tariffs 10% higher than the global average, and the least developed countries face tariffs 30% higher (because tariffs remain so high on textiles, leather and agricultural commodities). Whilst the Uruguay Round achieved substantial tariff reductions, these reductions have been much more advantageous to the industrialized countries (reducing tariffs on 45% of what they export) than developing countries (for whom the reduced tariffs affect only 20-25% of their exports).

The clearest examples of unequal treatment relate to textiles, clothing and agriculture. Since 1961 textiles and clothing have been the subject of restrictive quotas (set out in the Multi-Fibre Arrangement) beyond which high tariffs apply. These goods account for a large proportion of what developing countries produce: for Bangladesh and Sri Lanka it represents half their export earnings, for Sub-Saharan Africa 24% of exports, for Asia 14% of exports, and for Latin America and the Caribbean 8% of exports. The Uruguay Round agreement will phase out the quotas over a ten year period and reduce tariffs, but only to an average tariff of 12% - which is three times the average levied on industrial country imports.

Agriculture is the other great unbalancer of the playing field of international trade. The United States and the European Union dominate world markets in agriculture and each gives heavy subsidies to their own farmers. It has been estimated that these subsidies amount to roughly half the value of agricultural output in these economies.⁽⁴¹⁾ This protectionism is having three devastating effects on developing countries: first, it keeps world prices for agricultural commodities artificially low; second, it excludes developing countries from markets in the main industrialized countries; and finally, it exposes developing country producers to 'dumping' of (artificially) cheap produce from industrialized countries.

Developing countries are also still affected by tariff escalation. In other words, higher tariffs are still set

on processed goods than on raw materials. For example, for leather, oilseeds, textile fibres and beverages, tariffs continue to be 8-26% higher on the final product than on the underlying raw materials. The result is that developing countries cannot afford to 'move up the ladder' of industrialization. Rather they become locked into producing primary commodities. The problem with producing primary commodities is that world markets for them are volatile, their prices are declining, and world demand for them does not increase significantly as income increases nor as their price decreases.

A third hindrance to developing country exports has been the use of non-tariff barriers by industrialized countries. Quotas, 'voluntary' export restraints, and antidumping measures all curtail the export opportunities of developing countries. Anti-dumping measures theoretically protect countries from exporters who sell below cost to drive competitors out of business and then exploit their larger market shares. However, a recent OECD study found that in 90% of US and EU anti-dumping actions there was little or no threat to national industries.⁽⁴²⁾ The results of the Uruguay Round should effect a decrease in the use of anti-dumping measures. But there is a dangerous trend that must be reversed: it has been estimated that between 1989 and 1994, the use of anti-dumping actions and penalties more than doubled in number.⁽⁴³⁾

Finally, a core part of the 1970s agenda for a fairer world economy was for greater technology transfer from 'North' to 'South'. In the 1970s this was expressed in terms of multinationals' duties to transfer technology at the same time as they introduced production and investment into a developing country. Yet here there has been no easing of transfer to developing countries who claim that until they have access to technology they cannot hope to compete in a global economy in which profits are skewed sharply towards high-technology products. The Uruguay Round introduced a regime of intellectual property rights which extends the life of patents and other intellectual property rights and enforces protection of them. In this way technology transfer has, if anything, been made all the more difficult and costly for developing countries. Furthermore, in respect of more general rules governing investment, negotiations on a Multilateral Agreement on Investment have proceeded among OECD countries without the formal participation or representation of developing countries.⁽⁴⁴⁾

Overall the fact that developing countries still face greater trade barriers than industrialized countries poses problems for the neoliberal normative framework which has prevailed in the 1980s and 1990s. Neoliberals rejected the notion that unequal outcomes are unjust in the world economy on the assumption that equality of opportunity exists. Yet the evidence shows that equal opportunity in the international economy does not exist. Furthermore, the fact that so many barriers remain highlights the costs to developing countries of political inequality in world politics. Most developing countries have not participated in setting the rules of global trade or investment or the like, and in various groupings they suffer from unevenly and unfairly drawn regulations. Furthermore, as will be argued in the next section, as globalization proceeds apace, both political and economic inequality are likely to increase.

THE IMPACT OF GLOBALIZATION

In the market-based economists' account, globalization opens up opportunities and advantages to all states. Yet the existing evidence highlights that the process is a much more uneven one than the theory suggests. Globalization describes dramatic changes in the transactions and interactions taking place among states, firms and peoples in the world. It describes both an increase in cross-border transactions of goods and services, as well as an increase in the flow of images, ideas, people, and behaviour. Economistic views treat the process as technologically driven. Yet globalization has also been driven by deregulation, privatization, and political choices made by governments. Whilst flows of goods, services, people, and capital are increasing, they are, at the same time, often barred or blocked by regulations. In other words, the impact of globalization has been strongly shaped by those with the power to make and enforce the rules of the global economy.⁽⁴⁵⁾ At the same time, however, to create rules which are enforceable, rule-makers are having increasingly to rely upon a wider group of actors and a wider range of institutions. This creates a real tension between increases in inequality caused by processes of globalization and the necessary increase in participation required to regulate the processes. In this section, the key elements of globalization are analyzed to highlight these tensions.

