

Gov 97 Week 12: Globalization

Tsin Yen Koh

Overall question: does globalization help or hinder democracy?

(1) What's globalization?

- Cross-border flows of people, capital, goods & services, ideas
- Growing economic interdependence – e.g. the 2008 financial crisis
- Spread of ideas/norms, e.g. of national sovereignty and self-determination, equality, human rights, democracy (?)
- Transnational corporate (or kinda corporate) players: IOs, IGOs, NGOs, private foundations, MNCs, transnational networks, regional organizations

(2) Effect on globalization on nation-states

- Hinders democracy:
 - Loss of national autonomy (Simmons; Keohane, Macedo, Moravcsik; Buchanan & Powell)
 - E.g. in monetary and fiscal policy (European states during the financial crisis?), law (human rights law, environmental and trade regulations?), economic and political reforms (IMF conditionality, Bob Bates's story of democratization in Africa)
 - Undermines political self-determination (KMM, Buchanan & Powell)
 - Especially a problem for less powerful democratic states (Simmons) or small, homogenous democracies (KMM)
 - Change in constitutional structure: strengthening the executive at the expense of the legislature, and the federal government at the expense of provinces/states (Buchanan & Powell)
- Helps democracy:
 - Participation in multilateral institutions (MLs) can help domestic democracy: in restricting special interests, protecting individual rights, improving deliberation through the provision of information/expertise/perspectives (KMM)
 - Can strengthen democratization through contingent contracts, institutional development (e.g. World Bank), socialization, authentication (e.g. election monitoring) (Simmons)
- Discussion:
 - Can we discuss this without considering the composition of/representation in MLs? For e.g. KMM bracket this consideration because they're interested in the effect of globalization on domestic democracy, but the effects might be very different for powerful and less powerful countries.
 - Is the loss of national autonomy a real challenge for small/less powerful democracies? Is this a counter to KMM?
 - Possible solutions?
 - Buchanan & Powell: at some point, constitutional change should be effected through public deliberation and popular choice, e.g. through a constitutional convention or national referendum.
 - For the Treaty of Lisbon (for the EU): only Ireland ratified the treaty through a national referendum (two referenda – the Treaty was rejected in 2008 and accepted in 2009)

(2) Effect on MLs

- Criticism of MLs: (Simmons)
 - Don't have democratic decision-making procedures, e.g. weighted voting for the WB and IMF
 - WB voting: voting share based on the country's shares, which is loosely based on economic size. Voting shares revised in 2013 to increase the share of developing countries, especially China. Voting shares: US

(15.9%), Japan (6.8%), China (4.4%), Germany (4.0%), the UK (3.8%), France (3.8%), India (2.9%), Russia (2.8%), Saudi Arabia (2.8%), Italy (2.6%).

- IMF: Board of Governors → Executive Board. The EB has 24 directors: 8 directors appointed directly by countries (US, Japan, Germany, France, the UK, China, Russia, Saudi Arabia) and 16 representing constituencies of countries.
 - Dominated by a few rich/powerful countries
 - Lack transparency
- If MLs are not democratic and not representative, can they strengthen democracy/democratization within states?

(3) Global democracy and global accountability

- Should we have global government? Global democracy?
 - The advantages of a global democratic government: a representative legislature, law, courts to judge cases, an executive to enforce the law; protection of the rights of individual members (states or people?)
- What kind of accountability do we need for transnational/global players? (Grant & Keohane)
 - Accountability: (1) What constitutes an abuse of power? (2) Who is entitled to hold power-wielders to account?
 - Two models of accountability: delegation and participation
- If not global government, then what?
 - (1) Common standards around norms of human rights, democratic political participation, social and economic equality (or not too much inequality) → but who determines these norms? Whose voice should be heard in determining these norms?
 - (2) We can have decentralized enforcement → but are there penalties for non-enforcement? (only reputational – only the moral sanction)
 - (3) What happens when the people delegating power are not the people affected by the decisions of the power-wielders? E.g. the World Bank is accountable to its board/members on the delegation model, but is accountable (arguably) to the people who are affected by its policies on the participation model. (Grant & Keohane) What happens when the two come into conflict? E.g. with IMF conditionality – is the IMF accountable to the international financial community/international lenders or to the people who are affected by austerity policies?
 - (4) What institutions are needed at a minimum?

(4) Markets and private politics

- Activists can bypass governments/legislation and engage directly with firms – e.g. by organizing boycott campaigns. A four-game model: (1) activists challenge firms, activists and firms compete to provide information through the news media; (2) a competition for public sentiment – citizens have to decide what to do; (3) conflict resolution – activists and firms bargain; (4) activists and firms reach an arrangement on maintaining the private resolution, e.g. through a monitoring regime. (Baron)
- Does this help or hinder democracy? On the one hand, it's ground-up politics; on the other, who are NGOs and firms accountable to? What about private philanthropy – e.g. who is the Gates Foundation accountable to?
- Do companies have a responsibility to ensure good/safe/sustainable working conditions for their workers? E.g. the [Rainforest Alliance](#), Western retailers and apparel brands checking building [safety standards](#) in [Bangladesh](#), [cocoa](#) companies addressing child labour and poverty in West Africa. Is Apple responsible for working conditions at [Foxconn](#) in China?

(5) Reiterating some themes:

- Liberty vs equality

- Procedure vs substance
- Courts vs legislatures
- Constitutional vs majoritarian conceptions of democracy

Questions sent in advance:

(1) Does participation in multilateral institutions strengthen or weaken democracy in nation-states? (Simmons for an overview; Keohane, Macedo & Moravcsik on how multilateral institutions can enhance democracy; Buchanan & Powell on the compatibility of democracy with international law)

(2) Can there be global accountability without global democracy? If not, how should we think about global accountability? (Grant and Keohane)

(3) Does "private politics" strengthen or weaken democracy? (Baron 2003)



Source: <http://www.canadafreepress.com/index.php/article/49946>