

# Global Trends 2015

## Prospects for World Society



Development and Peace Foundation  
Institute for Development and Peace  
Käte Hamburger Kolleg/  
Centre for Global Cooperation Research



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Development and Peace Foundation/  
Stiftung Entwicklung und Frieden (sef:)

Institute for Development and Peace/  
Institut für Entwicklung und Frieden (INEF)

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Centre for Global Cooperation Research  
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*Global Trends 2015* analyzes current developments and longer-term trends in the fields of peace and security, world economy and society, and sustainable development. Applying a multidisciplinary approach, it aims to explain patterns and linkages in complex global processes and identify the potential for more responsible global governance. The articles are based on a wealth of data from the latest international reports and research projects and present clear and concise analyses, illustrated with figures and tables.

*Global Trends* is published by the *Development and Peace Foundation* (sef:), founded in 1986 on the initiative of Willy Brandt and based in Bonn, the *Institute for Development and Peace* (INEF), University of Duisburg-Essen, and the *Käte Hamburger Kolleg/Centre for Global Cooperation Research* (KHK/GCR21), sponsored by the Federal Ministry of Education and Research (BMBF). Professor Tobias Debiel, Dr Michèle Roth and Dr Cornelia Ulbert developed the *Global Trends* concept and are the project's scientific directors.

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Development and Peace Foundation  
Institute for Development and Peace  
Käte Hamburger Kolleg/Centre for Global Cooperation Research

# Global Trends 2015

## Prospects for World Society

Edited by  
Michèle Roth  
Cornelia Ulbert  
Tobias Debiel

**Online Edition**

[www.global-trends.info](http://www.global-trends.info)

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Development and Peace Foundation/Stiftung Entwicklung und Frieden (sef.); Bonn  
Institute for Development and Peace/Institut für Entwicklung und Frieden (INEF),  
University of Duisburg-Essen;  
Käte Hamburger Kolleg/Centre for Global Cooperation Research (KHK/GCR21),  
University of Duisburg-Essen

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SPONSORED BY THE



Federal Ministry  
of Education  
and Research

Online Edition

Published by

Stiftung Entwicklung und Frieden/Development and Peace Foundation (sef.),  
Dechenstraße 2, 53115 Bonn, Germany

Bonn 2015

Texts first published in

Globale Trends 2015. Perspektiven für die Weltgesellschaft

Fischer Taschenbuch Verlag, Frankfurt am Main, 2015

© Stiftung Entwicklung und Frieden, Bonn

Institut für Entwicklung und Frieden, Duisburg

Illustrations: [www.artdesign-bonn.de](http://www.artdesign-bonn.de)

Design: Gerhard Süß-Jung

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ISBN: 978-3-927626-48-5

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## **Preface by Federal Foreign Minister Dr Frank-Walter Steinmeier**

2014 was a turbulent year. In our subjective perception, crisis is becoming the new normal. Ukraine, Syria, Gaza, Iraq, the advance of IS and the Ebola epidemic all happened within a single year. In our globalized world, crisis is no longer the exception. It is the permanent corollary, perhaps even the product, of globalization. So we need to be better prepared.

Defusing crises means taking timely action, through prevention, mediation and compromise, before damage limitation becomes the only option. This is in Germany's foreign policy interests and must be part of its policy agenda. Germany is well-regarded by the international community in this field, but it could do more to set international standards – for we have a responsibility to utilize our opportunities and resources in the interests of peace.

We want to take earlier, more resolute and more substantive action, not only during acute crises but also increasingly in conflict prevention and recovery. So we need to enhance our capacities – from early warning and scenario planning to new crisis management structures at the Federal Foreign Office and coordination among all the various actors in government and civil society. Our foreign policy must be based on the precautionary principle.

Alongside improved coordination, better communication is needed. Foreign policy does not only take place abroad. We need to promote awareness and ownership of our foreign policy agenda in Germany itself. We must explain, listen and learn. Foreign policy has to be firmly embedded and supported at the domestic level if it is to have authority and impact beyond our borders. Civil society organizations such as the Development and Peace Foundation, with their diverse conference formats, symposia and workshops, play a key role in this context.

The world around us is changing. The tectonic plates of global politics are shifting dynamically. However, we should not focus solely on the tensions arising at the margins. Existing governance structures are losing their impact. Germany must define more precisely how it wishes to contribute to maintaining and reforming these structures. We must give very careful thought to how we can protect and regulate precious public goods: the oceans, space and the Internet. It is essential to identify the right blend of well-established and indispensable structures, such as the United Nations, and the new governance elements and international regimes which may be necessary, for example, to curb the uncontrolled arms build-up observed in many parts of the world. How can we develop far-sighted foreign policies based on long-

term investment in governance and international institutions and a smart approach to strengthening international law? Which partners can and must we win over to this endeavour?

Contrary to some assumptions, there is much evidence that democratic rule-of-law systems have more to offer by way of a response to the growing pressures of a globalized world than authoritarian regimes, and that they are more adaptable and resilient than we ourselves sometimes seem to believe. However, this also means dispensing with the illusion that, through prevention or resolute intervention, we can halt or defuse every critical escalation in the modern world. Alongside our awareness that our effectiveness in the foreign policy arena is largely based on our capacity for innovation and the appeal of our social model, with its specific blend of freedom, security, prosperity and the rule of law, the recognition that our own options are limited must, of necessity, also filter into a smart foreign policy agenda for the 21st century.