A first core aspect of globalization is technological change which has transformed the possibilities of global economic activity. Firms can now organize production globally using new means of communication, and new more flexible techniques of production. This has led to what Charles Oman (in chapter six) calls 'global localization'. Increasingly, multinational firms produce goods as close to their markets as they can. This means they have a presence in several regions or economic area of the world economy. The political implications are manifold and importantly for our purposes, they do not all point to deregulation and an opening up of possibilities. Rather, those who benefited first and most from technological change have also been very quick in seeking to protect their position, pushing for international rules which may well hinder others wishing to emulate them.

Where once MNCs were a force for liberalization and the opening up of trade barriers (so that they could trade into regions and countries), today, having situated themselves within regions or countries in which they wish to trade, they no longer need to press for the opening up of borders. Life inside a 'fortress' Europe or NAFTA might be quite comfortable. Furthermore, rather than diffusing technological advances worldwide, leading companies have pushed for increasingly strict international rules on intellectual property.⁽⁴⁶⁾ Competition today is not just for a competitive edge in technological or economic terms. Rather, firms also compete for control of the rules of the game at international and at regional levels. Yet for the rules they seek to have meaning, firms need to rely on governments over whom they have the least control and leverage. Globalization is thus cementing old economic inequalities between 'haves' and 'have-nots' - not just in the sense of having technology or not, but also in the sense of having the capacity to make rules or not. Yet at the same time, globalization is creating a

new set of requirements for regulation and enforcement which requires the cooperation of the so-called 'have-nots'. This can not be achieved through the hierarchical arrangements of old.

International trade is another aspect of globalization. It is also one which has had highly uneven consequences. While there is a dispute as to how much world trade has increased,⁽⁴⁷⁾ there is clear evidence that high levels of trade in today's world economy are strongly concentrated in trade among industrialized countries.⁽⁴⁸⁾ For this reason, although globalization suggests that world markets are opened up and the flow of transactions among all states is thereby increased, in fact we find that the effects of change are vastly unequal. Although many developing countries have liberalized their trade policies, some are being marginalized. In chapter four, Stewart and Berry point out that exporters of primary commodities, minerals and manufacturing goods have each fared differently. Yet more generally, they adduce evidence that where liberalization (which has often been trade-led) has been undertaken, inequality within countries has grown.⁽⁴⁹⁾ We are forced to consider the terms on which trade liberalization has proceeded and here Deacon (in chapter seven) points to the critical role of institutions such as the IMF, the World Bank and the OECD, in which poorer countries have little voice. In brief, trade liberalization has cemented inequalities among states. Yet it has also resulted in increasing demands for regulation, for example from industrialized countries who argue that where countries flout international labour, environmental and safety standards, they present 'unfair' competition. The demand for an 'even playing field' requires greater regulation and enforcement at a global level.

Yet greater demands for regulation do not translate solely into efforts to strengthen global institutions. On the contrary, globalization has equally, if not more, been accompanied by new regional and bilateral arrangements.⁽⁵⁰⁾ In some ways regionalism cements the old hierarchy, yet in others it detracts from it. In theory, regional organizations offer small and less powerful states a way to unite and exercise more influence in setting trade rules and in enjoying open access to a wider market than their national market.⁽⁵¹⁾ Furthermore, the prospect of regional trade arrangements and integration offers a useful lever to government who need to dismantle powerful domestic vested interests: new policies offer both the carrot of wider markets and the stick of stiffer regional competition.⁽⁵²⁾ In these ways, the 'new regionalism' could well be seen as an even and powerful way of opening up trade. However, increasing regionalism may also cement inequalities by marginalizing less powerful states - for example, by excluding developing countries from the 'fortresses' mentioned above. Furthermore, regional institutions can provide powerful states with alibis for not using global institutions: they might, for example, choose to take their disputes to the forum in which they feel they have the most power to ensure a particular outcome.⁽⁵³⁾

International finance is a further arena of globalization which has powerful implications for traditional notions of hierarchy and order. Technology and US policies in the post-war period⁽⁵⁴⁾ have unleashed powerful forces in financial markets, as international banks and investment funds expand their global operations. Today financial markets and investment funds shift capital so fast that governments in both

industrialized and developing countries fear capital flight and speculative attacks by the market. In some ways this has a levelling effect: all governments live in some fear of the markets and all are susceptible to a speculative attack. Yet the tendency of capital markets to 'punish' or exit in a punitive way occurs in an uneven way which highlights both weaknesses and vulnerabilities in developing countries as well as in the institutions upon which they rely for assistance.⁽⁵⁵⁾ Industrialized countries in the more global economy can borrow to ease the monetary costs of fiscal expansion⁽⁵⁶⁾ and the evidence suggests that this does not necessarily heighten the risks of capital flight and market fear of default.⁽⁵⁷⁾ By contrast, in developing countries, high public debt, and indeed even high private debt (as in Mexico 1994, and South Korea 1997) can trigger markets into withdrawing, leading to a run on both investment and the currency.⁽⁵⁸⁾ Yet paradoxically, the threat of this kind of crisis means that previously less significant countries can now pose a systemic threat to international economic stability: the tail can now wag the dog. So whilst financial globalization reinforces old inequalities, at the same time, it creates new challenges and crises which the old unequal order cannot deal with particularly effectively.

