

3

Setting the Stage

Foundations Globalization

Objectives

This chapter explains the foundations of the global economic, political, and cultural systems. It will help you

- analyze the diffusion of the nation-state from the Treaty of Westphalia to the wave of contemporary nation-state building;
- evaluate constitutions in relation to their conformity to global ideals of state structure, function, and the rights of citizens;
- assess the role of colonialism in shaping a global political and economic hierarchy of societies;
- evaluate the long-term impacts of colonialism and the Cold War on economic and political development;
- understand the emergence of global culture related to sovereignty, nationhood, human rights, constitutionalism, liberalism, and rationality;
- analyze the course of economic globalization from simple patterns of trade to early interdependence in production and markets;
- evaluate the relationship between political and economic liberalization;
- identify the influence of convergence on specific state forms and values in constitution; and
- assess early attempts of global governance related to the global system of states.

Globalization is the integration and interdependence among people across societies. In early stages of contact among societies, resources, products, and ideas were exchanged through trade and travel, but this did not constitute globalization. For example, cultural diffusion occurred regularly along the Silk Road as societies adopted material items and religious beliefs of other societies. This in itself is not globalization because the internal systems of one society were not dependent on the other, even though they were related. In contrast, the decline of religious authority and assertions of national sovereignty, the

influence of political and economic liberalization, establishment of colonies, homogenization of constitutions, and rationalization of institutional structures created conditions that facilitated interdependence and integration across societies, setting the stage for globalization. Even though the global system of states is one system among many systems, it is the foundation of globalization. It was based on the simple ideas of nation and sovereignty. As the system of nation-states came to blanket the world, the structural homogeneity of states, democratic ideals and various rights reflected in their constitutions, the

necessity and capacity of capitalism for expansion, and the diffusion of ideas of liberalization, rationalization, and human rights integrated the world more and more tightly.

Although theorists of globalization differ on when globalization as a distinct process began, as discussed in the first and second chapters in detail, the foundations of economic and political globalization as presented in this chapter are important in understanding all of the dimensions and how the variety of theories apply to understanding the current state of the globe.

Waves of Nationhood

The Germinal Phase: The Treaty of Westphalia and the Principle of Sovereignty

A *community* is a group of people who have something in common. Traditionally, that has been a land that they share, from which they derive sustenance and a common set of values and rules that arose as they figured out how they would share the land and its resources to ensure their survival. As the interactions among small communities increased, their interdependence did as well. This enlarged their sense of community and from this grew the concept of a nation. Community remains the basis of a nation, a people who feel they share a common identity and belong together (Weber 1921/1978, 395–398). The idea of nation developed gradually as the way of identifying an “us.”

In some respects, nations and states grew out of warfare. Europe experienced near continual warfare, from the Hundred Years War between France and Britain in the 14th century to the Thirty Years War that engulfed all of Europe in the 17th. These were a series of religious and political wars that devastated Europe for centuries. Weakened by its own corruption, the Holy Roman Empire disintegrated as the patchwork of princely dominions in Europe fought against the empire and one another for sovereignty, territory, and freedom. Through these wars, the nation became the protector of its people against the Empire and other nations. National identity became a locus of individual identity. As the wars raged, the idea of empire—one rule or ruler

for all of humankind faded; nationalism—the right of a group with a common heritage to govern itself—ascended.

The modern state and system of global governance arose from the rubble of these wars. By 1648, most European princes and kings were bankrupt by the expense of war. Many had already signed treaties with one another. They met in the Westphalia region of Germany to broker a peace. As a consequence of the Treaty (or Treaties) of Westphalia, secular political power was stripped from religious authorities. The Hapsburg and Roman Empires were diminished, and power was decentralized to ruling or newly elected monarchs. Rather than the empire dictating the official religion of a territory, monarchies gained control over religion within their borders. France and Sweden gained disputed territories. Religious membership became voluntary for most individuals, but state membership became mandatory. Trade and commercial activities usurped power from religious authority and to some extent also from the crown. Religious and political freedoms from empire were established, not for individuals, but for nations. In short, nations gained sovereignty. There was no longer any higher power on earth.

The Treaty of Westphalia gave shape to an association of states, each of which claimed sovereignty within its political boundaries and legitimacy based on the nation within. Sovereignty over a politically defined territory and the citizens within remains the defining characteristic of the modern nation-state (Mann 2003, 137). The Westphalia system of states established the following principles, the foundation of global governance of the time.

- States were all free and equal.
- There was no temporal authority higher than the state.
- States had ultimate authority over the conduct of their internal and external affairs.
- The capacity to exercise rule over a territory bestowed the right to rule—might makes right.
- Whoever gained or seized power had authority to act as the head of state and enter into agreements on behalf of the people, regardless of their constitutional standing.
- How a state maintained its power did not reflect on the state’s legitimacy in the view of the world community.

- The activity of a state outside of its own boundaries and the treatment of individuals who were not citizens were not expected to conform to the same standards as a state's activity within its borders or the treatment of its own citizens.
- Groups and other non-state actors had no right to contest territorial borders (Held 2000, 162–163).

Although peace in Europe was not lasting, the Treaty of Westphalia established the principle of state sovereignty and the basis of global governance for centuries to come. Monarchs granted themselves and one another the authority to speak for, make commitments for, and sign treaties on behalf of the people they claimed to represent. In return, they obligated themselves to care for the common good, protecting people's security, economy, and other interests. States granted themselves a monopoly on the use of violence within their borders, and the right to use violence in protection of their people. Without the power to compel people to act, states could not make promises on the international stage. To facilitate international relations and guarantee sovereignty, whoever controlled power within a territory—regardless of how it was acquired—was recognized as the head of state. The state assumed an anthropomorphic character, as the primary actor on domestic and international fronts, providing constraints and opportunities for other, sub-state actors, and one another.

Nations invented state sovereignty to bring peace to Europe. Ironically, the treaty presented the first challenge to sovereignty as well. Recognition as a sovereign depends on recognition by other sovereigns. This always comes with conditions that limit sovereignty at the same time that it grants it. Minimally, “states are required to control their territory and be willing to participate in a system of international law” (Donnelley 2007, 250). This is the foundation of global governance and culture.

Expanding the System of States System to the Americas

Colonialism is the economic, political, and social domination of the people within a territory by another country. The mechanical revolution in Europe gave European states a competitive advantage to reach out and conquer people on other continents. At one time or another, Europeans, and in a more limited

number of cases the Japanese, occupied or colonized nearly every bit of land on the globe. Whether colonialism was primarily economically motivated to secure resources, markets, and labor, or politically motivated to secure territory, subjects, and prestige, is an interesting debate. But regardless of which it was, colonialism served both purposes well.

After the treaty of Westphalia, the state model was transposed onto colonized lands. European states claimed land on other continents, drawing boundaries to mark their territory and exercise dominion. During the first wave of colonization (the Age of Exploration) French, English, Spanish, and Portuguese settlers migrated in large numbers, primarily to the Americas. In the Americas, the British treated North American indigenous populations as other sovereign states. Treaties were used to justify and legitimize land grabs from Native Americans. England negotiated treaties with Native Americans, although the treaties never granted equal benefits. The North American colonies and settlers prospered, setting up a plantation system based on slave labor in the South of North America and small farms and industries in the North.

South and Central America, colonized primarily by Spain, were also settler colonies, used primarily for their mineral and agricultural wealth. Rather than being isolated on reservations, indigenous populations were vital, although disempowered, actors in the new economies and politics. The Latin American colonies and southern colonies of North America were similar in critical ways. As in the Southern plantation system, rich landowners and landlords, usually colonists, maintained large landholdings using slave labor and poor tenant farmers. Also like the Southern United States, much of the agricultural product was for export and benefitted a small segment of the population. After independence, this pattern of colonialism on both continents gave way to landed aristocracy and the extreme inequality that persists today.

The distance between Europe and the Americas limited the degree to which the Americas were suitable as colonies. Separated from Europe by oceans, American colonists developed a life of their own and eventual independence in the late 18th and early to mid-19th centuries. This was the second wave of nation-state building. Independence for the colonists in the United States led to a democratic republic, a system of checks and balances among branches of government, and federal and state governments

based on a constitution that has proved remarkably resilient for well over two hundred years. In South and Central America, autocracy and oligarchy replaced colonial governments. In most Latin American countries, democracy did not stabilize—often hampered by external interference—until relatively recently, in the 1980s and 1990s.

Colonization of Asia also began during this period, first with Russian incursions in the 16th century and Portuguese incursions in the 17th, followed by the Dutch, British, and French. The early colonization was very limited. Unlike their efforts in the Americas, European posts in Asia were means of facilitating and controlling trade, and were concentrated along the coasts. The Dutch East India Company, British East India Company, and French East India Company competed for control of the lucrative trade in Asian exotics, such as spices, silks, tea, porcelain, gems, and ivory. They were effectively the colonizers and administrators of their countries' colonies. The situation was similar, but more dastardly, in Africa. Europeans interest was primarily in establishing trading posts and routes; unfortunately, it was primarily for slave trade.

Aside from a few colonies in Africa in the 17th and 18th centuries, most notably the Dutch and then British in Cape Town and the Portuguese in Angola, the real colonization of Africa was not until the 1870s, coinciding with the colonial push inland into Asian countries. As the North and South American colonies gained independence and industrialization created a pressing need for resources and markets, competition among Europeans for territory in Africa and Asia—continents of diverse cultures, but few modern state borders—was fierce. The French, English, Portuguese, and Spanish were joined by Italian, Belgian, and Dutch powers, staking out territories and drawing political borders across the continents, ignoring the ethnic and religious identities and geographic boundaries that provided the basis for nationhood throughout Europe. (The USSR did the same as it moved through Central Asia and Eastern Europe in the 20th century.) Most of the colonies enclosed diverse cultures within the same arbitrarily drawn borders. Borders united disparate groups, binding them into a common political territory and bisected cultural groups, separating them into different political units. Border disputes remain today, pitting those who want a return to older, ethnically based areas against those who favor the colonial borders.