We need to pursue a realistic and pragmatic approach to peace which allows for contradictions and yet builds confidence and maintains our capacity to take responsible action. Our country's global interconnectedness, which has long been vital in safeguarding our security and prosperity, leaves no room for insularity or radical ambitions to change the world. Recognizing this fact does not mean undermining our values. However, adherence to our values must be accompanied by a clear-sighted view of the world's changing realities, and this insight must be conveyed when we explain our foreign policy in Germany itself.

In the interests of a long-term peace policy, we should not focus on revolutionary change but on evolutionary processes. In the context of a strategy for peace in the 21st century, foreign policy means prevention, crisis diplomacy and long-term transitional support. It must aim to shape the elements of a sustainable, peaceful and equitable international order, based on integration into an ever closer European Union in which Germany exercises its responsibility through negotiated leadership.

When it comes to shaping a better world, Germany has much to offer: its contribution is based on quiet self-confidence and modest ambitions. Policies that are fit for the future rely on a realistic analysis of the challenges that lie ahead. I am pleased to say that this analysis is provided, once again, in this latest edition of *Global Trends*.

A handwritten signature in blue ink that reads "Frank-Walter Steinmeier". The signature is written in a cursive style with a horizontal line underneath the name.

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## Editors' Acknowledgements

With *Global Trends 2015*, the Development and Peace Foundation (sef:) and the Institute for Development and Peace (INEF) continue their series of analyses of current trends in the fields of peace and security, world economy and society, and sustainable development, which they launched in 1991 ([www.global-trends.info](http://www.global-trends.info)). As with previous editions, this standard work is based on a wealth of statistical data and information from a variety of international sources and presents its findings in a clear and accessible format. For *Global Trends 2015*, we have gained a further institutional co-publisher, the Käte Hamburger Kolleg/Centre for Global Cooperation Research (KHK/GCR21), an interdisciplinary research institute at the University of Duisburg-Essen. For the first time, an unabridged English translation of *Global Trends* is available as an online publication.

2015 is a year of major political decisions. Among other things, the international community has the opportunity to agree a set of Sustainable Development Goals (SDGs) which will apply to ONE world – to the Global South and the Global North alike. These and other discussions are taking place at a time when the cooperative multilateralism practised since the 1990s is undergoing radical change, not least due to the rise of new economic powers. At the same time, the world increasingly appears to be a place of discord, with a resurgence of geopolitical conflicts and the strengthening of terrorist movements. We believe it is particularly important to analyse current developments in the context of long-term trends and identify options for policy-making.

The editors wish to express their warm thanks to all the contributors for rising to the challenge of compiling concise and accessible articles on complex issues. Our equally warm thanks are due to Hillary Crowe for her great care and commitment in translating the German-language articles into English. The *Global Trends* format necessitates a high level of editorial input and support, and we therefore wish to express our gratitude to the staff at INEF, whose immense dedication and hard work have once again made the project a success. Our particular thanks are due to Mariam El-Zein, Anja Mütting, Marie-Luise Mußenbrock, Jan Schablitzki and Stephan Trappe for their intensive support for the final editing and the preparation of the graphs. At the sef:, Paul Jürgensen assisted with project editing.

The responsibility for the choice of authors and topics and for the publication's design of course lies with the editorial team.

Michèle Roth, Cornelia Ulbert, Tobias Debiel



## Ir/responsibility and Cooperation in World Society: Current Trends and Long-Term Outlooks

Just three years ago, the editors of *Global Trends* predicted that the world was likely to become increasingly multipolar and therefore “less ordered” and “more chaotic” and that world politics in future would involve a complex “balancing act between highly diverse economic and security policy interests”, with “different normative concepts” of global governance. They called for forward-looking international policies “guided by the precautionary principle and crisis prevention” (Debiel et al. 2012).

There is little sign of this today. Instead, the prevailing impression is one of growing “irresponsibility”, encouraged by a diffusion of responsibility among state and non-state actors. During the Cold War, the superpowers’ respective responsibilities and spheres of influence were clearly demarcated, and their relations were governed – at least to some extent – by certain “rules”. In the 1990s, this gave way to a period of cooperative multilateralism in which the US – now the unique superpower – sought to maintain the global order, albeit as it saw fit, applying its own benchmarks. The hegemonic status of the US was accompanied by the spread of liberal notions of governance, reflected not

only in a raft of new agreements and mechanisms at the United Nations (UN) level but also in onward progress towards democracy across the globe [see *Liberal Peace in Crisis*]. The supposed victory of liberal ideas was also made possible by the emergence of an ideological vacuum in many countries of the Global South after the end of the Cold War. These countries filled the vacuum only gradually with their own values and norms when they began to rediscover their own cultures and history. Now that many countries and regions have achieved a new self-confidence on the back of economic success, these values and norms are increasingly brought to bear on global politics. But what do these radical changes mean for peaceful and sustainable global development? And which other longer-term trends underlie current events, which suggest that today’s world is a place of discord, inequality, conflicts over values and norms, and the destruction of our vital natural resources?