Finally, globalization has included the spread of policy ideas. Global economic order is not founded on state-power and rules alone, but also on sets of policy ideas and beliefs. These are promulgated both formally through international organizations (see below and in the Deacon chapter), and informally through networks of education and research which 'globalize' particular orthodoxies. Both the 1980s and the 1990s provide powerful examples of this. In the 1980s 'structural adjustment' was urged on developing countries the world over,⁽⁵⁹⁾ and in the 1990s a similar set of liberalizing policies were urged on the former Eastern bloc countries - the so-called 'transition economies'. The impact of these policy changes was mostly to increase income inequality within these countries.⁽⁶⁰⁾ In the late 1990s, there have been some changes in the prescriptions being written in Washington DC. The reform of the economy is now being followed up with second and third phases of reform, described as 'modernizing the state'. Good governance, transparency, accountability, and participation, are now being advocated by the international financial institutions.⁽⁶¹⁾ In theory, of course, if these ideas were turned and applied to the institutions themselves, the result might well be a more egalitarian and participatory international economic order.⁽⁶²⁾ In reality, however, their application is being strictly limited.⁽⁶³⁾ Nevertheless, for the international institutions the new agenda reflects a recognition that to succeed, their reforms need greater commitment and participation by recipient government - a top-down model of incentives and leverage exercised from Washington DC will not succeed.

Globalization, it has been argued, is changing both competition among, and policies within, countries. It is also affecting the nature of actors and institutions in world politics. In a system created for 51 countries, 185 states now enjoy a sovereignty which is becoming ever more diffuse. Control over policy in certain issue areas is increasingly passing either 'down' to local bodies, or 'up' to regional or international bodies.⁽⁶⁴⁾ Alongside states, new actors are striding the stage of world politics: the 'stateless' multinational in the 'borderless world';⁽⁶⁵⁾ national groups without a state (such as Quebec, Scotland, Chiapas, Palestine, and Chechnya); rebels and terrorists enjoying a greater capacity to publicize and gain an audience.⁽⁶⁶⁾ These new actors cut across the traditional structures of state sovereignty and inter-state order, challenging governments and demanding access to the inter-state organizations charged

with global governance.⁽⁶⁷⁾ Indeed, the very principles on which sovereignty is recognized and respected are changing so that, in the words of an international law scholar, there is an: 'impossibility of reconciling the notions of sovereignty which prevailed even as recently as fifty or sixty years ago with the contemporary state of global interdependence...'.⁽⁶⁸⁾ As constructivist theorists of international relations remind us, globalization is transforming our understanding of sovereignty as well as core identities in international relations.⁽⁶⁹⁾

Particularly noticeable in their demands for a status in international organizations, are the non-governmental organizations (NGOs) claiming a transnational or a sub-national constituency.⁽⁷⁰⁾ NGOs have carved out a role for themselves in many multilateral organizations,⁽⁷¹⁾ not to mention having taken a lead in international relations on some issues such as the environment.⁽⁷²⁾ It is now the case that NGOs can participate within some international fora, such as the World Bank's Panel of Inspection hearings on environmental issues.⁽⁷³⁾ Yet, before heralding the rise of a 'transnational civil society', the limitations on NGO claims to greater legitimacy or accountability must also be recognized.⁽⁷⁴⁾

Traditional conceptions of order not only fail to take new actors into account in portraying international order, but they also fail to explain how and why these actors have emerged onto the stage of world politics. It is assumed that actors change as the configuration of power changes. Yet the new actors and changing authority of old actors also reflects a shift in beliefs and understandings about representation and legitimacy as we will see in the following section.

In summary, globalization is challenging the traditional state-centred and hierarchical world order.⁽⁷⁵⁾ Yet few of the forces analyzed here have altered the structure of institutions of management. Rather, technological change, trade liberalization, regionalism, the globalization of international finance and policy ideas are all proceeding within the rules and institutions which reflect the traditional hierarchy of power. Yet that hierarchical order is becoming less effective as new 'global' issues such as environmental problems, trade rules, and concerns about transnational crime or movements of people demand greater levels of cooperation among states.

INTERNATIONAL INSTITUTIONS AND THE MANAGEMENT OF ORDER

The above discussion of globalization underlines that inequality is not just about starting positions and

outcomes in international relations. It is also, crucially about 'meta-power' or who gets to make the rules within which international relations proceed and who decides how and where to enforce them. During the 1970s North-South debate, the South pressed for more of a say in the rules governing international economic order and, for the most part, they failed. The rules governing trade, investment, finance, and monetary order continued largely to be written by Northern countries. Today, this top-down approach to making and enforcing rules is being questioned even within the North. The question being posed is: what makes international institutions effective? In international relations various theories compete to account for the strengths and limitations of global institutions and these are analyzed below before examining specific areas in which globalization is creating a need for deeper rules - such as in trade, banking, and security. In these areas effective international rules require powerful compliance by states. In theory, this might be achieved either through coercion and greater inequality, or through more equal participation and accountability. Yet in practice, globalization has created new limitations to achieving compliance through coercion, and at the same time, there is little evidence that international organizations are being opened up to greater degrees of participation and accountability.

Strengthening institutions through inequality or participation?

In the first part of this chapter we saw that traditional views of international order present inequality as a positive ordering element in the international system: an order created and maintained through hierarchy or hegemony, relegating the role of international institutions to the sidelines. This view re-emerged triumphantly in the 1930s as a response to the perceived failure of the League of Nations as an international organization.⁽⁷⁶⁾ From the realist point of view, institutions are a way for powerful states to reduce or share the costs of maintaining a particular order. The effectiveness of a multilateral organization will depend primarily upon the relative power and commitment of its more powerful members.⁽⁷⁷⁾

In opposition to this view, scholars have argued that international organizations reflect shared purposes and interests, not just of states, but of peoples, and of interest groups within states.⁽⁷⁸⁾ In the early post-war years, the emerging European Economic Community was proffered as one such case.⁽⁷⁹⁾ The continuation of international institutions in spite of a decline in US hegemony in the 1970s was later offered as another.⁽⁸⁰⁾ On this view, multilateral institutions exist to promulgate rules which reflect shared aims, and to ensure rules are enforced through the participation and mutually recognized interests of all parties. The effectiveness of an institution, in this view, depends on the commitment of all members to the institutions' aims, and their willingness to participate in the enforcement of them.