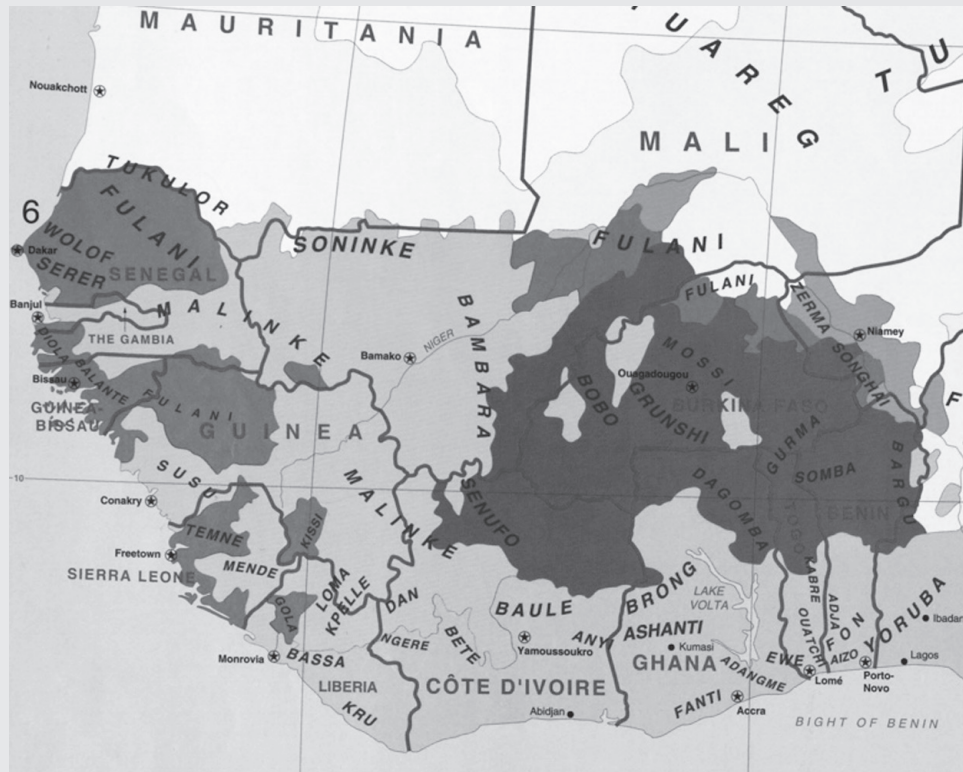
Ethiopia, one of the world's oldest nations, was never colonized. Iran, Japan, and parts of China are the only other countries outside of Europe who can make that claim. Liberia, colonized by free black Americans in 1822, was established as a republic in 1847. Ethiopia and Liberia were the only independent nations in Africa at the turn of the 19th century.

With few exceptions, such as Liberia and South Africa, the African and Asian colonies were not settler colonies. Relatively small contingents of administrators from the colonizing country ran government and commercial enterprises, often with the help of one faction of the indigenous population. As in South America, indigenous populations went to work for the benefit of the colonial powers. Only small contingents received educations and experience in business and government. Critical infrastructure for a developing society, such as transportation, communication, education, and sanitation was built to support the transfer of raw materials out of Africa, not to maintain a functioning society. Even India, which had a relatively large British administration,¹ could not be considered a settler colony, as most of the administrative and military support rotated through India, few settling and building a new life there.

This was strategic for the colonial powers and dysfunctional for indigenous peoples. Often, one cultural group, a numerical minority, was chosen for the higher status positions not filled by colonists. They served in the bureaucracy and reaped small share of the profits of colonialism, which represented considerable wealth in comparison to other groups. This was the situation in Rwanda. Hutu and Tutsi were stripped of their traditional livelihoods. The Tutsi, the smaller group numerically, administered the interests of the Belgians; they prospered and controlled most of the country's wealth. This bred resentment among other indigenous groups. Violence began even before the Belgians left Rwanda in 1962, but intensified after independence and the Hutu rise to power. The intransigent inequality and deep divide led ultimately to decades of violence, thousands of deaths, and the genocide of 1994, when over three quarters of a million people were killed in just over three months. Similar playing of one ethnic group against another, giving one privilege

BOX 3.1 A Closer Look: Ethnic Map of West Africa

The abundant ethnic mix of Africa stands out in this map. Examine the borders of Nigeria, Ghana, and Cameroon, and you can see how ethnic borders were fractured. While the abundant diversity may prohibit mono-ethnic states, could borders have been drawn differently? This, in combination with unequal treatment of groups, resulted in conflict-ridden and tense political dynamics.



Source: Library of Congress.

over another, was common and left a legacy of ethnic divide and strife throughout Africa.

In 1945, over 750 million people were living in colonial or occupied territories. This was about one third of the world's population. Following WWII, colonization in Africa and South East Asia was not sustainable. Europe's and Japan's energies were occupied with rebuilding their countries. Furthermore, colonization violated the normative standards of the Universal Declaration of Human Rights. However, independence did not follow immediately on the heels of the war. In 1960, the UN General Assembly

adopted the Declaration on the Granting of Independence to Colonial Countries and Peoples. This declares that "the subjection of peoples to alien subjugation, domination and exploitation constitutes a denial of fundamental human rights, is contrary to the United Nations Charter, and is an impediment to the promotion of world peace and cooperation" (UN 1960). In 1962, the UN established the Special Committee on Decolonization, and the rate of decolonization accelerated.

Independence movements, some peaceful and many others violent, secured the independence of

most of the colonies through the mid-1960s into the 1970s. Left with environments ravaged by colonialism, the education of most populations neglected, severe ethnic and religious tensions, an infrastructure based on the export of a variety of agricultural crops and minerals, and weak or no democratic institutions, most colonies were unprepared for statehood or economic prosperity. Who could or would run the government and the industries? Who could lead the countries into the 21st century? Unfortunately, these questions were answered by continuing patterns of domination determined by the resource and strategic needs of richer countries.

Colonization created a politico-economic system that encircled the globe but was based on forceful domination. It was a system founded neither on normative grounds nor on anarchy among equal and sovereign nation-states. It established a legacy that forms the basis of the global economy by positioning some countries as sources of resources, cheap labor, and markets. It left a political legacy of weak governments run by oligarchies, monarchies, or dictators eager for the rewards that resource wealth and strategic alliances can bring.

Spreading the Nation-State East

Nationalism spread from Europe to the Ottoman Empire. Corruption of the sultanate and economic stagnation fueled nationalistic movements. Monarchies with bureaucratic structures, similar to those that had developed in Europe, evolved within the Ottoman areas of Eastern and Central Europe. Greece declared independence in 1821, but in most of the empire, nationalism did not assert itself until the latter part of the 19th and early 20th centuries, marking the beginning of a third wave of nation-state building. The empire attempted to stave off rebellion by modernizing institutions, improving education, and introducing constitutional reforms to grant more autonomy and rights to various populations—modeling Western forms—but they were not enough to hold the empire together. Corrupt, incompetent, and ineffective rule had damaged the authority of the sultanate beyond repair.

Ethnic and religious uprisings among the countries of the empire, which had been gradually disengaging, led to their independence. The Balkan Wars and Russian and European incursions into the empire brought territorial losses and further loss of central control. Following WWI, the remainder of the Ottoman Empire collapsed and was divided as the spoils of war by Britain, France, and Russia. This exacerbated a nationalistic fervor in Turkey that diffused to the Middle Eastern countries.

Mustafa Kemal Ataturk, inspired by ideals of sovereignty and democracy, led the Turkish war for independence from 1919 to 1923. Although Turkey was, and is, Islamic, Ataturk modeled Turkey after the secular European state, encouraging Western-style education, dress, and other ways of life. In other parts of the former empire, such as Egypt and Iran, nationalistic fervor was accelerated by foreign domination. Most other Middle Eastern countries remained under European rule until mid-century.

Diffusion of the nation-state form from West to East stopped at the Chinese border. Although China nominally adopted the nation-state form in the early 20th century and a capitalist economy in the latter part of the 20th, the tradition of empire continues. The Chinese state acts much like an emperor. The government has a very active role in directing economic life, controlling political life, and to a somewhat lesser extent, it also controls religious life. Japan did not adopt a state form until after World War II. Following its defeat, Japanese development was controlled by the West. Then, Japan adopted the state form with a constitution that was largely a work of Western design and a Western economic system.

Early Waves of Economic Globalization

The Silk Road Into the Middle Ages

Economic systems produce and distribute the goods and services people need for survival and to improve the quality of their lives. This has always involved exchange among people within

and among societies. Trade can be important for survival. If one person experiences drought and a neighbor experiences plenty, exchange may mean the difference between life and death, providing the person in need has something to trade, money to buy what is needed, credit, or the ability to appeal to the other's humanitarian impulses. Trade over national borders can improve the quality of life by making goods available that are not produced domestically or are available at a lower cost/higher quality.

Trade among societies is ancient. The Silk Road encompassed nearly all the world known to those who traveled it. For close to 2,000 years, from ancient times into the 16th century, it connected Asia, the Middle East, and Europe first by land and later by land and sea. Trade was extensive, extending into Africa as well. Some theorists date globalization to that era. Societies that traded along the Silk Road were not highly interdependent economically, but cultural diffusion was high.

During this period, goods flowed primarily from East to West. Asia—China and India in particular—had developed export economies producing large quantities of artisan goods. Textiles, ceramics, glass, mechanical clocks, paper, gunpowder, compasses, and much more were eagerly sought by Europeans. Asia's agricultural surplus was also valuable to Europe. By some accounts, Asia was producing upward of three quarters of the world's gross national product (GNP), with

only about two thirds of the population (Frank 1998, 171, 126–127).

