

Global Covenant: An Interview with David Held

David Held is Graham Wallas Professor of Political Science at the London School of Economics and co-director of the Centre for the Study of Global Governance. His recent writings have been concerned to understand the dynamics of globalisation and to reconfigure democratic theory for a global age. These two concerns were brought together, and given a political and programmatic expression in his book *Global Covenant: The Social Democratic Alternative to the Washington Consensus* (2004). The interview took place on November 21 in London.

Personal and Intellectual history

Alan Johnson: Can you tell me something of your personal and intellectual history?

David Held: That's a big question to start with! I was born and brought up in London in a family with four children. I went to the Universities of Manchester, MIT and Cambridge. My academic work has involved positions in Cardiff, York, the Open University and now the LSE. I live in London with four children of my own – too many!

My intellectual and political history starts in two places. I was the only boy in my family, and much favored. That was great! But it also gave me an elementary sense of some of the injustices of the world. My sisters would look at me glumly sometimes while I was showered with attention. So I learnt certain dynamics of injustice when I was young – a process which continued into my student days in the late 1960s and early 1970s. What I took from that era was a critical search for a politics that was not simply state-based or market-based. Yet, most of the positions on offer at the time failed to meet the test of adequacy and durability.

I sharpened this critical sense through an encounter with the work of critical theorists in the 1970s, particularly with the work of Jürgen Habermas. My background, and his strong emphasis on defending certain enlightenment ideals, meshed well. Yet I also knew that I would have to cut my own way through the questions if I was to both defend some of these ideals and to say a little about how they could be brought to bear on practical politics.

Part 1: A critique of the Washington Consensus and Washington Security Agenda

Alan Johnson: Let me begin with a deliberately naïve and provocative question. What's wrong with the Washington Consensus? Hasn't it lifted more people out of absolute poverty, more quickly, than at any other time in human history, as Philippe Legrain shows in his book *Open World: The Truth About Globalisation* (2002)? Martin Wolf, author of *Why Globalisation Works* (2004), says 'David Held should cheer up' and stop frightening us with 'an imaginary enemy, a bogeyman.' In his view economic globalisation – openness of trade, free movement of capital, expansion of foreign direct investment – has proved to be the key to boosting prosperity and the life opportunities of all. Why is he wrong? What's wrong with the Washington consensus?

David Held: First of all, I am a little unusual in the respect that I am both an academic and a businessman. I co-run Polity Press and I have a certain sympathy for the marketplace. I am not against markets. I make my critique of the Washington Consensus as a social scientist and not because I am anti-market. I am concerned with what the evidence tells us, rather than with an ideology. I think there is a great deal that is beneficial about markets. Markets are probably the most dynamic and responsive way of dealing with issues of resource distribution and supply. If you are in business, the one thing you need is a buyer, and if buyers don't like your product you haven't got a business. Unless you are dealing with monopoly situations, there is an inherent responsiveness of markets to people.

The thrust of the Washington Consensus is to open up and liberalise markets and to integrate economies into the world economy. It has quite a complex set of recommendations. It comes in two phases. The initial Washington Consensus, in its conventional form at any rate, had an emphasis on tariff liberalisation, financial market liberalisation, privatisation, intellectual property rights, and so on. In the second and more sophisticated phase, from the late 1990s, there has been a greater emphasis on institution-building, capacity-building, and so on. But this more sophisticated version still presupposes the first version of the Washington Consensus.

The Washington Consensus claimed that liberal and open markets would increase economic growth, reduce inequality and reduce poverty. But what does the evidence show?

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First, the evidence shows that those countries that have most vigorously enforced the Washington Consensus have done the least well. And those countries that have chosen their own path of national development – partly because they were big enough and powerful enough to resist the Washington Consensus – have done better. It is easy to claim victory for the Washington Consensus if you don't analyse what actually happened on a region-by-region and country-by-country basis.

If you had said 15 years ago to the liberal market economists that over the period of liberalisation, India, China, Vietnam and Uganda would be among the most successful developing countries in the world, and that the Latin American economies and the transition economies would be among the least successful performing countries in the world, they would have thought you were nuts! But that is broadly what has happened. Those countries which have managed the process of integration into the world economy have done best. Those that simply liberalised have done worst.