Lying somewhere between these two views, one can situate much of the work done by scholars examining specific international organizations. Effectiveness, in practice, seems to depend upon an

institution's capacity to fulfil a particular role,⁽⁸¹⁾ to be adaptive,⁽⁸²⁾ and to reflect adequately the range of stakes in the institution. Recent work by Abbott and Snidal, for example, examined how multilateral institutions deal with international conflicts and demonstrate that because international organizations can centralize policy and can act with some degree of autonomy, they can achieve goals which states could not accomplish on an individual basis.⁽⁸³⁾ Taking this point further, Young argues that any such autonomy requires a basic equality among members: 'the more symmetrical the distribution of power, the harder it is to establish institutional arrangements initially but the more effective they are once formed' (since powerful states - or groups of states - will not be able simply to flout the rules of the institution).⁽⁸⁴⁾ All authors agree that the autonomy of any international institution is strictly limited by member states and by the need to require compliance from them. Studies of specific institutions, however, highlight trade-offs between hierarchy and effectiveness that are neglected in either the realist or institutionalist analyses of institutions.

Effective institutions in a global post-Cold-War order

For many policy-makers and academics alike, the end of the Cold War held out possibilities for a new role and contribution of international organizations, such as the United Nations, NATO, the European Union, the WTO, the IMF, in forging a new world order.⁽⁸⁵⁾ Strengthening and broadening international organizations seemed a natural correlate to a new raft of foreign policy goals which, in the case of the United States, included democracy, good governance, economic stability and growth, in regions as diverse as Latin America, Africa the Middle East, East Asia, Russia and the former USSR. Many of these broad goals were shared with other countries and, taken together, the new post-cold-war aims implied the need for costly economic and security interventions. Stronger institutions would be an essential way not just of sharing the burden but also of ensuring that the new mandate was not seen as a new imperialism, but rather as a set of universally attractive norms. From a more realist perspective, stronger institutions were perceived as a necessary way to ensure continuing US predominance, as reflected in a paper written for the Bush Administration in 1992, which argued that the new order would need to account 'sufficiently for the interests of the advanced industrial nations to discourage them from challenging our leadership', while also maintaining a military dominance capable of 'detering potential competitors from even aspiring to a larger regional or global role'.⁽⁸⁶⁾

Yet the initial post-cold war euphoria was soon quashed. In its place emerged an impasse in respect of international organizations. Within the United States, a furious debate has taken place catalyzed by a Congressional majority wanting to stamp a unilateral agenda on the above-mentioned organizations including: reducing US contributions and continuing to refuse to pay those owed to the United Nations; increasing US control over the structure and size; and at the same time dictating what the institutions should be doing and where.⁽⁸⁷⁾ Meanwhile, in the rest of the world there has been a curious acquiescence to US demands while at the same time many countries have increasingly sought to fulfil security and economic objectives through regional rather than multilateral organizations.⁽⁸⁸⁾ Yet this leaves a

significant problem for world order. Globalization is posing challenges which require increasingly effective international organizations, as authors in this volume substantiate in the fields of transnational investment and production (Oman); security (see Hurrell); the environment (see Redclift and Sage); social policy (see Deacon); and law (see Kingsbury, and Chinkin). Yet, even in the further cases of trade rules, capital markets, and the role of the Security Council, little more than cosmetic changes have been made in the name of reform.

Until 1992, **international trade** was regulated globally under the auspices of the GATT, a very loose institution whose rules and procedures were developed in an ad hoc way.⁽⁸⁹⁾ Within this arrangement there was a clear inequality of power, with the 'Quad' (the US, the European Union, Japan and Canada) able to work behind the scenes to shape most decisions. The results were trading rules which had a very uneven impact on countries which has already been discussed. Importantly, these results reflected a process which magnified inequalities among members. The GATT operated as a club with a core membership empowered to decide who to admit and on what conditions.⁽⁹⁰⁾ Several attempts were made to change the structure of representation and decision-making within the GATT: developing countries tried unsuccessfully in the 1970s to create a powerful Executive Committee within which they would have a voice; and in the other direction, the United States tried to push the idea of an IMF-style Executive Board with weighted voting during the Uruguay Round.