In the Middle Ages, trade expanded rapidly, and nations signed treaties of commerce to make trade more secure. Military exploits expanded feudal territories and enriched aristocracies, but the feudal economic system itself did not encourage or require globalization because feudal systems are self-sustaining economically. Serfs worked the lands owned by the nobility and grew produce for their lords and for their own families. Aristocrats increased their wealth by expanding their territories and raising taxes on serfs and townspeople. It was the unraveling of the feudal system and growth of capitalism that propelled economic globalization. Ever-increasing taxation of serfs, merchants, and artisans ultimately led each to rebellion. Many serfs left the countryside for cities where they became wage laborers. Others bought or rented land to farm. At the same time, towns had grown in influence as merchants gained wealth, artisans organized into guilds, and both protested the taxations imposed by aristocracies. In some cases, new towns sprung up, independent of any nobility and others aligned with the monarchy directly, eliminating the nobility as a middle layer. Contractual labor began to replace obligatory, forced labor. Farm workers, now working for themselves rather than the aristocracy, brought excess produce to market. Money, rather than land, became the source of wealth.

BOX 3.2 A Closer Look: Oil and Coffee

The modern economy runs on oil. It is the most traded commodity. Many a modern person runs on coffee. "Wake-up products," chocolate, coffee, and tea, became increasingly popular during industrialization. Coffee is now the second most traded commodity. The story of coffee on the world market is as intriguing as oil's. It demonstrates how global forces create micro effects. In this case, how you can enjoy a cheap cup of coffee, but at the expense of an agricultural worker.

In 2000, coffee prices fell, pushing hundreds of thousands of small farmers and agricultural workers in Latin America out of business. The entry of Vietnam into the coffee market is at the crux of the downfall. Although its coffee production had been increasing slowly through the 1990s, Vietnamese coffee production tripled from 1995 to 2000. This flood of coffee dramatically lowered prices of coffee for the 50 countries whose economies depend on coffee exports. Thousands of agricultural workers in other coffee-growing countries were displaced, filling refugee camps.

Although the World Bank has been accused of causing the drop in prices by offering loans for coffee production in Vietnam, there were other forces at work. State loans for coffee preceded the World Bank's. International financial markets determined coffee prices rather than allowing them to be regulated by the Association of Coffee Producing Countries (ACPC). Competition by multinational corporations to get cheap coffee to market resulted in expansion of low-grade coffee cultivation. Farmers overproduced and oversold to pay off their debt. The Vietnamese government endorsed the expansion of deregulation and commercialization in the industry (Greenfield 2004).

Expansion of Mercantile Capitalism

Although many ancient and medieval traders got very rich, the advent of capitalism changed the nature of trade and the nature of globalization. In a capitalist system, it is the obligation of a corporation to make a profit for shareholders. Striving to maximize profit is more than an objective; it is an ethic. Profit accumulation is the goal of every phase of a capitalist enterprise. The first multinational corporations were the Dutch and British East India Companies. In 1600, the British East India Company formed from a coalition of smaller British spice traders. Their intent was to establish a monopoly and drive the Dutch—who had fought the Portuguese for the spice trade—out of business. The Dutch responded by forming the Dutch East India Company two years later. It was the first company to issue stock. Its charter gave it a monopoly and the capacity to coin money, establish colonies, and generally do what was needed to maximize profit, including wage war. Trade routes became militarized. The British East India Company followed suit, acquiring the same powers and a very privileged position in the British economy. The Dutch and British East India Companies are examples of merchant capitalism. The capitalist dimension of their enterprises, aside from a few factories, was limited to trade. The Atlantic, the Mediterranean, and the Indian Ocean connected in a complex web of commodity trading and currency flows financed by merchants and bankers and under the protection of their states.

The quest for new forms of profit was critical to the expansion of capitalism. With extensive colonization, industrialization, and urbanization, the quest for profit could be applied more extensively in economic

processes. New ways of generating profit by reducing costs became possible. There are many strategies and techniques to reduce production costs: acquire resources as cheaply as possible, find cheap labor, and locate where taxes are low and laws lax. The search for greater profits sent corporations all over the world. As they expanded, the global capitalist system expanded with them. It expanded over more territory and more phases of the economic system—acquiring resources, buying labor, constructing factories, transporting goods, trade, and securing investment capital. The expansion and integration of economies into a global capitalist economy took centuries, occurring in waves, sometimes increasing in intensity of interaction and integration and decreasing at other times.

The Colonial Wave: Planting the Seed of the Global Economy, 1500s to 1860s

Until the 18th century, every country was pretty much the same: poor and agrarian (Blinder 2006). Cultural and economic factors coalesced to make the colonial period a turning point. With respect to the economy, the capitalist economy began its global expansion in this era. With respect to culture, the era spread both Enlightenment ideals and rational thought. Societies that developed rationalized social structures, including fleets of ships (helped along with compass technology of the Chinese), strong militaries (helped along by the gunpowder invented by the Chinese), and state bureaucracies to support them were more able to explore and conquer territories throughout large swaths of the globe. They found new and fertile lands to settle, plentiful resources, cheap labor, and new markets.

The legacy of colonial systems has been long lived, influencing economic development and the position of societies in the global economy to this day. European immigrants with varying motivations rushed to populate and settle the colonies in the Americas, some to escape their nation and some in the name of it. The sparse population, richness of resources, and clemency of weather made these lands amenable as settler colonies. Patterns of settlements varied. South America and the Caribbean were suitable for large-scale production of cash crops. Plantation systems developed using African slaves. This established land inequality well above the world norms and is reflected in high levels of inequality today. Similar dynamics, stemming from the plantation system, slavery, and historic inequalities, have persisted in the southern states of the United States. The northern states, with conditions not as favorable to producing large cash crops via cheap indigenous or slave labor, adopted an agricultural system of small landowners and relied on more favorable distributions of land to attract more immigration. It remains more equal today.

Maintaining the Americas as colonies was difficult. Distance was one problem; another arose because they were primarily settler colonies, and settlers—particularly in the British colonies of North America—were infused with ideas of the rights of man. The American colonies achieved political independence in the late 18th century and first decades of the 19th. By then, the Industrial Revolution was well underway. As industrialization increased, European populations grew, rivalry among European nations intensified, and the demand for food and greater variety of raw materials reached unprecedented levels very quickly (Wells 1920/1956, 804). Demand, along with improvements in transportation and the emergence of international finance capital, doubled international trade from 1870 and 1890, despite adoption of protectionist policies by many European nations (Topik 2005, 3–4).

Europe turned to the Americas to feed its demand. The Americas helped by supplying agricultural and other exports. Europe's need made the plantations particularly valuable and further solidified the power of familial and multinational oligarchies. "The republics of South America, particularly the Argentine Republic began to feel in their cattle trade and coffee growing, the nearness of the European

market" (Wells 1920/1956, 804). Brazil expanded trade, becoming Britain's third largest trading partner and the largest in the Americas. Its vast resources were undoubtedly a factor, but more important was the strength of the Brazilian state, which invested heavily in building rail transport and attracting foreign investment (Topik 2005, 15). Brazil dominated two of the hottest commodities of the era, supplying 90% of rubber and half of the world's coffee (24). This was the golden age of Latin America. Unfortunately, some Latin American societies became little more than indirect colonies, too reliant on European trade.

Despite successes, the legacy of colonial oligarchy and slavery in Brazil is at least in part responsible for the prolonged impoverishment of parts of the population and the persistence of great inequality. The colonial legacy of land inequality and subjugation of African and indigenous populations impeded the progress of other Latin American societies, as well as the U.S. South. Sixteen of the 20 most unequal land distributions are Latin American countries. These early and extraordinary amounts of land inequalities have had a lasting legacy in the distribution of non-land assets as well. Public investment in education, for example, runs counter to the interests of land-owning elites. It was in their interest to oppose, not facilitate expansion of public education (Frankema 2006, 8, 15–18). This maintains power but impedes further development. This also is similar to the U.S. Southern plantation states.

Independence in the Americas and the need for materials and markets sent Europeans on land grabs in Africa and Asia. One quarter of the land on earth was distributed or redistributed among the European powers between 1876 and 1915. In Africa, as in North America, a variety of patterns of colonization emerged. Eastern and southern African countries—Kenya, Tanzania, Zambia, Zimbabwe, Namibia, and South Africa—were suitable for cash crops and plantations. They developed high levels of land inequality. They remain very unequal. Central and West Africa, Uganda, Ghana, Sierra Leone, Togo, and Burkina Faso had lower than average land inequality. This region remains relatively equal (Frankema 2010, 427). Most of Northern Africa measured high in land inequality during colonialism and remains unequal (Frankema 2006, 9).

However, much of Africa, in contrast to North and South America, did not present conditions attractive

for settlers, large plantations, and cash crops. But there was still money to be made in these colonies.

In these areas colonists did not intervene directly into the production process but concentrated their rent seeking [seeking money through exploitation or manipulation rather than by adding any value by your own work] efforts on collecting taxes, engaging in the trade and exploitation of natural resource. (Frankema 2006, 17)

The elite class did not develop in the agricultural sector with large powerful landowners. It developed in the urban institutional bureaucracy, through seizing political power to tax and control trade in resources. The urban class grew wealthy at the expense of the rural.