Now, let's be more precise. Those in Latin America that followed the mantras and the doctrines of the Washington Consensus liberalised their tariffs and liberalised their financial markets. The result was that their performance has been worse compared to their own performance prior to liberalisation, and, certainly worse judged by the East Asian economies. Secondly, their rates of inequality have increased significantly in many cases. Thirdly, they have been unsuccessful in poverty reduction.

Now, take India and China. Of course they have to some degree liberalised their economies. But their heavy tariff reductions came after the point of economic take-off. 40 percent of Chinese tariff reductions have been undertaken in the last ten to twelve years. Yes, they reduced tariffs but only after economic take-off. Second, the Chinese have not radically liberalised their financial markets. They have partly opened them, but they have kept strict political control over them. Third, they have largely rejected currency convertibility on the grounds that they would lose control over their currency, which would become subject to global market fluctuations. The same goes for India.

So, in critical respects we can't claim that the most successful developing economies are successes *for the Washington Consensus*. Where the Washington Consensus has most effectively bitten it has weakened those economies in the international economy. Where countries were able to design their own political form of sequenced

engagement with the global economy they have prospered – and not just India and China, but also Vietnam and Uganda. All this was unpredicted by liberal economic doctrines.

Second, the evidence shows that when you look at the data in detail – which I have done in a new book on global inequality, coming out in the next week or two – it shows that if you include China then clearly, yes, since the 1980s and the introduction of the liberal programmes, there has been a broad liberalisation of the world economy and poverty-reduction. But if you take China out, you don't find that anymore. China is the critical case (and part of India – urban India). Remove China and urban India from the equation and you find that those who were best off at the start of the period of liberalisation ended best off, and those that started worst off, not only ended worst off, but lost ground. You find a worsening of global poverty and a worsening of global inequalities. So the period of the Washington Consensus is associated with growing global inequality and growing global poverty.

Now, is it legitimate to 'remove' India and China in this way? Well, in one sense you don't want to – they are part of the world economy. But the argument for removing India and China is the one I made earlier – India and China prospered because they did their own thing! They kept political control of key aspects of their economy and in so doing produced better results. So they are not instances of this liberalisation phase. Put them in and it looks like everybody liberalised and prospered. Take them out and what we see is precisely what we know – that those countries that were able to resist those trends, and to manage them, sequencing their entry into the world economy, did better. In sum, those countries that have done best have more successfully managed and sequenced their integration into the world economy, were very careful about tariff reduction and were cautious about global financial market integration.

The Washington Security Agenda

Alan Johnson: *Global Covenant* offers a social democratic alternative not just to the Washington Consensus but also to what you call the 'Washington Security Agenda.' What is your critique of the Washington Security Agenda?

David Held: There are two huge powerful policy packages that have been driving the shape of globalisation as we know it: the Washington economic consensus and, increasingly, the American and British security doctrines – the 'war on terror.' I

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argue that both these programmes have failed. The first great policy package – the Washington Consensus – we have discussed. It has failed on the grounds I have set out.

In the case of the security doctrines and the ‘war on terror’ we see that when states act alone, or in small coalitions, they have made the security of the world worse not better. And in the two instances of concentrated power politics – Afghanistan and Iraq – we have catastrophic developments.

The war in Afghanistan in 2002 and Iraq in 2003 gave priority to a narrow security agenda which is at the heart of the Bush administration’s security doctrine. This doctrine contradicts many of the core tenets of international politics and international agreements since 1945. It sets out a policy which is essentially hegemonic, which seeks order through dominance, which pursues the pre-emptive and preventive use of force, which relies on a conception of leadership based on a coalition of the willing which aims to make the world safe for freedom and democracy – by globalizing, essentially, American rules and conceptions of justice. The doctrine was enacted as the war on terror. The language of interstate warfare was preserved intact and projected onto a new enemy. As a result, the terrorists of 9/11 were dignified as soldiers, and war prosecuted against them.

But this strategy was a distortion and a simplification of reality and, in my view, a predictable failure. The war on terror has killed more innocent civilians in Iraq than the terrorists on 9/11, humiliated and tortured many Iraqis, created numerous innocent victims, and acted as a spur to terrorist recruitment. It showed little, if any, understanding of the dignity, pride and fears of others, and of the way the fate and fortune of all people are increasingly tied together in our global age. And it helped trigger an orgy of sectarian killing among the Sunni and Shia in Iraq, and the displacement of over 300,000 people.