Yet the unequal 'club' approach of the GATT has become unsatisfactory as globalization, or more specifically trade liberalization proceeds apace. Trading nations both large and small require an institution which can regulate in areas such as non-tariff barriers, domestic practices, and which can deal with a raft of new issues including services, intellectual property; trade-related investment, and labour standards, and environmental standards.⁽⁹¹⁾ For these reasons, even the United States needs a multilateral organization, for its strongest regional arrangement - the NAFTA - accounts for less than a third of its trade.⁽⁹²⁾ In a globalizing world, compliance to an international trade regime requires a high level of participation, commitment, and confidence from all members. Hence, the decentralized framework of the GATT was inadequate: the resolution of disputes, for example, was held hostage to the consensus required of panels making decisions. Yet the replacement to the GATT, the World Trade Organization (WTO) has not resolved the problem of participation and compliance.⁽⁹³⁾

The new organization has a structure and enforcement mechanisms which transform it into a more powerful international institution. The WTO is now the administrator of all multilateral trade agreements, an overseer of national trade policies and has a disputes settlements procedure which, unlike that of the GATT, can make rulings on disputes which are automatically accepted by the organization unless there is a consensus *against* acceptance. This procedure has been dubbed 'reverse consensus'. At least in theory, developing countries are better served by this step towards a more legalized and institutionalized procedures since they restrain the capacity of large trading countries to 'politic behind the scenes' and to veto Panel decisions. Certainly, developing countries seem already to be using the new WTO processes

more: whereas the GATT mechanisms tended to be used mainly by the 'Quad', about half the requests before the WTO in mid-1996 were from developing countries.⁽⁹⁴⁾

However, for the WTO to be effective in upholding an international rule of law, it needs compliance from its largest and most powerful member. Yet the United States had the worst record of compliance with GATT panel judgements of any country,⁽⁹⁵⁾ and further 'retreated from multilateralism' in the 1980s, adopting policies which were 'increasingly aggressive and bilateral'.⁽⁹⁶⁾ The trend towards unilateral trade policy was reflected in Congress during its debate on ratifying the Uruguay Round results (and the new WTO),⁽⁹⁷⁾ and yet more obviously, since then the US has boycotted the WTO dispute settlement proceedings triggered by the Helms-Burton Act penalizing other countries' dealings with Cuba.⁽⁹⁸⁾ One might also mention other US extra-territorial sanctions legislation such as the Iran-Libya Sanctions Act. Each of these actions of the United States detracts from an international rule-based system.

The World Trade Organization has been created in recognition of the need for powerful rule-based institutions to facilitate global trade. Yet alongside the institution, unilateral and bilateral actions are continuing such as those of the US. This means that the credibility and effectiveness of the new system is being constantly undermined by assertions of the old power-political hierarchy as the basis for order in international trade. Yet that power-political order, which had been so clearly reflected in the GATT, simply cannot deal effectively with the new issues mentioned above. The tension is a simple one. Although a strong rule-based international regime is increasingly in the US interests in a global world economy, it remains to be seen whether the US is prepared to give up the rights of its special position as *primus inter pares* in order to reap the benefits of a multilateral regime.

The **international financial and monetary system** has changed dramatically with the emergence of ever-larger global capital markets, investment funds, and floating exchange rates. From the end of the second world war, the rules of the system were set very much by the United States, conferring at various stages with Western Europe and Japan.⁽⁹⁹⁾ The fora within which decisions have been taken include the G-7, the Bank for International Settlements (BIS), and the IMF (within which the United States is the largest vote and shareholders). Within the 1970s developing countries made repeated attempts to increase their voice on international financial and monetary system with very limited success.⁽¹⁰⁰⁾ However, over the past two decades, the success and ongoing stability of the international financial and monetary system has come to rely much more heavily on the behaviour of less powerful countries whose participation has not traditionally been sought in the corridors of policy-makers international financial and monetary regulation.

Recent crises show the vulnerabilities of an increasingly globalized international financial and monetary system. At the end of 1994, the Mexican currency collapsed sending reverberations through the system which have been dwarfed by the more recent crises in East Asia. Overall, all actors now agree that international financial and monetary stability requires a much deeper and broader level of cooperation than ever before - in order to deal with issues of capital account liberalization, financial sectors reforms, exchange rate policies, and sound banking regulation and supervision. The costs of inadequate cooperation are clear. When financial crisis erupted in East Asia in mid-1996, the International Monetary Fund provided some US\$36billion in financial support, and mobilized a further US\$77billion from multilateral and bilateral sources. The institution must now persuade its members, and in particular its largest - the United States - to replenish its resources and this is not proving easy.⁽¹⁰¹⁾

Yet even aside from the question of resources, the solution to the crisis is proving extremely difficult to implement. The Fund is attempting to require 'forceful, far-reaching structural reforms' from the countries in crisis. The aim is to correct weaknesses in their financial systems and 'to remove features of the economy that had become impediments to growth (such as monopolies, trade barriers and nontransparent corporate practices)'.⁽¹⁰²⁾ These conditions go far beyond those imposed on debtors in the 1980s. They drive deep into a country's domestic economic policies.

Politically, the depth of conditions being required of East Asian countries have caused many commentators to ask fundamental questions about how legitimate it is for the IMF to do this. For example, Marty Feldstein recently wrote in *Foreign Affairs*: 'The legitimate political institutions of the country should determine the nation's economic structure and the nature of its institutions. A nation's desperate need for short-term financial help does not give the IMF the moral right to substitute its technical judgements for the outcomes of the nation's political process'.⁽¹⁰³⁾

The issue here is a difficult one. The IMF is charged with the role of safeguarding the stability of the international monetary system. Yet in a globalizing world, this is difficult to do without incursion into the domestic policies of countries. An alternative approach is to accept that stability requires deeper international standards and to ask how the Fund might bolster its legitimacy in entering into this new terrain. The answer here lies surely in rethinking the representation and participation of those whose compliance is required - so as to lessen the sense of unequal 'imposition' or the impingement of democratic processes. Already the IMF has made some effort to open up its way of working: such as by publishing an increasing number of background papers to bilateral negotiations; by rethinking the role 'external evaluation' might play in its work; and by opening up the issue of 'governance' in its dealings with member countries. These changes, however, do not alter the representation and ownership structure which underpins the Board of the organization, and as a result do not imbue the organization with any greater degree of legitimacy in propounding 'deep' interventions and reforms such as we have seen in East Asia.