In these cases, the bureaucratic apparatus of administration generated inequality. Small groups were paid well to manage enterprises and maintain a military presence for the colonizing country. They became an extremely wealthy and powerful elite class. Often, ethnic, religious, or tribal lines were exploited by colonizers to divide indigenous populations, one group being chosen to manage the colony and the other(s) to work it. This also explains the somewhat better fate of colonies that were plantations than those that were rent-seeking bureaucracies. Where elites depended on control of the bureaucracy for wealth and power, they have been less willing to give up control and are willing to bear the costs of violent oppression and armed conflict to maintain their power. Their income derives exclusively from coercive political power (Frankema 2006, 16). We are witness to this legacy in the extreme oppression and violent ethnic conflict in Africa today.

In Asian colonies, Europeans were joined in imperialism by Russia, Japan, and the United States. However, on independence, some achieved dramatic success in little time. The Asian Tigers surpassed colonies of Latin America and Africa in

development. First among them to develop were the former Japanese colonies of South Korea and Taiwan, and the former British colonies of Hong Kong and Singapore. These Asian societies are now among the most equal societies, known for having distributed the benefits of growth among classes.

What explains their success? Family structure (extended), work values (hard), and sense of purpose (persistence) were critical. But so was their colonial experience with Japan. In cases such as Taiwan, land redistribution under Japanese rule dismantled the power of landed elites. As a whole, the Asian regions—East, South, and Southeast—have land inequality averages well below American and African averages. The maximum degree of land inequality in East Asia is well below the minimum of those regions. While Japanese colonialism was extraordinarily cruel, it brought benefits of modernization, such as schools, railroads, and ports, to its colonies along with the tyranny (Landes 1999, 437, see footnote 23 also). The British also built infrastructure, and those colonies were in better position, through education and administrative training, to expand and maintain the infrastructure, rather than wear it to ruin (434, 438). Economic reforms instituted after WWII, and the geopolitical position of Asian societies during the Cold War bore significantly on their growth. These are discussed later in the chapter.

Interestingly, colonialism accomplished a reversal of fortunes among lands colonized by Europeans. Many of the wealthier territories that were colonized are among the poorest today, whereas those that were poorer at the time of colonization are now wealthier. Indonesia, Brazil, Mexico, and India were all wealthier than the United States in 1700. By 1820, the United States had surpassed them in wealth (Acemoglu, Johnson, and Robinson 2002, 1256). The reversal of fortune thesis is related to the theory of land distribution. A country's current prosperity reflects the types of institutions established during colonization.

BOX 3.3 Check It Out Yourself: Colonization, Independence, and GNP

For a quick idea of how colonization played a role in establishing a baseline for a country's economic health, analyze the relationship between colonization and GNP. Graph the countries of Africa, Southeast Asia, and Latin and South America by date of their independence and their GNP. What does your graph look like? The correlation will not be perfect, but does it appear that more recent dates of independence are associated with lower GNP? What about the outliers? Discovering the ways that outliers have achieved growth may shed light on reducing poverty in the poorest countries.

- Societies that were wealthier and more densely populated had large populations that supplied labor for agriculture and mining. They could also be taxed. These societies developed sophisticated institutions that concentrated power and wealth. European settlers, rather than disturb the system, appropriated it and used it to enrich themselves. This left a legacy in which only a small elite had property rights. This is similar to the legacy of the plantation system and mining in South America and Africa.
- Where societies were less densely populated, many colonizers settled. In these cases, property rights were spread through the society. Institutions that protected the property rights of individuals encouraged entrepreneurship and investment. Policies that granted few rights for most of the population discouraged them. They are both essential for industrialization; the first significant opportunity for societies to enrich themselves. (Acemoglu et al. 2002, 1235–1236, 1279)

A second chance for enrichment emerged following WWII, as industrialization moved from developed to developing societies. A third opportunity arose following the Cold War for those countries able to attract and develop service industries. The Asian Tigers, along with a few other South and East Asian societies such as Indonesia, Thailand, and Malaysia, were able to seize service opportunities as well.

Land distribution and institutional policies are only part of the story. The factors that lead to success for former colonies are complex and involve economic, cultural, and political dynamics, along with population growth and density, international relations, protectionism, international aid, geographic location, access to trade, and human and natural resources. Analyzing the combinations that result in prosperity is critical in determining the most promising paths for globalization. We'll explore some of those in the chapters that follow.

BOX 3.4 A Closer Look: Kennedy at the Berlin Wall

On June 26, 1963, President John F. Kennedy delivered a speech that electrified an adoring crowd gathered in the shadow of the Berlin Wall. As he paid tribute to the spirit of Berliners and to their quest for freedom, the crowd roared with approval on hearing the president's dramatic pronouncement, "Ich bin ein Berliner" (I am a Berliner). The Berlin Wall came down on November 9, 1989, a fitting marker for the end of the Cold War.

Neo-Colonialism and Cold War Strategic Advantage

As colonization was winding down, the Cold War was heating up. Competition between the United States, the USSR, and their allies shaped global geopolitics and economics through the making and breaking of strategic alliances. Decolonization pitted the United States against the USSR in a contest for the hearts, minds, and allegiance of the newly independent nations. In Latin America and in countries that had avoided becoming colonies, such as China, Iran, Ethiopia, and Afghanistan, the Cold War polarized efforts at political, economic, and social change (Painter 2007, 3). In exchange for an alliance with one of the superpowers, the leaders of a nation could expect to reap economic and political benefit.

For the leaders of states, the benefits included financial favor and military support. Many dictators grew wealthy at the expense of their countries and

were able to maintain their wealth and position by building powerful militaries. In return for promise of alliance, governments received loans with which they build strong militaries to maintain their oligarchy and lavish lifestyles, exacerbating poverty and inequality within many countries, such as Pakistan, Indonesia, South Africa, Zaire (now Democratic Republic of the Congo), Chile, Argentina, and so on.

The benefits for the Soviet Union and United States ranged from locations for military bases and warheads, to access to valuable raw materials and markets for manufactured goods, and allegiance of a capitalist or socialist economy. Among the most traded goods were arms. The global powers made money by selling dictators arms with which they built strong militaries to protect themselves from rebellion. For decades, the main suppliers of arms to the developing countries have included the permanent members of the UN Security Council, Russia (USSR #1), the United States (#2), the United Kingdom (#3), France (#4), and China (#7) (SIPRI 2010).

Economies throughout South America, Southeast Asia, Latin America, and Africa grew skewed to the export of primary resources and low value-added manufacturing and the import of many foods and higher cost manufactured goods. International financial activity, including direct loans from the Soviet Union, Cuba, the United States, other developed nations, and international financial organizations, facilitated this. Although the World Bank and IMF are declared politically neutral, loans tended to

go to countries where significant international capitalist interest was at stake or that were nudging toward political alliance with the United States (Thacker 1999, 46–47). Through these means, the Cold War was responsible for much of the onerous debt accumulated by developing nations (Stiglitz 2006). Third World debt grew to enormous proportions paying for ill-conceived and poorly executed programs and enterprises, arms purchases, and out-right cronyism.

BOX 3.5 A Closer Look: Revolutionary Hero



Augusto Cesar Sandino was a revolutionary who tried to throw the United States out of Nicaragua in the 1920s. His name and legacy was claimed 40 years later in 1961 by the Sandinista who fought the dictatorship of Anastasio Somoza DeBayle, a Cold War ally of the United States. Their revolution succeeded in 1979. Images of Sandino, such as this urban art, are plentiful in Nicaragua.

Although called the “Cold” War, real wars were fought by proxy throughout the world. In countries such as Nicaragua and El Salvador, the United States and USSR supported revolutionary movements of the left (socialist or communist) as they tried to overturn dictators of the right (capitalist) and counter-revolutionary movements of the right fought to overturn dictators of the left. Western powers justified their support of dictators by arguing that the stability supplied by a dictator facilitated economic development and that democratic institutions could be encouraged and built gradually. More important, however, was the strategic argument. The United States needed a country to be anti-communist. Communism threatened the power and access to cheap resources that the Western

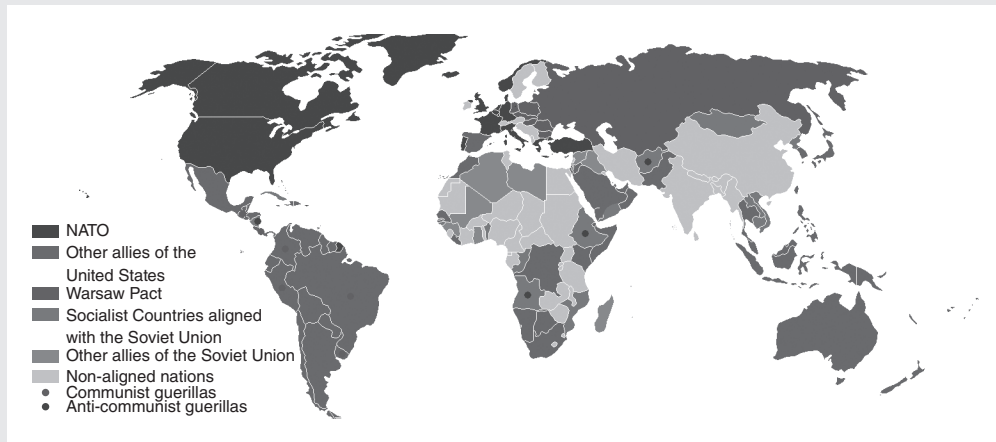
world enjoyed. The USSR used similar strategies to their advantage.

Occasionally, democratic leaders were deposed or assassinated, elections overturned or rigged. Britain and the United States, for example, toppled or assisted in toppling democratically elected governments such as those in Iran and Chile, in favor of dictators more friendly to the West. There are still some scholars who maintain that Pinochet of Chile, one of the cruelest dictators, paved the way toward progress. However, the atrocities through which it was accomplished and the complicity of the superpowers and their allies implicates high-income countries in his crimes against humanity, and others perpetrated against the people of many low-income countries.