Instead of seeking to extend the rule of law, ensuring that no party – terrorist or state – acts as judge jury and executioner, seeking dialogue with the Muslim world, strengthening the multilateral order, and developing the means to deal with the criminals of 9/11, the US and its allies, notably the UK, pursued old war techniques and has made nearly everyone less secure.

Alan Johnson: Is it your view that the Labour Party's foreign policy – after starting out with the doctrine of the international community, as expressed in Blair's Chicago speech – became trapped within the Washington Security Agenda?

David Held: I think one has to have a fairly subtle and differentiated appraisal of the Blair premiership. There is no question that in many ways he has been a very fine leader. Looking at the results of his domestic policies there is much for the UK to be proud of. Internationally, that the work of DFID over the last several years, the work at the G8 on poverty-reduction in Africa, and the work on climate change, is exemplary in many respects. Blair has helped move the UK into very significant positions in a number of areas of progressive politics.

But, in Blair's hands, the Third Way project has two failings. One is associated with social justice, the other with global security.

The social justice failing can be put very simply. In my judgement, social democracy should entail a strong egalitarian commitment. We need to worry not just about those who are excluded from the market at the bottom end but also about those who exclude themselves at the top end. The New Labour project has redefined social justice away from egalitarian conceptions and towards the idea that exclusion from the market is the core meaning of social injustice. Social justice becomes defined as inclusion in the market. And if that is your view, then you concentrate on those who are marginal, and seek to bring them back into the mainstream of society and economy through employment, and so on. Now, much of that policy work is very important. But if that is all the emphasis is, and if you don't also consider, as it were, the corrosive significance of concentrations of wealth and power, then you weaken the social democratic project.

At the global level Blair came to power with the promise of a Shakespearian prince! He was a great internationalist, a great Europeanist. His crowning moment was to speak in French to the French parliament. He was very much the prince in shining armour, and was welcomed with open arms on the continent. Ten years later the record is that he has by and large failed to lead on Europe and that Europe is not stronger as a result of his contribution. The international position is close to disastrous. He believed, mistakenly, that he could act as a mediator between Europe and the United States. He believed, mistakenly, that closeness to the Bush administration would give him critical leverage.

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The UK went to war on false grounds. Some of us thought they were false from the beginning, but now it is clear to all they were false. The war in Iraq was promised to be short and quick, but it has been long and protracted. We were promised a swift military victory but it has been anything but. And now tens of thousands of people have died under appalling circumstances. The breakdown of law and order has unleashed a level of violence in Iraqi society which is truly horrifying.

I wrote an article just before the war started called 'Return to the State of Nature' – my view of what the war in Iraq would come to. The one thing I did not get quite right is just how appalling it would be. The alliance with Bush has been fundamentally mistaken. There was some justification for the invasion of Afghanistan but I think none for the invasion of Iraq. I think the 'war on terror' was a false metaphor – a mistaken way of thinking about global security. I think it involved an illusory conception of the magic of military power in the contemporary age. And I think all of this was predictable and it is now inexcusable.

If you go to war on false pretences, if you go to war and you don't deliver on your promises, if you go to war and the situation is worse at the end and not better, surely you are culpable for the failures of your judgement? I believe that at some level this tragic Shakespearean prince should be held accountable for these errors of judgement.

Humanitarian Intervention

Alan Johnson: And at the level of security do you think the social democratic alternative of a 'broad security agenda' should include a commitment to military intervention to meet a 'responsibility to protect,' or do you agree with Patrick Bond that 'humanitarian interventionism' should be opposed as part and parcel of the 'Washington security consensus?' How should we distinguish those conflicts in which we social democrats should favour military intervention from those we should oppose – what would the social democratic tests be?

David Held: I think we must distinguish different kinds of humanitarian intervention. We must distinguish, for example, the intervention in Iraq from the intervention to stabilise Bosnia and Kosovo. Although those latter interventions came late in the day they were broadly beneficial in stopping appalling breaches of human security and a deep and profound set of crimes against humanity. The war in Iraq, it seems to me, was a flagrant act of war – misconceived, mistimed, mistaken, mis-strategised.