The IMF has not been the only institution in the firing line over East Asia. Early on in the crisis, ideas flourished about the possibilities of an Asian institution which would replace either or both the IMF and the Bank for International Settlements (BIS) which was drawn in to deal with prudential regulation and supervision.⁽¹⁰⁴⁾ Prior to 1996 the BIS had comprised only the G-10 countries, yet it had operated as an international lender of last resort. In September 1996, it opened its doors to Brazil, China, Hong Kong, India, Mexico, Russia, Saudi Arabia, Singapore, and South Korea. However, this has not affected the way policy is formulated or applied. The real work of the BIS is still done by the Supervisory Committee which comprises just the G-10 Central Bankers. Similarly, although the G-7 can claim to have opened up to permit the Managing-Director of the IMF, and the President of the World Bank to attend its summits as observers, and indeed to meet with Russia in a G-8 format, these are extremely modest changes that do not redress the legitimacy concerns highlighted in the recent East Asian crisis.

International financial institutions have been undergoing some changes in the 1990s. However, for the most part, these have been refinements on 'work-as-usual' in these organizations. It is doubtlessly useful for the institutions to themselves up to greater scrutiny and wider membership. However, decision-making processes have remained the same and rely on a hierarchy which reflects fifty-year old inequalities. Yet the evidence suggests that effectively to manage a globalizing world economy, these institutions need greater legitimacy, and a greater degree of representation and participation. This requires change of a more fundamental kind which is unlikely given the persistence of the old hierarchy.

Finally, the **United Nations Security Council** has sprung into action since the end of the Cold War.⁽¹⁰⁵⁾ Yet its membership today seems anachronistic to the work it is trying to do. Set up as the executive of the UN system, the basic structure of the Council was determined fifty years ago to reflect political power in the international system and make possible a system of great power management. Five members have permanent seats, and their concurring vote is still required for the Council to pass any substantive resolution. This gives each of China, Russia, the US, France and the UK a veto over Security Council decisions.⁽¹⁰⁶⁾ The other ten seats on the Council rotate around different groupings of countries. Like other institutions this chapter has analyzed, the Security Council institutionalized a hierarchy of states which existed at the end of the second world war. Yet the Council remained virtually inactive during the Cold War, marginalized by balance of power politics between the super-powers.

Since the end of the Cold War, the Council has leapt into action. Between August 1990 and May 1995 the Council adopted 325 resolutions (as well as some 82 'Presidential statements'), giving an average of 80 resolutions per year. This compares with an average of 14 per year over the preceding 44 years. The new high level of Security Council activity brings prominently to the fore several issues of governance. Developing countries have been quick to point out that the Council's new level of activity involves intervention in an unprecedented way into the affairs (almost exclusively) of developing countries. This has focused attention sharply on the core inequality of the institution. The power inequality was amply

demonstrated in the 1980s, when the United States bullied the UN as a whole into de facto altering its Constitution so as to give itself a veto over critical budget decisions.⁽¹⁰⁷⁾

In the 1990s, some very modest changes have occurred in the United Nations Security Council.⁽¹⁰⁸⁾ Beyond this, many members have accepted that the membership of the Council should be enlarged, at least to include Germany and Japan as permanent members and probably also representatives of developing countries.⁽¹⁰⁹⁾ However, there is great unwillingness on the part of the existing permanent members to permit any dilution of their rights in the institution. Leading but not alone in opposition is the United States.⁽¹¹⁰⁾ The Republican majority in Congress expressed its implacable opposition to the United Nations in its Contract with America in 1994,⁽¹¹¹⁾ and it is unlikely to permit the payment to the United Nations of any of the \$1 billion in dues that the US currently owes. There is, as John Gerard Ruggie suggests to us, 'a political time warp in the US Congress'.⁽¹¹²⁾ However, the time warp may well extend to other members, for amid wider paralysis, there is a broader impasse within the Security Council whereby virtually no-one is prepared to relinquish the privileges of their place in the time-bound hierarchy of power that the institution reflects.

CONCLUDING THOUGHTS

Inequality and effective institutions in a globalizing world

Although the traditional view of international order placed great weight on the hierarchy of power, when modern international institutions were created fifty years ago, it was appreciated that a balance had to be struck between 'efficiency' wrought through great power management and 'legitimacy' which was necessary to ensure the cooperation of the rest. The latter required that some basic notion of 'equality' be respected. Within the United Nations the balance was felt to be struck by a General Assembly in which all states would have an equal vote, and a Security Council in which the most powerful states would have a veto. Even in the IMF, where most voting power was apportioned according to economic power, 'basic votes' were apportioned to symbolize the equality of member states. As Joseph Gold explains, 'the authors of the plans for the Fund and the negotiators felt that the bold step of weighting the voting power.... should be combined with the political consideration of the traditional equality of states in international law. The basic votes were to serve the function of recognizing the doctrine of the equality of states'.⁽¹¹³⁾ What theorists have referred to as the 'trappings of universality',⁽¹¹⁴⁾ have been vital to the place and role of international organisations.