In cases such as Korea and Vietnam, competition between the Soviet Union and the United States took the form of civil war, north against south. South Korea is now democratic and a separate country from communist North Korea. South Korea, home of Hyundai, Samsung, and Daewoo, was one of the original Asian Tigers, rising from being one of the poorest countries after WWII to

one of the wealthiest by the 1970s. South Vietnam lost its war with North Vietnam and was brought under communist rule. Although still poor, Vietnam instituted economic reforms in the 1990s, diversifying and liberalizing its economy with a flood of foreign investment. It is considered a “baby tiger,” one among a larger group of newly industrializing Southeast Asian nations.

BOX 3.6 A Closer Look: Cold War Map



Although many countries switched allegiance through the course of the Cold War, this map is a snapshot of the scope of the allies of the United States and USSR, the major domestic guerilla movements fighting against them, and the non-aligned movement.

Source: Aivazovsky (2008).

During the Cold War, many of the newly independent states were held together, as in the colonial period, by military might and foreign support rather than shared identity based on ideals or heritage. The epidemic of failed and failing states and the proliferation of new states since the end of the Cold War highlight their fragility.

Recognizing the vulnerability of the new states to the power plays of the Cold War, India, Egypt, and Yugoslavia led a movement of non-aligned nations. While membership in the non-aligned movement grew during the Cold War, many of the member states were engaged in conflict with one another, and others did align with one of the power blocs. The non-aligned movement never achieved

the status of the super-power blocs or formed a significant counterweight to them. The attempts of the non-aligned movement to strengthen states from the 1960s through the end of the Cold War were, however, early globalization effects. The original goal of the non-aligned movement, to achieve universal human rights through sovereign states (despite some of these being multi-ethnic, such as Yugoslavia and India), has become mainstream, as Kofi Annan emphasized in a speech celebrating their partnering with the UN (UNIS 2006).

A 1985 CATO Institute publication called the U.S. government to task for its Cold War strategy by invoking American’s self-image as a model of democracy for the world. While the Truman doctrine of

1947 promised to protect and defend free people fighting subjugation by communism—even against armed insurrection—the United States eventually protected any non-communist regime, in Latin America, Africa, Southeast Asia, and the Middle East, regardless of how morally repugnant they were. Ultimately, this policy worked against U.S. security interests and seriously damaged U.S. influence.

This brief review of colonialism and the Cold War highlights the development of the global economic and political systems leading into the contemporary period of globalization. The Westphalian ideal of equality of states and of non-interference was far removed from the political realities of hegemony and forceful domination. The stability (not peaceful) of international governance was disrupted by the end of the Cold War and increasing demands for democracy, sovereignty, and human rights. However, the conditions for instability of the global system of states were firmly in place: the emergence of weak states with weak economies and deep ethnic divides, along with food insecurity; environmental destruction; population overload; inadequate educational, medical, or democratic infrastructure; and other risks to human security. The Cold War made decolonization more difficult and forestalled development in many countries. Consequentially, the United States damaged its reputation by sacrificing the principles of democracy in its Third World activities (Stiglitz 2002, 25).

A new, fifth wave of nation building began following the dissolution of the Soviet Union, Yugoslavia, and Warsaw Pact in the 1990s.

In each phase, the state system blanketed more of humanity, and the world moved closer to integration as a global system of societies. Blanketing the globe with nation-state forms was arguably the first achievement of political globalization. The number of states continues to expand in the 21st century as some nations within states demarcate boundaries, claiming sovereignty and autonomy. Nation building is an important globalization process, putting nations on a more equal footing as they acquire the recognition and capability to interact with autonomy on the global scene. The global emphasis on human rights—rights owed to everyone on the globe because they are part of humanity—conditions people to demand greater autonomy and self-determination—a state for every nation.

Globalization processes make national identity and self-rule taken-for-granted rights. The ideal typical nation-state guarantees sovereignty for a people who share a common identity and live in a bounded territory. The revival of nationalist fervor within ethno-national groups is also a globalization effect. Nationalist movements arise in response to the challenges that global economic, corporate, cultural, and possibly even civil society and other global systems pose to their autonomy and sovereignty. Nationalism in these cases is an attempt to reestablish boundaries to protect identity and protect or gain self determination.

In 1990, there were over 800 ethno-nationalist movements (Scholte 2000, 167). Some operate within one state's boundaries. Others, such as the

Table 3.1 The Contemporary Period of Nation Building

Waves of Nation Building		
	Dates	Event
First	1648	Treaty of Westphalia
Second	Late 18th–19th century	Independence of American colonies
Third	Late 19th–20th century	Fall of Russian and Ottoman empires
Fourth	Post-WWII	Independence of African and Asian colonies
Fifth	1990–present	Dissolution of USSR and dissolution of Warsaw Pact; separatist movements worldwide

Kurds or Roma, exist across boundaries of several states. Many ethno-nationalist movements are demanding and fighting for a “state” and a homeland of their own; others may be fighting for more autonomy within existing states, or just equal rights within the state. In most cases, these groups are indigenous people living as oppressed minorities within their native lands.

Some of these groups have been successful. Status as a state still depends on recognition by other states. This is granted individually by each state—and not every self-declared state is recognized by every other state. Membership in the UN acknowledges the legitimacy of the nation-state form, as well as granting the closest thing there is to a seal of approval on the legitimacy of a new nation-states.

BOX 3.7 A Closer Look: Two Faces of Nationalism

There are two types of nationalism: nationalism based on ideas and ideals and nationalism based on labels (Kaldor 2003). When cast in terms of human rights or democratic values, nationalism is liberating. Human rights are the arbiter of legitimate and non-legitimate states and governments. All states are strengthened by assertions that sovereignty is a fundamental human right. In cases such as Timor-Leste, whose decades-long demand for independence cost from 100,000 to 250,000 lives out of a population of just over 1 million, the support and approval received from the global community with respect to their right to self-rule and their recognition as a state by the UN in 2002 institutionalizes global norms concerning sovereignty.

When nationalism is merely a form of labeling “us” and “them,” it is destructive and intolerant. Confrontation with universalizing perceptions regarding humanity has unfortunately exacerbated “tribalism.” In the last decades, the world has persisted in an intense and bloody era of nation building. One of the tragedies of our time has been the oppression and violence practiced by nationalist movements who “make claims to political power based on an ethnic label which excludes and is indeed hostile toward others with different label” (Kaldor 2003, 97). Their only concern is political power. Genocides in Cambodia, Bosnia, Rwanda, and the Sudan, and violence against ethnic minorities throughout Europe, Asia, Africa, and the Americas, are the result of the latter, labeling, form of nationalism.

Membership in the UN swelled from just 51 when it was founded following WWII to 192 in 2006 when Montenegro was admitted (UN 2006). Nations were added in waves as colonies gained independence in the 1960s and 1970s and with the breakup of the Soviet Union, Czechoslovakia, and Yugoslavia in the 1990s. Others wrested independence through decades of violent conflict. Regardless of these differences, each of these states confronts similar problems of identity and governance in combining nation and state.

Even though the nation-state form has diffused globally, political equality on the global stage, a centerpiece of the Westphalia system, has never been achieved. As discussed earlier, Cold War strategizing of the super powers and collusion between local elites and global capital effectively controlled many states. Intergovernmental organizations, such as the UN Security Council, the IMF, and World Bank, can maintain the patterns of inequality.

A sense of common interest and of belonging to a common people within a bounded territory has

also been difficult to achieve. Inequality within societies based on race, ethnicity, sect, remnants of caste, and other distinctions of assigned identity often prevent a common identity from developing. Many state boundaries, formerly colonial boundaries, continue to defy the idea of nation by dividing national groups across state boundaries and combining others into unequal power relations within states.

Shaping the Modern State

Expectations for the internal shape and dynamics of the modern state developed from the Treaty of Westphalia. It ended the religious and nationalistic wars of Europe and established boundaries through Europe defining the territorial limits of monarchs’ powers.

The need for states to act and interact on the international stage influenced the development of similar state structures. States assumed similar

institutional matrices, becoming increasingly rationalized and formalized (Weber 1921/1978, 905) as they evolved. With increasing size and complexity, and as knowledge of specialized functions developed, state affairs became increasingly bureaucratized and administered by “professionals.” Power was rationalized and divided among administrative, legislative, and judicial offices, which became functionally specialized. Ministers of foreign affairs and secretaries of state became necessary posts for the conduct the business of the state in the global arena. Treasuries, judiciaries, parliaments, and congresses were institutionalized as state forms. Armies became professionalized, requiring a broader base of taxation to arm, and soldiers were no longer expected to carry their own muskets and ride their own horses into battle. States and sub-state institutions developed in tandem, adapting and conforming to the proper model of “actorhood” (Meyer 2000, 45).

Following WWII, recognition by the UN became the seal of approval of statehood. Becoming a state requires conforming to a set of structural norms: A constitution, a head of state, various secretaries or ministers of administrative departments, a parliament or congress, and a judiciary remain the vehicles of statehood. Adopting these structures of government conforms to global norms for external legitimacy and creates parallel channels for societies to conduct international relations. Foreign secretaries or secretaries of state deal with one another. Secretaries of the treasury, defense, commerce, and so on meet with their counterparts from other countries, facilitating dialog among states.

The regulatory powers of the states—essential to the conduct of interstate relations—were strengthened over the course of the centuries following Westphalia. As ideas related to sovereignty gained normative power, states had to legitimize their right to govern through their relationship to their people. In the case of authoritarian regimes, the state claims to *embody* the people. In the case of liberal democracies, the state *represents* the people (Mann 2003, 137).