Humanitarian crises get out of control for complicated reasons to do with, among other things, warring ethnic groups, desertification and environmental crises, the activities of local warlords, and so on. Are we going to say that under no circumstances should we ever intervene because any intervention is bound to be thought a form of western imperialism? No, that would be absurd. It's like saying that the intervention from 1939 to stop Hitler was an inherently an imperialist one. Would we have been pacifists in face of the threat of Nazism? I don't think many people would have been. So by extension, we must see that in the case of certain rogue states, or in the face of certain appalling situations driven by political elites or ethnic groups, there may be grounds for humanitarian intervention.

However, we need to learn from situations in which humanitarian intervention has worked and from situations in which humanitarian intervention has failed. Politics is not a panacea and nor are military strategies. Sometimes you can't intervene because a situation is just too complex. Sometimes intervention can be effective. But intervention can't be effective on the basis of old war politics. It has to be on the basis of multilateral intervention, with an international mandate for intervention, if at all possible, and with a conception of military operation and security quite different from what we have had in Iraq.

There are very interesting ideas circulating now within the military, within European policy networks, and here at the LSE under the influence of Mary Kaldor, on the development of a Human Security Force – a military force operating on different principles and different objectives, with different capabilities, to achieve different ends. And I think we need to rethink our military as part of rethinking our foreign policy approach. The baroque armies of Europe, for example, are pretty useless in dealing with many contemporary conflict situations.

Islamist Terrorism

Alan Johnson: Any Human Security Force would have to confront terrorism. In *Global Covenant* you use the terms 'global terrorism,' 'mass terrorism,' 'transnational terrorism,' even 'the simply deranged and the fanatic' but you never use the term 'Islamist terrorism.' You do write in the Appendix of a 'fundamental fissure in the Muslim world between' those who seek to come to terms with modernity and uphold universal standards versus those who wish to retain or restore power to those who represent 'fundamentalist' ideas. But you don't relate this insight back to the terrorist threat we face. In the book, terrorism never seems to come into focus

as one face of that civil war within the Muslim world. I wonder if there would have been a value to have brought together those two developments.

David Held: That's a very interesting question. I have no difficulty in using the concept of terrorism. Terrorists are those people who breach cosmopolitan principles without any consideration for others. Terrorists believe that they have grounds that permit them to act as judge, jury and executioner. Terrorists are people who oppose the most elementary principles of cosmopolitanism – the sanctity or preciousness of human life.

There are many different kinds of terrorists. There are certainly radical Islamic terrorists but terrorism has taken many manifestations both in the form of non-state actors and state actors. If you look for example at the Middle East today you surely would have to combine a critique of the terrorism of Hamas and Hezbollah with a critique of the way the Israeli state has acted. Many of the fundamental principles of cosmopolitanism, and the liberal principles of the rule of law, are violated in the Israel-Palestine conflict by both sides. In a sense both act in a manner that resembles more outlaw politics than it does the rule of law. Both state and non-state actors are capable of 'terrorism' as I have defined it. And that is true across the world. Terrorism does not just take the form of the behaviour of non-state actors.

Of course there are many complex constellations of non-state actors, including Islamic terrorists, al-Qaeda networks, and so on. I have absolutely no time for them. Their political programmes have nothing to do with Robin Hood principles, or with principles of social justice, or with honouring the dignity of human life. They are vicious forms of geo-politics. They are another form of vicious geo-politics, as it were. The vicious form of Islamic geo-politics meets the vicious form of western geo-politics. In Iraq certain western powers have also acted as judge, jury and executioner, arrogating to themselves the right to determine fundamental issues of life and death. There is a certain symmetry between the appalling politics of non-state actor terrorists, in this case al-Qaeda, and some of the actions of the western alliances that have intervened as judge, jury and executioner.

Alan Johnson: What would you say to the view that, whatever the errors and even the crimes, it is wrong to equate the western coalition with al-Qaeda in that way, because the former removed Saddam Hussein and the Ba'ath, supervised a number of democratic elections in Iraq that produced an elected Iraqi government, oversaw a popular vote on a new democratic constitution, opened up the mass graves, enabled

the religious freedoms of the Shia, returned the refugees, re-flooded the lands of the Marsh Arabs, created the space for free trade unions and a free press, and so on, as well as training up the Iraqi security forces. This view would say that whatever the wisdom of the invasion the coalition seeks to leave behind not a colony but a free and democratic Iraq. On the other side is a sectarian Sunni insurgency, sectarian Shia death squads, and fascistic al-Qaeda operatives, and to create an equivalency between these forces and the western coalition is wrong.

