

**“Global Governance for the Political Economy of Today”  
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As many have stressed here in Dubai, the structure of the global political and economic system has changed. The structures of international law and the practices of global governance must also change. Indeed, they are already shifting beneath our feet.

At the same time, we understand very little about how our world is actually governed. Who makes what decisions? Where are the levers for influencing global economic, political and social arrangements which threaten our future? How are global inequalities and imbalances sustained, and how might they be addressed?

Global governance remains mysterious in part because much about global society itself eludes our understanding. Simply mapping the channels and levers of influence and public capacity remains an enormous sociological challenge.

We know, however, that our current international legal and institutional arrangements are not up to the

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challenges we face. Nor do they reflect the dramatic changes which have altered global political and economic life over the last decades.

People everywhere today understand that we are all vulnerable to the decisions and actions of people far away. We know that our own national states are often unable to defend our interests or support our economic, social and political aspirations in a globalized world.

As we grapple with these facts, we realize ever more clearly that global life is governed less by a functioning system of rules and institutions than by a hodge-podge of local, national and international norms, made, interpreted, enforced or ignored by all manner of public and private actors.

We have long known that the world's elites inhabit a fluid policy process in which they would as often make as follow the law. We now realize that this process has no center and no common direction.

As we think anew about global governance in our new situation, let me offer a few quick propositions.

1. *First, mysterious governance is not no governance. The sheer density of rules and institutions in the global space is already astonishing.*

Although global has *fragmented* economic and political power, it has not de-legalized them.

Think of the network of impenetrable private obligations which tied our global financial system in knots. Even war today is an affair of rules and regulations and legal principles. People do not always agree on the rules. But the stakes in political and military struggle as often turn on legal missives as missiles.

As a result, the governance challenge is not to bring political actors *into* law --- they are already there. The challenge is to understand and, where necessary, rearrange the laws and institutional machinery which constitutes those actors, channels their interactions and influences their relative powers.

2. *Second, global governance is, and will likely remain, extremely disorderly, plural and uncertain.*

The globalization of law and the legalization of politics and economics have brought with them a tremendous dispersion of law. We live in a world of conflicting and multiplying jurisdictions, in which people assert the validity or persuasiveness of all manner of rules with no decider of last resort.

It is not clear, moreover, that the situation would be improved by a net reduction in the plurality of law – it might or it might not. The challenge is to learn to operate in a fluid and plural situation which will yield neither to hegemonic nor to constitutional claims. The “system” can neither be dominated nor constituted – it can only be used.

*3. Moreover, we must all realize that things we don't like – war or poverty or environmental damage --- may also be legal institutions and structures of governance.*

For example, we must abandon the idea that “international environmental law” concerns only environmental protection and remember that law also offers comfort to the sovereign or property owner who wants to cut down the forest. We rarely pay enough attention to the governance significance of *legal privileges*. Despoiling the rainforest is not

only an economic decision – it is also the exercise of legal privilege.

*4. The informal and clandestine sides of global order are increasingly important --- customary norms, background patterns of private and public expectation, black markets and illegal flows.*

Although the clandestine, the informal, the illegal, the corrupt, are all quite different, each is a governance regime. Stigmatizing them, ignoring them – or utilizing them --- is, for every actor, a strategic choice.

Moreover, one man's corruption is another man's family. One man's private ordering is another man's rent-seeking or squandering of the public weal.

*5. We ought not to be carried away by the dream of universal values. People disagree about the most fundamental things. The challenges we face are not technical ones which might yield to expert consensus. They are political.*

Global governance occurs in a system of global power – it demands allies and creates losers. Talking

about “the international community” obscures this fact. No matter how we slice it, the benefits of good governance will be unevenly distributed.

We need to be conscious not only about who will win and lose, but about whom we expect to carry the program to victory. For a generation after the Second World War, global arrangements in the West were underwritten by the United States and a coalition of North Atlantic democracies. The relative hegemony of these powers is gone.

We do not know what will replace it. The political configuration of the world system is now open for revision. Our intuition that the “rise of Asia,” the emergence of Russia, India and Brazil, the rise of new middle powers from Turkey and Pakistan to Mexico and South Africa will change things is correct. But we remain unsure precisely how.