States and Human Rights Concerns

Among the global expectations of a state are the link between nation and state, the state’s responsibilities to its people, the rights due people within

states, structures of government, and legitimate forms of governance. In the 17th century, at about the same time that states were emerging from the aftermath of the Thirty and Eighty Years Wars, John Locke, a British philosopher, was expounding on natural rights. His rhetoric, along with that of other social and political philosophers, began to define the expectations of the role of a state. Locke argued that human rights are natural rights, rights that people have as God’s creation regardless of their station in life, the country in which they live, the creed they profess, or any other social factor. People have the natural right to anything that God gave them—life, which requires liberty, health, and any property derived from and necessary for one’s labor. No one may take any of those away. People thus acquire the obligation to respect the natural rights of others. The duty of government follows from this: to protect and enforce natural rights.

Locke’s philosophy provided the basis for rights as they came to be understood during the period of the revolutions of the 18th century. The recognition of human rights unfolded in phases influenced by local culture and events of the times. In the United States’ *Declaration of Independence* and France’s *Declaration of the Rights of Man and Citizen*, universal human rights are said to be inalienable and adhere to every person, by virtue of their humanity. However, at the time of the American and French revolutions, rights were largely associated with protecting property and voting. Rights for “all” referred in many states, as well as states within the United States, to property owners. It was well into the 19th century before slavery was abolished and universal male suffrage was achieved. It was into the 20th century before women got the right to vote in most countries.²

The first generation of rights established the protections of the individual from power of the state—such as protection from abuse, oppression, cruel and unusual punishment—and freedoms for individuals—such as freedom of the press, assembly, and religion. The second-generation rights assure protections to particular groups such as women, minorities, and the elderly. Second-generation rights provide for things such as the right to health care, social security, and education. During the post-WWII period and following the 1968 cultural and political upheavals of the global civil rights movements, many of these rights were institutionalized

(Smith 2008, 1820–1821). Still, they remain elusive in many countries for many people.

The Evolution of Constitutions

Constitutions institutionalized the powers and responsibilities of states and of citizens. Toward the end of the 18th century, ideas of sovereignty, liberalization, the power of reason, and the rights of humankind combined to form the constitutional state in Europe. The potentially unbridled powers of monarchies seen in light of these ideas ignited democratic aspirations. Constitutions were the way to institutionalize these ideals. Movements demanding rule of law, a constitution, and perhaps even democracy, arose. These afforded opportunity to wrest authority from the aristocracy.

While democracy as a governmental form was poorly defined at that time, people understood what a “democrat” was: it was an anti-aristocrat (Markoff 1999, 664). A constitution was the tool a democrat could use to rein in the unbounded authority exercised by monarchs.³ The constitutional state became the counterweight to the power of monarchy. Constitutions replace traditional authority with legal-rational authority. Traditional monarchies give way to constitutional monarchies, presidents, and prime ministers. Rulers, their powers defined by law, became office holders, not simply power wielders.

The U.S. Constitution was the first to be enacted. Poland quickly followed, each country building on its own tradition and heritage. The U.S. Constitution reflected the U.S. tradition of local democracy. In Poland, where monarchs were elected, the legislature negotiated the powers of government with each ruler. France and its satellite states followed. In 1805, Haiti became the second American state to write a constitution after declaring its independence from France. Haiti’s constitution became an important model for Latin American nations, as they subsequently wrought independence from Spain. The Germanic states were next (Markoff 1999, 666–668).

Constitutions and democracy developed in tandem. Constitutions derive their authority, as in the U.S. Constitution, from “We, the people,” or as in cases such as Poland, from the people and some divine source (Markoff 1999, 666). Although not all nations that developed constitutions became

democracies, constitutions themselves offer a degree of liberation from the potentially unlimited nature of traditional authority. Legitimacy as a state now depends on having a constitution or set of laws that rationalize the authority to exercise power and stipulates the people—or God and the people—as source of the state’s authority. Even autocrats and dictators justify their exercise of power on constitutional authority entrusted to them on behalf of the people. “What the international community accepts as a state is a state. . . . And that is closely connected with its having a constitution” (van Maarserveen and van der Tang 1978, 234).

A constitution, whether a single document or a number of documents, specifies a society’s “fundamental laws, distinguishable by their historical significance, the reverence and esteem in which they are held” (van Maarserveen and van der Tang 1978, 39). A constitution is a body of “meta-norms, higher order legal rules and principles that specify how all other legal norms are to be produced, applied, enforced and interpreted” (Sweet 2008, 219). Constitutions reiterate a country’s civil religion, embodying the values and ideals people hold sacred. There is no higher authority than a state’s constitution. It has traditional authority emanating from the tacit agreement among states and its acceptance by the people of a state. Constitutions hold such sacred status that to question their values and beliefs is seen in most nations as heresy, and debates concerning the meaning of constitutional clauses are conducted with religious fervor. Other symbols of a country such as its flag, national anthem, and rituals such as a pledge of allegiance also acquire near sacred status, representing as they do “the people.”

Not only has the need for a constitution been globalized; the contents of constitutions converge in many fundamental respects. They stipulate the constitution itself as the source of authority, its place in the government, and how it may be amended. Constitutions all provide for central executive and legislative bodies, and most also provide for judiciary, elections, and representation in government. In addition to laying out the structure and function of government, nearly all constitutions delineate a series of civil, political, and democratic rights for individuals. Constitutional homogeneity is a significant globalization effect.

Constitutions are tools for and reflections of major political formation and reform (Gavison

2003, 54). Freedom of conscience or religion, association, expression, and defendant's rights in the judicial system appear as standard content in nearly every constitution. Mentioned frequently, but not as often, are rights to property, equality, and privacy. Constitutions as early as the 18th and 19th centuries provide for these basic rights (van Maarseveen and van der Tang 1978).

Since 1948, the UN Declaration of Human Rights, along with its subsequent protocols and conventions, has proposed universal norms that function as a template for a number of constitutions and international treaties. Building from the elements of national constitutions that preceded it, the Declaration stipulates an international normative model for states in terms of its values and its obligations to citizens. The Declaration serves as an external source of legitimacy. It has the advantage in some quarters of having been conceived by an international body, not by Western governments.

India was very active in the formation of the UN and the drafting of the UN Declaration of Human Rights. Nehru and other political leaders promoted both and were able to invoke them to secure India's position in the world (Bhavagan, 2010). India, trying to extract itself from British rule and declare itself non-aligned during the Cold War, was well served by the UN Declaration. More recently, other Eastern and Middle Eastern governments have objected to the claim of universality, citing the Declaration's reflection of Western understandings and sympathies—particularly with respect to individualism.

However, comparing the values embedded in the UN Declaration with national constitutions written afterward, the influence of the UN is clear.

Nineteen statements of value embedded in the Declaration, ranging from general statements about the “dignity” of humankind to judicial independence, were found in only 39.7% of constitutions written before the Declaration, but are present in 56.1% of constitutions written from 1949 to 1975. As the period from 1948 to 1975 progressed, the rate of incorporation increased, as did the pressures of globalization. From 1967 to 1975, the rate of incorporation of the values was 64.1% (van Maarseveen and van der Tang 1978, 192).

Of the 19 personal and political rights specified in the UN Declaration, the period 1967–1975 stands out as the period with the greatest percentage of adoption in states' constitutions. During the period 1949–1957, the average rate at which constitutions adopted the rights specified in the Declaration was 63.1%. The period 1958–1966, a period of lull in globalization, had an average adoption rate of 55.4%, and in 1967–1975, the beginning of the contemporary period of globalization, the average rate of adoption was 64.1% (van Maarseveen and van der Tang, 1978, 197).

Social rights, in contrast, show their greatest rate of adoption in the period immediately following the UN Declaration. The eight social rights specified in the UN Declaration had an average incorporation rate of 30.8% in the constitutions written before the Declaration. Their average rate of adoption was 57.5% right after the Declaration was adopted, and only 38.1% and 44%, respectively, in the two decades after the Declaration. Social rights did not

Table 3.2 Diffusion of Value and Rights Statements in National Constitutions

As nations developed constitutions and similar values, personal, political, and, to a lesser extent, social values were incorporated. The UN Declaration of Human Rights served as a template.				
Period	Pre-1948	1948–1957	1958–1966	1967–1975
Value Statements	39.7%	Not specified		64.1%
Personal and Political Rights	Not specified	63.1%	55.4%	64.1
Social Rights	30.8%	57.5%	38.1%	44%

Source: Van Maarseveen and van der Tang (1978, 192–193, 197, 200).

diffuse to the extent that values and political and personal rights did. None of the former reached above a 70.1% adoption rate in any period (van Maarseveen and van der Tang 1978, 200).

There is a remarkable degree of convergence on the most frequently mentioned values, political rights, and to a lesser extent social rights, which

received scant attention in the first generation of constitutions (see Table 3.3).

Democratic innovations from competitive electoral parties, secret balloting, and representative institutions to universal men's and women's suffrage also followed a pattern of increasing diffusion as globalization forces increased (Markoff 1999).

Table 3.3 Convergence in Constitutions

Period	Pre-1948	Number (Percentage) of Constitutions	1948–1975	Number (Percentage) of Constitutions
Top Five Value References (of 19)	Human rights and fundamental freedoms	23 (82.1%)	Human rights and fundamental freedoms	102 (92.7%)
	Equal rights of man	22 (78.6%)	Democratic society	94 (85.4%)
	General welfare	18 (64.3%)	Equal rights of man	92 (83.6%)
	Protection from discrimination, family, will of people, universal suffrage, free or secret voting	13 (46.4%)	Judicial independence	90 (81.8%)
Top Five Political Rights References (of 19)	Freedom of religion, expression	25 (89.3%)	No arbitrary arrest/fair and public hearing/presumed innocence, etc.	10 (90.9%)
			Freedom of religion	97 (88.2%)
	Freedom of assembly, protection of private life	24 (85.7)	Freedom of expression	96 (87.3%)
			Freedom of association	95 (86.4%)
Equality before law/equal protection, no arbitrary arrest/fair and public hearing/presumed innocence, etc.	22, (78.6%)	Equality before law/equal protection	92 (83.6%)	
Top Five Social Rights References (of Eight)	Right to work	12 (42.8%)	Right to form and join trade unions	74 (67.3%)
	Right to social security, free choice of employment, education	10 (35.7%)	Right to work	63 (57.3%)
			Right to education	60 (54.5%)
			Right to social security	50 (45.4%)
Right to form and join trade unions	9 (32.2%)	Right to rest and leisure	39 (35.4%)	

Source: Van Maarseveen and van der Tang (1978, 193, 197, 200).