David Held: I think that 9/11 has complex origins. Al-Qaeda has complex origins that go way back in time, before Bush and Blair. But I think the war in Iraq has been a massive recruiting ground for young men to engage in terrorist acts around the world. It has been a magnet for the intensification of violence. The failure of the alliance to think through its intervention, the failure of its justification for war, the broad failure of its moral and political actions since the invasion, the failure to nation-build, the failure to act in line with human rights, all these things have compounded the problems of violence. And violence begets violence.

There was an opportunity to act against terrorism by acting against criminal behaviour – creating a global cross-cultural consensus to act against terrorism and act within the rubric of international law. After 9/11 many Muslim countries were very sympathetic to the United States. That moment was largely missed. But I don't think that moment has been definitively lost, as I said before.

So, to someone like Tony Blair who would offer the defence you have set out to me, I would say 'you are one of the last people standing who still believes this is what is happening.' The situation in Iraq is probably worse today than it has ever been, certainly it is as bad. The level of violence and cruelty, and the abuse of human rights are almost beyond imagination. Coalition forces have created a power-vacuum in Iraq in which the worst elements of human behaviour have been unleashed. And it is going to be very hard to put that back in the box – it may well take generations. I think Iraq is fragmenting, the violence is out of control, and it is a vain hope that the Iraq military will ever be able to handle the situation. None of this has much to do with democracy, or, should we say, the conditions for sustainable democracy.

I am not someone who thinks that there is a direct equivalence as your question suggests between the insurgents and the forces of the coalition. But I do think that the way the war in Iraq has been handled from beginning to end has undermined whatever high ground or legitimacy the US and the UK had. I also deplore the

state we are now in Iraq. It is nothing to celebrate. What I do suggest is that a better understanding of the situation of global politics, Middle Eastern politics, the limits of unilateralism and so on would and should have led to a very different kind of approach to the challenges of the 9/11 world.

Part 2: The Social Democratic Alternative

Alan Johnson: Let us now turn to your social democratic alternative to the Washington Consensus and the Washington Security Agenda. What do you mean by a 'global covenant'? What structural reforms would it involve?

David Held: The language of 'global covenant' is a way of trying to think about how we might bring the developing and developed world into some new kind of dialogue and agreement about economic management and security issues. The West – especially the US and the UK – has been concerned with the threats emanating from terrorism. Some of these are serious concerns, of course. In being very critical about the way they have handled these issues, I don't deny that there are issues to handle. But if the security agenda is defined purely in terms of terrorism it excludes from the dialogue, and from the interpretive and political framework, the majority of the world's population, for whom security issues are everyday struggles for life – clean water, health, threats from Aids/HIV, poverty and malnutrition.

Britain and the United States led the war on terror after 9/11 because 3,000 people died that day. Everyday 30,000 children die of poverty-related diseases. Everyday there is something like a little Holocaust in the world, a destruction of children's lives that is essentially avoidable and unnecessary. We cannot impose on the rest of the world our conception of security and expect agreement. So the beginning of a global covenant is to create a dialogue between the developed world and the developing world on a common conception of security which embraces their pressing development concerns and our own. Unless that dialogue is undertaken, unless we build a new common platform of agreement, our security concerns will be weakened and theirs will barely be advanced. This is potentially a win-win situation.

On the issue of economic policy, if the current push continues, led by the Bush administration, to a continuing increase in bilateral and preferential trading agreements, linked to a market fundamentalist approach, it will be harder to deliver many of the national and global public goods we need. To secure prosperity in the long run means not just new and more sophisticated conceptions of what

works in the global economy, and what doesn't, but also recognising that unless there is political regulation of globalisation we will lack mechanisms to deal with global warming, pandemics and epidemics, new viruses, and so on, and will only compound the problems already generated by market fundamentalism.

So there is, potentially, in the security frame and the economic frame, a way forward. I call this a 'global covenant' because unless markets accommodate politics, and unless the security agenda of the West accommodates to the security agenda of the majority world, we will not make political progress on pressing global goods which will define the future of not just our generation but of our children, and their children. A global covenant means a dialogue to strengthen our rule-based multilateral order, that is sensitive to the dignity and the terms of reference of other cultures, and that seeks to learn from the failures of our dominant policy packages. By seeking a global covenant we recognise that the way forward is not *raison d'état* or market fundamentalism or unilateralism. Those old policy packages have failed us, sometimes with terrible consequences.