*6. Whatever the significance of political powers, experts and expertise are equally significant in today's global order. Their ideas matter.*

It is not all statesmen and politicians, any more than it is “investors” and “multinationals” and others on the commanding heights of the world's economy. Their choices and their beliefs are shaped by experts.

After all, if for a generation everyone thinks an economy is a national input/output system to be managed, and then suddenly they all become convinced that an economy is a global market for the allocation of resources to their most productive use through the efficiency of exchange in the shadow of a price system, lots has changed. That is also governance. We rarely have a good picture of the blind spots and biases of expertise.

We tend to focus on the authority of agents we can see to act within structures we understand. We have paid too little attention to the myriad ways power flows through the capillaries of social life, through belief, common sense, affiliation, or the experience of victimization, pride and shame. All these things move like a virus or a fad, but our epidemiology is weak, our sociology of status, convention and emulation at the global level rudimentary

*7. Overall, knowledge about how we are governed is very unevenly spread about the planet.*

Those in at the center see things, know things, which are inaccessible at the periphery. From the outside,

it can seem the powerful know and intend all that they do, while from the inside, it is easy to feel buffeted by one thing after another.

We might say much the same thing about those who live in the worlds of public and private power on the global level. Private actors at the center of the global economy understand how to operate within a plural and disaggregated global legal order far more instinctively than do their counterparts in national government service, diplomacy or the world of international public institutions. Military professionals often have a far more difficult time thinking strategically about operations in a global battle space than their counterparts in the world of transnational finance or business, for whom legal pluralism is an everyday matter of risk and opportunity.

*8. Finally, we must realize that global governance is not only about management and problem solving. We must grasp the depth of the injustice of the world today and the urgency of change.*

We have built fault-lines into the political economy of the world. At the top and the bottom of the economy, we have deracinated ourselves, moving

ever more often across ever greater distances. In relative terms, the middle classes are the ones who have become locked to their territory. Increasingly, the relative mobility of economics and territorial rigidity of politics have rendered each unstable as political and economic leadership have drifted apart.

The result is a mismatch between a national politics on the one hand, and a global economy and society on the other. At the same time, the rumbling fault line of an accelerating social and economic dualism haunts our world. We now face a revolution of rising frustrations among the hundreds of millions of individuals who can see in, but for whom there seems no route through the screen except through rebellion and spectacle.

The global order will be remade – indeed, it is already being remade. International lawyers can wait to see what emerges and write it down – or they can embrace the challenge of midwife-ing a new political economy.

There are lots of interesting proposals on the table. We have discussed many of them here in Yaroslavl already.

Perhaps the new politics will be about *experimentation and institutional diversity*, protected by a re-activated sovereignty in the middle powers of the South. In such a vision, we might strengthen and defend small pockets of public sovereignty in cities and churches and corporations and nations which have the capacity to experiment, as shields for the weak, guarantors of policy diversity and arenas for democratic political life.

Perhaps the new politics will be about *mobility*, involving a grand bargain linking free trade in goods, free movement of capital, with free movement of persons. A new global politics may also be about building a *transnational political will*, through which sovereignty would come to be seen as an open-ended promise of inclusion. If the new politics is to be about *empowerment*, we might imagine citizens not only informed, consulted, their polling data serving as base line for expert management, but actually *deciding*.

I would hope that we could carry the revolutionary force of the democratic promise – of individual rights, of economic self-sufficiency, of citizenship, of community empowerment, and participation in the decisions that affect one's life ---

to the sites of global and transnational authority, however local they may be.

Indeed, I hope we will learn to multiply the sites at which decisions are made and can be contested, in the hope for a heterogeneity of solutions. I hope we will trust one another – and ourselves – enough to experiment and embrace a multiplicity of local and national approaches to our common situation. I have in mind less new institutional procedures than a new spirit of management, encouraging the human experience of responsible freedom throughout the worlds of corporate, private, public and technical expertise.

It took a long time to invent a national politics and to organize the world in nation states. Building a national public politics across the planet had a strong emancipatory dimension – slaves, women, workers, peasants, colonial dominions obtained citizenship in relationship to the new institutional machinery of a national politics. Building a new politics for a global society and a global economy will be equally difficult. Let us hope it does not take as long. And does not require as much violence to be born.