In the 1990s, for international institutions to be effective they will have to reflect more than ever a wide range of members and to embody commitments that all members are prepared to implement. On some

issues, this has already been recognized. Although many believed the era of global summitry to be over at the end of the 1970s, in fact the 1990s has seen North-South Summits on the environment and development (in Rio de Janeiro 1992), on population and development (in Cairo 1994), on women (in Beijing 1995); and most recently on global climate change (in Kyoto 1997). These summits reflect a recognition that effective action in these areas will depend vitally upon commitments from a range of governments - rich, poor, weak, and strong - and that compliance is unlikely to be forthcoming unless parties each have a stake in the final agreement and a clear stake in abiding by it. Yet outside of these summits, in the organizations and institutions which are needed to regulate and facilitate a globalizing world, there is little indication that powerful member states have any intention of altering the hierarchical basis on which order has traditionally been maintained. Indeed, for traditional purposes that hierarchy has served them fairly well.

Endnotes

1. Stanley Hoffmann (ed), *Conditions of World Order* (New York, 1968).
2. Raymond Aron, chairing the meeting, argued that world order could mean any one of five things: an arrangement of reality; relations among the parts of world politics; the minimum conditions for existence; the minimum conditions for coexistence; or, the conditions for the good life. Yet Stanley Hoffmann notes that the fifth meaning was instantly ruled out on the grounds that it could lead members only 'to platitudes or to an acrimonious reproduction of the conflicts of values that exist in the world'. Instead, the Conference chose to focus on the fourth definition, defining order as the 'conditions under which men might live together relatively well in one planet'. Ibid.
3. Although we might equally quote a plethora of other non-European systems - Asian, African and pre-Columbian Americas - each of which were also ordered by hierarchically structured suzerain systems of considerable longevity.
4. Hedley Bull, *The anarchical society : a study of order in world politics* (2nd ed) (London , 1995); Martin Wight, *Power politics* (2nd ed, edited by Hedley Bull and Carsten Holbraad) (London, 1986); Hans J. Morgenthau, *Politics among nations : the struggle for power and peace* (New York, 1985).
5. Kenneth N. Waltz, *Theory of international politics* (New York, 1979); and see critiques by Robert Cox and Richard Ashley in Robert O. Keohane, *Neorealism and its critics* (New York, 1986).
6. Barry Buzan, Charles Jones & Richard Little, *The logic of anarchy : neorealism to structural realism* (New York, 1993); David A. Baldwin, *Neorealism and neoliberalism : the contemporary debate* (New York, 1993).
7. Joseph M. Grieco, *Cooperation among nations : Europe, America, and non-tariff barriers to trade* (Ithaca, 1990).
8. Robert O. Keohane, *After hegemony: cooperation and discord in the world political economy* (Princeton, 1984).
9. Robert Keohane, Joseph Nye & Stanley Hoffmann, *After the Cold War: international institutions and state strategies in Europe, 1989-1991* (Harvard, 1993).

10. Raymond Aron in Hoffmann (at note 1); Robert W. Tucker, *The inequality of nations* (New York, 1977).
11. Many realists cite Thucycides' account of the *The Peloponnesian Wars*, in which we find that when the `mighty' make any concessions to what is `right', alas they lose: The Mytilenian Debate in Book III, and the Melian Dialogue in Book V of Thucydides, *History of the Peloponnesian War* (London, 1972).
12. Tucker, *The inequality of nations*.
13. John Mearsheimer, `The false promise of international institutions', *International Security* (1995) 19:5-49; Stephen Van Evera, `Primed for Peace: Europe after the Cold War', *International Studies* 15 (1990): 5-57..
14. George Bush, `New World Order', *Public Papers of the Presidents, Administration of George Bush* (1990) (ii): 1218-22.
15. B. Grosh and S. Orvis, `Democracy, confusion, or chaos: Political conditionality in Kenya', *Studies in Comparative International Development* 31 (4) 1997: 46-65; Luiz Carlos Bresser Pereira, Adam Przeworski and José María Maravall, *Economic reforms in new democracies : a social-democratic approach* (Cambridge, 1993); Stephan Haggard and Robert R. Kaufman, *The political economy of democratic transitions* (Princeton, 1995); Laurence Whitehead, *Economic liberalization and democratization: explorations of the linkages* (London, 1993); Adam Przeworski, *Democracy and the market: political and economic reforms in Eastern Europe and Latin America* (Cambridge, 1991).
16. Michael Ignatieff, *Blood and Belonging: journeys into the new nationalism* (London, 1994).
17. Bengt Broms, *The doctrine of equality of states as applied in international organizations* (Helsinki, 1959).
18. Hedley Bull and Adam Watson, *The Expansion of International Society* (Oxford, 1984).
19. Michla Pomerance, *Self-determination in law and practice : the new doctrine in the United Nations* (The Hague, 1982).
20. Robert Cox, `Ideologies and the NIEO', *International Organization* (1979); Krasner, *Structural conflict*.
21. See Charles Beitz, *Political Theory and International Relations* (Princeton, 1979); Thomas Pogge, *Realizing Rawls* (Ithaca, 1989); and Janna Thompson, *Justice and World Order: A Philosophical Inquiry* (London, 1992).
22. Robert A. Mortimer, *The Third World Coalition in International Politics* (Boulder, 1984) and Jagdish N. Bhagwati and John Gerard Ruggie, *Power, passions, and purpose: prospects for North-South negotiations* (Cambridge, 1984).
23. Karl P.Sauvant, *The Group of 77: evolution, structure, organization* (New York, 1981).
24. Roger D Hansen, *Beyond the North-South Stalemate* (New York, 1979).
25. J.S. Singh, *A new international economic order* (New York, 1977); Mahbub Ul Haq, *The poverty curtain* (New York, 1976); Edwin Reuben (ed), *The challenge of the new international economic order*

(Boulder, 1981); Independent (Brandt) Commission, *North-South: a programme for survival* (Cambridge, 1980).