Let me put the way forward to you in simple terms. Realism is dead. Cosmopolitanism is the new realism! That may seem an extraordinary thing for me to say, but if you accept the arguments that I have made so far then we can say that, broadly speaking, the realist policy packages have failed us. The reason that cosmopolitanism is the new realism is because unless there is a new agenda of cross-border collaboration, unless there are international solutions to global problems, unless we learn from the failures of the old policy packages, we will continue to make life worse for ourselves, not better.

Alan Johnson: Can you define the word 'cosmopolitanism' for readers who may be unsure of its meaning?

David Held: Cosmopolitanism is a way of thinking about what it is that we each have in common across cultures and borders. It starts from a number of fundamental premises, including the equal moral worth of each and every human being, the fact that we are all endowed with the possibility of active agency and the capacity to make choices. We are each a moral agent capable of the dignity of choice. Cosmopolitanism also says that in order to exercise this dignity of choice, we all need access to certain capabilities. (There are other cosmopolitan principles and I set these out in *Global Covenant*.)

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And these are not just the abstract principles of philosophers! These are the principles enshrined in many of our multilateral institutions since the late nineteenth century. The law of war and human rights law, the UN Charter and the UN charter system, embed many of these principles in their very foundation. The human rights regime, in particular, could not exist without these cosmopolitan principles. The UN Charter framework also embeds them. The global covenant I speak of is consistent with best practice as any politics must be. In this sense, it goes with the stream of history and not against it.

The problem is that these fundamental cosmopolitan or universal principles of democracy, human rights and so on, were spliced together in the late nineteenth century and twentieth century with state sovereignty, state politics and the priorities of the most powerful states. That agenda, in my view, has run its course, so now we are faced with a truly critical set of choices. We *either* build on the progressive stepping stones that we already have – the multilateral rule-based system, the human rights regime, the International Criminal Court, the soft power centres of the European Union, the germinal beginnings of multidimensional citizenship and the multilayered authority in the EU – or we will commit the same mistakes in the future, with increasing negative consequences.

The notion of a global covenant is a complex way of thinking about how – sector by sector, area by area – one can embed the lessons of the twentieth century into our international institutions and practices. The same solutions will not work in trade, finance, pandemics, climate change. We need to think in a new imaginary political frame. But if we recognise that the old realist frameworks don't provide the goods, it frees us to move on.

Centuries of Transition?

Alan Johnson: What do you say to those that dismiss the global covenant as a utopia incapable of realisation?

David Held: *In Global Covenant* (2004), and in my defence of it in *Debating Globalisation* (2005), I try and set out issues for the short-term and long-term. I am clear that we can't have the longer term tomorrow! The idea of a progressive cosmopolitan global covenant delivered all at once is not how the world works. Politics has never worked like that.

The example I always give, against my critics, is the formation of the modern state itself, from the sixteenth and seventeenth century. It took *centuries* to unfold. The idea of a secular political regime, separate from ruler and ruled, separate from the powerful Catholic Church in Europe only took shape slowly. Also slow to emerge were the concepts of democratic sovereignty and citizenship. It all took years of struggle to attain. And not just in the western world. We must never forget that democracy takes on one of its most extraordinary manifestations in India – the biggest democracy in the world. Democracy does not just belong to ‘us,’ and it isn’t just practiced by us. It is an achievement of other countries and regions as well.

We have to understand that small stepping stones to achieve a more secular modern nation-state – the Reform Acts of 1832 and 1867, and so on – pushed the process on in important ways. I think we now live in a moment that I call a ‘global shift.’ The imaginary of state-based politics is now inadequate. We now live, and will continue to live, in a world of overlapping communities of fate. In that new world, we must begin to think afresh and to be bold. My books are just one contribution to that new political imaginary.

Agencies

Alan Johnson: To become a new common sense the global compact will need to animate key agents of social and political change who will promote such a program. Which agencies are likely to endorse this program? How has ‘the reconfiguration of political power’ associated with globalisation re-conditioned the capacity of the traditional agencies of the left? What is the role for trade unions in the social democratic alternative? Is transnational union solidarity a prerequisite for the global covenant?