Early Globalization of Liberalism

The links between liberalizing state structures and economic growth as they evolved in the Western European nation-states are important in understanding the development of states. The opening of Atlantic trade routes in the late 15th century factored significantly in the liberalization of governance from 1600 to 1850. Most theories of European development and governance stress factors of national heritage such as culture and religion to explain this. In contrast, economic theories consider only trade. Some others examine the influence of multiple external global factors in combination with colonialism and slavery on liberalization (Acemoglu et al. 2005, 549–550).

A more compelling explanation demonstrates that global economic factors such as trade interacted with states' political institutional factors (Acemoglu et al. 2005) to liberalize state government. This explanation accounts for differences in the liberalization of states within the regional neighborhood of Western Europe. The two most critical factors turn out to be the nature of trade—the global factor—and the degree of absolutism exercised by the monarch—the internal political factor. Weighing the effect of these factors demonstrates that neither trade nor type of monarchy is significant enough as single factors to explain development in European countries. Together, however, they provide a persuasive account.

Trade had a definitive impact on growth. Countries with access to Atlantic trade had economies that grew more rapidly and became more stable than countries without Atlantic trade. Mediterranean trade produced growth but did not result in a comparable level of growth to the Atlantic trade states. That much is simple enough. But this does not explain liberalization because some countries with Atlantic trade and rapid economic growth liberalized while others did not.

Political factors round out the explanation. In Britain and the Netherlands, the monarchy was less absolutist than in other Atlantic trading states. The monarchy did not exert significant control over overseas trade. This enabled the merchant classes to accumulate wealth and subsequently power. Urban areas became centers of wealth. The rate of urbanization accelerated increasing development and further increasing urbanization. The value of land

as a measure of wealth and power began to erode. New institutions that could support these new forms of growth were necessary. The newly wealthy urban classes pressured for more liberal political institutions, such as secure property rights, to support sustained growth (Acemoglu et al. 2005, 550).

International economic activity drove political effects within states, forcing transitions toward liberal and democratic political forms. Normative pressures toward liberalization were a function of internal pressure occasioned by the transition of the basis of wealth and power. Trade acted as an important conditioning factor in liberalizing the polity. Landed wealth gave aristocracy power. As it eroded, so did the power of the aristocracy. This allowed a new class structure to emerge.

Where trade was not as lucrative the effect was different. Venice, Genoa, and other states with relatively non-absolutist regimes did not liberalize. Without access to the Atlantic, growth was dependent on Mediterranean trade, which brought much less prosperity (Acemoglu et al. 2005, 550). The commercial classes were not able to accumulate the levels of wealth and power possible in the Atlantic trading states. As global interaction accelerated over the centuries, practical and normative constraints compelled changes in the governance of other states. This is a different sort of globalization effect. States adjusted their internal governance in relation to one another and to their citizens; liberalization diffused, increasing homogeneity. These economic and political neighborhood effects operate in the contemporary phase of globalization, pushing toward greater liberalization globally.

Establishing International Law and Organization

The League of Nations and the United Nations

The foundation of global governance was set with the system of sovereign states. The former League of Nations and the UN are organizations of these presumptively equal and sovereign states intended to facilitate global governance through treaties, resolutions, the activity of its agencies, and the Court of International Justice, which hears disputes between willing nations.

The victorious allies of WWI formed the League of Nations to settle conflicts, maintain peace, and promote their collective security. The League failed to capture the imagination or enlist the enthusiasm of the global community. Despite the League being an invention of Woodrow Wilson, the United States refused to join. Germany was not eligible for admission because it started WWI, and Russia was not eligible for membership because of its communist government. With Europe weakened by the war and three powerful nations on the sidelines, the League was generally ineffective, but its few successes laid the groundwork for cooperative global governance.

The League of Nations advanced international law through a series of multilateral treaties and

conflict resolutions.⁴ It established sanctions as a mechanism to enforce compliance, although sanctions were not wielded effectively at the time. The League inaugurated the use of sanctions to preserve the sovereignty (territorial integrity and independence) of countries when they failed to live up to their international obligations. Article 16 of the League Covenant required that when a treaty violation occurred, member countries immediately sever all trade, financial, and personal relations with the offending country. The flurry of treaties facilitated by the League and backed by the force of sanctions of Article 16 established a global, self-monitoring system of nation-states (Giddens 1987, 256).

BOX 3.8 Check It Out: International Law

There are international treaties and agencies governing nearly every aspect of international life. In addition to treaties, there are conventions, declarations, resolutions, and other instruments that have moral, if not legal, force.

International agreements are so extensive that they influence nearly every occupation. What is your area of career interest? Are you considering international business or medicine? Trade? The ocean? Human rights? Environmental and human rights treaties alone influence business, medicine, agriculture, and manufacturing. It is hard to imagine any area of human activity that will not eventually come under some form of global regulation, if it does not already.

The UN keeps a database of treaties where you can research laws that may govern your activities someday. See what you can discover about your anticipated career.

<http://treaties.un.org/pages/UNTSONline.aspx?id=2>

You'll see that you can search by the title of a treaty as well as by country.

The World Treaty Index is another good resource. It is a project of Center for the Study of Complex Systems and Political Science Department at the University of Michigan.

<http://worldtreatyindex.com/help.html>

Following WWII, the UN became successor to the League. They share some similarities. The UN is more limited in authority than might be imagined. It is not a world power, a super-state, or a world government. It does not act independently on the global scene as do states. Everything that the UN accomplishes is through the actions of states. It deliberately stipulates “collective measures” and the “principle of the sovereign equality of all its Members” (UN 2010, Charter Articles 1 and 2). The UN is very different from the League in having more expansive functions. The League limited its role to that of an international security organization. It avoided any action that would be construed as interference in the affairs of a sovereign nation (Meyer et al. 1997, 631). The UN

was designed with a broad mandate, which gives it flexibility to evolve and respond to changing global conditions. Its objectives include promoting national and international development, human rights, and the global environment (631–632). This agenda invites the UN to develop global norms and work with and within nations to achieve them.

The UN structure contains a General Assembly, Security Council, Economic and Social Council, a Trusteeship Council, the International Court of Justice, and a Secretariat—a rather standard governmental structure (UN Charter Article 7). The General Assembly is limited to making recommendations (Chapter IV). The Security Council decides on actions taken for the resolution of conflict,

including the decision to use force (Chapters V–VII). The Economic and Social Council operates the variety of programs and agencies of the UN that promote economic development, education, health care, and the other requisites of human development (Chapter IX). The International Court of Justice hears cases of disputes among states but only if they agree to be bound by the decisions of the court.

Another tool of global governance is the UN resolution. UN resolutions articulate a set of norms that the membership body has approved by a majority vote. A resolution sets a standard of legitimacy. Countries may be motivated to seek greater legitimacy in the eyes of the international community or its domestic audience. A resolution may also lay the groundwork for bilateral or multilateral treaties. One example is a UN resolution calling for a global regime on aquifers. Many parts of the world are

water poor or threatened by water shortages. Aquifers, a source of groundwater, may cross the boundaries of several countries. If one country draws too heavily from the aquifer, it deprives the other countries. Many aquifers are running low on water. When the UN called for a global regime, it prompted countries to try to develop their own agreements concerning their specific cases. This has given rise to a series of treaties among countries that draw from common aquifers (“Deep Waters” 2010, 87).

UN resolutions do not have the binding force of international law, but they have power in their capacity to suggest normative guidelines that influence a state’s legitimacy in the eyes of the international community and its domestic audience. For violations of its principles and aims, the UN may suspend or expel members or take away voting privileges. The UN, as of this writing, has not expelled a member nation.

Case Study: The Law of the Seas

The earliest international laws were laws of the seas. These developed as customary law and for hundreds of years were not codified. In the 17th century, a country’s jurisdiction into the ocean extended only as far as a “narrow belt of sea surrounding a nation’s coastline” (UNDOA 2007). This distance was roughly equivalent to what a country could defend—the approximate reach of a cannon shot. The rest of the ocean was free. Countries’ main concerns were for international shipping and fishing. Customary law served these well. Most conflicts were limited to disputes between two countries over incidents or circumstances specific to them. The freedom of the seas doctrine persisted into the 20th century.

By mid-20th century, vastly expanded use of the sea beds and oceans for natural resources, laying cables and pipelines, long-distance fishing vessels, and pollution accompanying all of this activity on the seas exacerbated potential conflicts of interest among nations. In 1945, President Truman, conceding to pressure from the oil industry, claimed jurisdiction over all of the resources along the continental shelf along the U.S. coasts.

Other nations followed suit, racing to exploit the ocean’s resources from oil to valuable minerals, precious gemstones, fish, and whales. Every nation declared its own standard, from 12 to 200 miles, depending on what they wanted from the ocean and where it was found. Disputes over depletion of fishing stocks, pollution, oil spills, nuclear submarines, and conflicting claims were perilous. There was need for agreement and order among nations. The newly formed UN International Law Commission decided in 1949 to take on the Laws of the Sea as one of its first priorities. UN conferences in the late 1950s and early ‘60s managed to adopt resolutions but did not gain substantive ground in regulating states. Abuse of the oceans, exploitative fishing to the point of endangering species, and boundary disputes, such as the “cod wars” between England and Iceland, continued.