26. James B. Morell, *The law of the sea: an historical analysis of the 1982 treaty and its rejection by the United States* (New York, 1992).

27. Kwame Nkrumah, *Neo-colonialism: the last stage of imperialism* (London, 1968).

28. James D. Cockcroft and André Gunder Frank, *Dependence and underdevelopment: Latin America's political economy* (New York, 1972); Fernando Henrique Cardoso and Enzo Faletto, *Dependency and development in Latin America* (Los Angeles, 1979); Raúl Prebisch and UNCTAD, *Towards a new trade policy for development: report by the secretary-general of the United Nations Conference on Trade and Development* (New York, 1964).

29. John Rawls, *A Theory of Justice* (Oxford, 1973).

30. Beitz, *Political Theory*; Pogge, *Realizing Rawls*; Thompson, *Justice and World Order*.

31. Onora O'Neill, *Faces of hunger: an essay on poverty, justice, and development* (London, 1986).

32. Independent Commission, *North-South*.

33. Such arguments were put very bluntly in Peter Bauer, *Reality and rhetoric: studies in the economics of development* (London, 1984). More philosophical justifications of fair process drew on Robert Nozick, *Anarchy, state and Utopia* (Oxford, 1974).

34. Jagdish Bhagwati & John Gerard Ruggie (eds), *Power, passions, and purpose: prospects for North-South negotiations* (Cambridge, 1984); Krasner, *Structural Conflict*.

35. Williamson, *Latin American Adjustment*.

36. The official 'market-friendly' view is expressed in World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (Oxford, 1993). Critiques and alternative views are offered in Albert Fishlow et al, *Miracle or Design?: Lessons from the East Asian Experience* (Washington DC, 1994); Paul Krugman, 'The Myth of Asian Success', *Foreign Affairs* (Summer 1994).

37. John Rawls, 'The Law of Peoples' in Stephen Shute and Susan Hurley, *On Human Rights: The Oxford Amnesty Lectures 1993* (New York; Basic Books, 1993). An excellent critique is Stanley Hoffmann, 'Dreams of a Just World', *The New York Review* 2 November 1995 pp.52-56.

38. Although poverty is in fact always a relative measure. See UNDP, *Human Development Report* (United Nations, 1996).

39. See discussion in World Bank, *World Debt Tables 1991-1992* (Washington DC, 1992). Although in practice, it has been argued, increasing amounts of aid are going to the middle and higher-income developing countries: Roger Riddell, 'Aid in the 21st Century', *UNDP Discussion Paper No.6* (New York, 1996).

40. IMF, *Debt Initiative for the Heavily Indebted Poor Countries (HIPC)* (Washington DC, April 1998).

41. UNDP, *Human Development Report* (1997) p.86.

42. UNDP, *Human Development*, p.86.
43. See UNDP, *Human Development Report 1997*; Brian Hindley & Patrick Messerlin, *Antidumping industrial policy: legalized protectionism in the WTO and what to do about it* (Washington DC, 1996).
44. See OECD, *Multilateral Agreement on Investment: Consolidated Text and Commentary* (Paris, 1998).
45. Thomas Franck, *Fairness in International Law and Institutions* (Oxford, 1995).
46. Frederick Abbott & David Gerber, *Public policy and global technological integration* (The Hague, 1997); Michael Blakeney, *Trade related aspects of intellectual property rights: a concise guide to the TRIPs agreement* (London, 1996); Carlos Correa, *Intellectual property rights and foreign direct investment* (New York, 1993).
47. The UNDP, *Human Development Report* (New York, 1997) takes 17 countries for which there are data and shows that exports as a share of GDP in 1913 were 12.9% compared to 14.5% in 1993.
48. Indeed, the least developed countries, which account for 10% of the world's people, have seen their share of world trade drop to 0.3% - half of what it was two decades ago: UNDP, *Human Development*, p.84.
49. See also Adrian Wood, *North-South trade: employment and inequality* (Oxford, 1994); Patrick Mindofrd, Jonathan Riley, & Eric Newell, 'The elixir of growth: trade, non-trade goods and development', *CEPR Discussion Paper No. 1165* (London, 1995).
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106. When the UN was created many members were opposed to giving the 'Permanent Members' special rights but ultimately they agreed to give what amounts to a veto in order to secure the major powers' participation. Whilst on procedural matters, the P5 do not have a veto, they can veto the prior question as to whether an issue is procedural or substantive: giving rise to what some call a 'double veto'.

107. Articles 17(1) and 18(2) of the UN Charter require that the UN budget be approved by a 2/3 majority of the General Assembly. US demands for a change in this requirement led to a compromise whereby critical budget decisions would be adopted by consensus at the stage of the Committee for Programme and Coordination - hence giving the United States a de facto veto over the UN budget: Gene M. Lyons, 'Competing Visions: Proposals for UN Reform', in Chadwick Alger et al (eds), *The United Nations System: The Policies of Member States* (Tokyo, 1995).

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