David Held: Let me start by stressing that we need to be clear about the myth of agency frequently found in centre-left thinking. This myth dates to Marx and expounds the notion that progressive change ultimately rests on an identifiable class and/or its representatives. The problem with Marxism is that it read off from social economic class the story of politics. It failed, in other words, to treat politics *sui generis*. Politics cannot be reduced to the search for single agents. So much should be clear.

The agents that might combine to push in the direction of a new global covenant will, concomitantly, be diverse and in all likelihood more diffuse. Progressive

change depends on building coalitions, coalitions which already form and reform in different international and global contexts. At the very least, it is possible to envisage a coalition of progressive states and non-state actors working around the issues discussed. I have in mind leading European powers with some social democratic traditions, major developing countries seeking changes in the nature of trade, aid and development, non-governmental organisations, from Oxfam to *Medicins sans Frontieres*, and so on. But it is important to stress that coalitions will always form and reform around issues – as they always have done, from the struggle over the ICC to the social pressures that built in relation to the Doha round.

Of course, trade unions have a role here and a potentially very important one acting both as pressure groups and as forces that can help enlighten their members on global issues that might not appear relevant to them at first glance. This is crucial, but I think one has to accept that trade unions are only one of several possible actors that need to combine to create transnational solidarity. Transnational solidarity is crucial between rich and poor countries, developed and developing countries, governmental and non-governmental agencies if, as Kofi Annan eloquently and directly put it, ‘millions of people are not to die prematurely and unnecessarily’ as a result of our failure to meet pressing global challenges.

Blaming America First?

Alan Johnson: In assessing the obstacles to the global covenant some suggest you lay too much blame at the door of the USA. From the right, Roger Scruton claims that your argument proceeds quite ‘as though the world would set itself to rights were it not for...the American government.’ Scruton thinks this ‘false emphasis’ is dangerous as it ‘entails refusing to view people outside the enclaves of western capitalism as subject to judgement...refusing to recognise their full humanity.’ From the left, David Mepham also claims that you do not attend to the importance – as causes of absolute poverty, relative inequality, conflict and genocide – of autonomous national and regional political cultures, policies and structures, and this is in part due to the Washington-centred character of your analysis. Mepham invokes, as examples, the nature and impact of the Mugabe dictatorship on Zimbabwe, but also asks us to consider the implications of the devastating critique of the Arab world and Arab governments contained in successive UN Arab Development Reports. How do you respond to these criticisms?

David Held: *Global Covenant* was an intervention at a particular point in time. I took the view (and still do) that many of the key decisions taken after 9/11 were the wrong ones to attain the objectives desired – security, accountability and an alliance of civilisations, not a war of civilisations. It was right to argue that decisions taken by the US government, and supported by the Blair government, were the wrong decisions. They were the obstacle. The Bush administration has weakened many aspects of multilateral governance – the Security Council, the Nuclear Non-Proliferation Treaty, the Chemical Weapons Conventions, and so on. That is not to say that the Bush administration, supported by Blair, is responsible for globalisation in all its aspects. Not at all! In my academic books – such as *Global Transformations* (1999) – I don't mention particular administrations because those are more serious works of research looking at historical change over the long run. *Global Covenant* (2004) and *Debating Globalisation* (2005) are political interventions written at a time when American administrations were making things worse. There is nothing anti-American about what I have written. I am a critic of some policy packages and that has nothing to do with the USA, its history, democracy, culture or people. I am a critic of *policy*. If one can't separate, intellectually, the question of policy from that of country then debate is a complete non-starter. It's the same mistake the Israelis often make, when they say 'any criticism of policy is a criticism of us.' That is wrong. I am criticising a certain set of policies driven by an administration not a country. So I simply reject that charge.

Your question raises a bigger set of issues about the national and the regional levels. And the points that David Mephram makes are well taken. There can be no construction of a multilateral rule-based order without strong democracies and democratic cultures. And it is also true that the movement in this direction is handicapped by failing states, the resurgence of nationalism, and so forth. And it is true that many of these things have very complex independent dynamics from those that I have been discussing in this interview. And all I can say is that I understand that and I agree with you, but my arguments never aimed to touch on all these issues. They were just one cut at some of the questions. And I am quite happy with that cut.