In 1967, the ambassador to the UN from Malta, Arvid Pardo, declared that international law was “the only alternative by which we can hope to avoid the escalating tension that will be inevitable if the present situation is allowed to continue” (quoted in UNDOA 2007; Nandan, Lodge, and Rosenne 2002). He was right. In his address to the UN, Pardo brilliantly articulated several important principles that would guide future deliberations about the seas. He argued that the oceans and sea beds were the “common heritage of mankind.” He advocated for a special body to

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oversee the oceans and sea beds as a trustee for all nations. He also maintained that the composition of this trustee body represent all nations equally and not be balanced in favor of more powerful nations (UNDOA 2007; Nandan et al. 2002). Over the next 15 years, an elaborate international regime establishing laws of the sea over myriad issues was negotiated and renegotiated. Although conflicts still arise over a country's claims—China's claims over most of the resource-rich South China Sea put it in direct conflict with Vietnam, Philippines, Brunei, Malaysia, and Taiwan, and threaten to make it the "Palestine" of Asia according to the former secretary general of ASEAN (Bland 2012)—the Laws of the Seas have brought a semblance of order and a court to hear disputes.

The history of the laws of the seas highlights the subjective consciousness of "mankind" as a whole and the earth as commons, for practical purposes and political decision making that crystallized following WWII. It also illustrates the need for global law that eclipses bilateral or multilateral agreements between and among nations. When many nations, or nearly all the nations of the world, are affected by an issue, agreements among only some nations are not sufficient to relieve global tensions and potentially avoid violent conflict.

Despite Pardo's plea for recognition of common interests, countries tend to act based on how they perceive their national interests, as opposed to the interests of the greater community of nations. The United States, for example, has failed to ratify the Convention on the Rights of the Child and the Convention on Landmines (as of June 2010), and has also withdrawn from compulsory participation in the International Court of Justice and reserves the right to participate case by case. It has also refused to be bound by the International Criminal Court. Other countries behave similarly by refusing to sign treaties or going on record as objecting to particular elements of a treaty.

UN treaties now extend into virtually every realm of societal function and international relations. There are two main problems with relying on a UN Treaty as the base of global governance. As discussed, not every nation or every person is bound by any one UN Treaty. Compliance is voluntary. A treaty must be signed by representatives of countries, usually the president or prime minister, and ratified by the country's congress or parliament. In addition, the capacity of the UN to enforce treaties is weak. Only those countries that have ratified a treaty are bound by it. Even when ratified, the power of the UN to discipline countries that violate treaties, particularly powerful countries, is limited. Economic and other sanctions remain the primary mechanism to force compliance.

There is one exception to the lack of teeth in the UN enforcement capacity. In the case of "any threat to the peace, breach of the peace, or act of aggression" where sanctions are not effective, the Security Council may authorize the use of force (Joyner 1991, 6). This responsibility lies with the Security Council, because since the Treaty of Westphalia, nation-states are the only legitimate site for decisions on the use of force and the Security Council represents states. However, the legitimacy of the Security Council is questioned by many states because it is not representative of the entire UN membership. Reformed, it may perform this function with more accountability. Managing the use of force—signaling to states where the "red lines" (designating off limits) are drawn, who is drawing them, and who will enforce them—are related and crucial tasks. Warfare today seems unrestrained by any idea of "red lines" (Picco 1994, 17–18). This same conclusion can be drawn in many areas related to global governance from the global flows of people to the flows of money and finance.

Because the Westphalia principle of equality of states has never been fully respected, the interests of powerful states often dictate the nature of treaties and regulations. The Netherlands in the 17th century, Britain in the 19th and 20th, and the United States following WWII have benefited from periods of hegemony during which their national interest dominated the character and content of international relations. Periods of hegemony tend to be associated with increases in treaties. Hegemony can provide a measure of predictability. A government is more likely to enter into agreements if the effects of the agreements are somewhat predictable. When one country is dominant, it can help create stability that benefits trade, conflict resolution, and international relations generally. Hegemony may also create an environment that is more coercive and thus inductive to treaty making at the behest of the dominant country. But when states enter into treaties with more powerful states or are governed by regulations on which they had little influence, they sacrifice some measure of sovereignty and may be forced into arrangements that are not in their best interest.

BOX 3.9 A Closer Look: International Criminal Court (ICC)

The inability of the UN to enforce international law demonstrates its inadequacy in global governance. The International Criminal Court, established independently of the UN in 2003, may be a step in this direction. It reflects more recent global norms concerning the obligation of the global community to protect human rights. It departs from limits of UN agencies by not requiring voluntary participation. It can order extradition and imprisonment of those charged, regardless of their position in state governments, including heads of state. This gives it more potential for enforcement, but only in a narrow range of cases. As of August 2012, ICC had 121 state parties (ICC 2012).

The ICC is a court of last resort. It hears cases where states refuse to act, cannot act, or do not engage in genuine investigation and prosecution. In 2010, the court held investigations and issued arrest warrants against members of the Lords Resistance Army in Uganda, against individuals in the Democratic Republic of the Congo, Sudan, Kenya, and the Central African Republic.

Although states rise and fall from positions of hegemony, the UN has not been able to facilitate political parity in global governance. Former colonies have not attained political parity with the wealthier nations. International law “bestows rights, obligations, and commitments upon the governments in the international system of sovereign states” (Joyner 1991, 1–2). But the international system of societies can hardly said to be governed through the exercise of legitimate authority. Dominant nations finessed international law to serve their interests with only modest benefit accruing to weaker states. Rather than protecting the sovereignty and equality of nations, international law in practice buttressed the inequalities and indignities suffered by the Third World. International law was shaped by the “priorities of a Eurocentric world, including the legalization of diplomatic and economic relationships, and based on a statist logic that accepted force, war and hierarchy as rational instruments of statecraft” (Falk 2006, 735). As a result, sovereignty for many states remains a fiction and they do not exercise control over their own fates (Mann 2003, 137). Power politics shaped international politics from the drawing of colonial boundaries to determining countries’ economic and political fates.

Summary

This chapter discusses the foundations of cultural, economic, and political globalization. The ideals of Westphalia spread globally, but as colonialism and the Cold War ensured, they never attained normative status or were practiced globally. The international system of societies shaped by colonial domination and attenuated by the Cold War continues to cripple states that have not yet recovered from the ravages of environmental destruction and the alienation of indigenous people from their land (Murphy 2009, 8). Inequality and racism, which still associates lighter skin with prestige, is evident in the coloring at the “bottom of the pyramid” both within and among societies. Weak political institutions facilitate authoritarian governments that concentrate power in the military and executive.

To date, states have not exerted equal power on the international stage. The actions of powerful states constrain economic and political development of some states and provide opportunity for others. Despite prohibitions, states frequently intervene in one another’s internal affairs, although more or less covertly. Nor have states always represented nations, as testified to by the frequency of autonomy and independence movements within states and the breakup of states such as Yugoslavia and the Soviet Union.

The increasing likelihood that countries’ interests will collide is also a challenge to the existing system of governance. As more cross-border interactions occur, whose laws should apply? This was the dilemma faced in deciding on the laws of the seas. Now with intense warfare within nations, global poverty, more cross-country corporate mergers, the

global reach of the World Wide Web, and the intensity of other transborder problems, the question of whose jurisdiction and whose laws apply confronts the world daily. The intensity of interaction among states in using the seas led to chaos and then to the law of the seas. Now, global economic, political, and social interaction in nearly every aspect of life has reached such a level of intensity that the current global, political, and economic systems are no longer viable. Even with the establishment of the UN, it is chaotic. Fundamentalist nationalistic movements, ethnic wars, horrible poverty, and environmental, criminal, and other challenges to the quality and survival of life globally demand reform of international relations. For these reasons among others, contemporary globalization challenges the principles of the Treaty of Westphalia and the current systems of societies. These challenges shape contemporary globalization, discussed in later chapters.

Questions, Investigations, and Resources

Questions

1. What cultural values and ideas globalized as the state system spread through Europe and then through Eastern and Central Asia?
2. How did colonialism change the economic and political fortunes of people in colonized lands?
3. What global values are most represented in constitutions? Which were added as new states became incorporated into the global system? How well are they realized today?
4. Did Cold War policies conflict with emerging global values and norms? How did the Cold War change or

reinforce the structure of the global economy and polity that emerged from colonialism?

Investigations

1. As new values and ideals became incorporated into states' constitutions, did new treaties and declarations of the UN reflect these same values? What global values are represented?
2. Investigate the ethnic composition of African and Asian nations using the CIA World Factbook or searching the Library of Congress ethnic map collections. How many ethnic groups are contained in the various countries that were once colonies? Which of these countries are experiencing violent conflict or did experience a period of violent conflict?
3. There were many places during the Cold War where warfare was very hot. Go to the Center for Systemic Peace website (<http://www.systemicpeace.org>). Click on the link to their "War List" Scroll to the 1950s, the beginning of the Cold War. How many countries were at war from then until 1989? Not all, but many of those were "proxy" wars supported by the USSR and United States. Korea, Vietnam, Afghanistan, Nicaragua, Angola, El Salvador, the Congo are a few. Although it is beyond counting, about how many lives were lost in the decades of wars in these countries?

Resources

CIA World Factbook <https://www.cia.gov/library/publications/the-world-factbook/index.html>

Library of Congress Map Collection <http://memory.loc.gov/ammem/gmdhtml/gmdhome.html> (Search under the keyword "ethnic maps" to bring up the ethnic map collection.)

UN Treaty Database <http://treaties.un.org/pages/UNTSOnline.aspx?id=2>

The World Treaty Index <http://worldtreatyindex.com/help.html>