As regards the wider suggestion, that some of solutions lie locally and nationally, that's true too. Take climate change. There have to be international agreements to create a carbon trading system, for instance. A European carbon trading system is already in place, but rather weak. A global carbon trading system is a very important idea to make the private sector part of the solution to the challenge of climate

change. But in order to do that you do need international agreement of various kinds. You need countries to accept targets themselves and to make those targets their responsibility. Within those countries you need sector by sector targets – airline industry, transportation sector, agriculture, households, and so on. Without all those sectors taking responsibility for specific forms of adaptation to a less fossil-fuel oriented economy we just won't get solutions. My view is 'think globally, act locally,' and the reverse. There is no solution to climate change without global agreements. But, equally, there is no solution to climate change without changes in national and even individual behaviour.

Part 3: The global covenant and the status of 'social democracy'

Alan Johnson: Much of the debate provoked by *Global Covenant* was hosted by *openDemocracy* and collected in the book *Debating Globalisation*. It might be useful to explore some criticisms that seemed to challenge, in various ways, the contemporary relevance and political prospects of 'social democracy' and 'global social democracy.'

Is there a social democratic future?

Alan Johnson: Meghnad Desai, your predecessor as Director of the Centre for Global Governance, and the author of *Marx's Revenge: The Resurgence of Capitalism and the Death of Statist Socialism* (2002), argued that you assume social democracy is the good guy ready and waiting in the wings with the answers. This is not a safe assumption, argues Desai, as 'social democracy has itself been in a deep crisis from which it has yet to re-emerge.' His argument is that while social democracy could flourish in the de-globalised world of 1919-1980s with its loosely connected national capitalisms, fordism, mass trade unions, and relative social uniformity, it has not been able to cope in a rapidly globalising world in which, crucially, the state had lost control over the economy. Restoring profitability demanded brutal restructuring, and the right got on with it. The left, to return to power, has had to fall in line with the right. Social democratic parties can talk all they want about the 'third way' but in reality 'the most successful "social democratic" regimes like Britain's New Labour or Clinton's presidency, in effect, abandoned social democracy in all its essentials.' Why is Desai wrong?

David Held: What is social democracy? There are clearly many things that can be said here but I only want to make one point. Social democrats have, traditionally, sought to deploy the democratic institutions of individual countries on behalf of a particular national project: a compromise between the powers of capital, labour and the state which seeks to encourage the development of market institutions within a regulatory framework that guarantees not just the civil and political liberties of citizens, but also the social conditions necessary for people to enjoy their formal rights. It seems to me that this project is as relevant today as it has always been.

Social democrats have rightly accepted that markets are central to generating economic wellbeing but have recognised that in the absence of appropriate regulation they suffer serious flaws – especially the generation of unwanted risks for their citizens, an unequal distribution of those risks, and the creation of additional negative externalities and corrosive inequalities.

The bottom line is that unlike the standard liberal approach which emphasizes markets and more markets (ultimately Meghnad Desai is in this camp), social democrats emphasize the silence here – and the silence is social justice. The issue today is that social justice can't simply be delivered on many critical issues today by states acting alone. From climate change to the problems of trade rules, coalitions beyond states are necessary to deliver the framework of justice. If anything, I think this programme is more important today than it has ever been – not less.

Finally, I dislike the idea that there is 'the good guy.' Rethinking politics on the basis of evidence and sustained political analysis is one way of contributing to the dialogue that I speak about. There is no 'the good guy' – just a crucial and necessary dialogue about how we can create the basis of a new global covenant in order to meet the colossal crises that we will face in the century ahead. Better to be a 'guy or girl that addresses this' than...

Alan Johnson: What are you working on now?

David Held: I am working on two books which I hope will help press this agenda further and also give it a more subtle set of inflections. The first is a volume recasting Machiavelli's Prince. The advice Machiavelli gave may have been right for his moment, but the principles and rules of statecraft have to be radically rethought for a world of overlapping communities of fate. Goodbye Machiavelli's prince and welcome the tool book for cosmopolitan princes and princesses! The second and

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rather more sustained project that I am working on is a very systematic examination of the effectiveness and accountability of global policy – whether public, private or public/private – in crucial areas of human endeavour: finance, trade, global infectious diseases, among others. I hope this project will help show how we can plausibly defend the notions of a new global covenant while being attentive to the often significant differences between sectors of activity.

This, plus the four kids, will keep me busy. The interview has to close!

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Alan Johnson is Editor of Democratiya.com and Professor of Democratic Theory and Practice at Edge Hill University.

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