The authors of *Global Trends 2015* attempt to provide answers to these questions and map out the contours of responsible and sustainable future policies.

### A world of discord and irresponsibility?

The headlines from 2014 create the impression that the world is spinning out of control. A sequence of events that

began in autumn 2013 with popular protests against the Ukrainian government of the day escalated from February 2014

onwards into a full-blown armed conflict in the east of the country, which peaked with Russia's annexation of Crimea in March 2014 and had claimed at least 4700 lives by mid-December 2014 (OHCHR 2014). With repeated verbal and military provocation by Russia and ever more stringent sanctions imposed by the European Union (EU) and US, there is currently no prospect of a lasting peace. On the contrary, relations between Russia and "the West" seem to be heading for a new Ice Age. Some observers are even talking about a new Cold War [see *Liberal Peace in Crisis*].

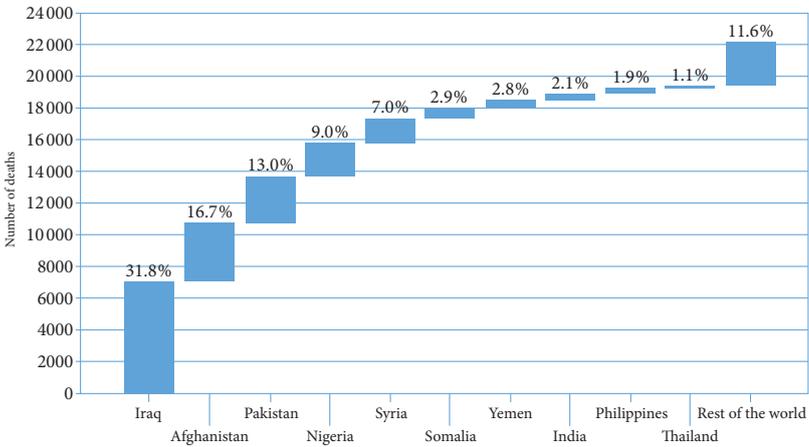
However, Eastern Ukraine was not the only region in conflict in 2014. The war in Gaza in summer 2014 once again revealed the ongoing tensions in the decades-long conflict between Israel and Palestine. Here too, the prospects of a settlement appear remote. The civil war in Syria, which began in 2011, rages on, with more than a quarter of a million lives thought to have been lost in the conflict (for a discussion of the problematical issue of casualty figures, see *Liberal Peace in Crisis*). A further 7.6 million people are internally displaced within Syria and there are more than three million refugees (<http://syria.unocha.org>, 15.1.2015). The conflict took a new turn with the emergence of the jihadist group "Islamic State", which has proclaimed a caliphate as the home for all true believers and imposed a reign of terror in the vast areas of Syria and Iraq currently under its control [see *The Rise of "Islamic State"*]. Militant jihadists are spilling blood elsewhere in the world as well. In Nigeria, Boko Haram is responsible for an ongoing wave of

terrorist violence which culminated in the tragic abduction of almost 280 girls from the northern Nigerian town of Chibok in spring 2014. Most of the girls are still missing. Al-Shabaab militants are wreaking havoc in Somalia and Kenya, while fighters belonging to the Abu Sayyaf Islamist separatist group are terrorizing islands in the southern Philippines. Nor is the West immune to terrorism, as the attacks on the French satirical magazine *Charlie Hebdo* and a Jewish supermarket in Paris in January 2015 clearly demonstrated. This direct assault on Western liberal values prompted a powerful reaction in their defence. Nonetheless, it should not be forgotten that the vast majority of people killed and injured in terrorist attacks are Muslims living in non-Western countries [see Figure 1].

But they are not the only victims of the West's collective amnesia. The debate about the world's more than 50 million refugees, most of whom come from and are hosted by countries in the Middle East and Africa [see *Liberal Peace in Crisis*], is generally confined to the West's capacities to cope with the influx and how to keep it at bay. The international community seems incapable of reacting appropriately to this suffering; let alone putting a stop to it. Its efforts to mount a swift response to fresh humanitarian disasters and conflict escalations regularly fail due to discord and rivalry among the five veto powers in the UN Security Council. In the Ukraine conflict, in turn, it was the emerging economies and developing countries which refused to follow the West's lead, with most of these countries preferring to remain neutral. It is even more difficult to address the

**Figure 1: The Middle East and Nigeria account for most global terrorist deaths**

Countries with the highest number of deaths by terrorism (percentage of global terrorist deaths for 2013)



Source: Institute for Economics & Peace 2014, p.15; updated with figures from the Global Terrorism Database (<http://www.start.umd.edu/gtd/>, 18.1.2015)

deep-rooted causes of these conflicts, which generally lie in the violation of values, norms and interests and extreme inequality of development opportunities.

Countries’ mutual mistrust appears to be growing, also in a non-conflict-related context. This is typified by the cases of espionage between “friendly” states which gradually came to light in 2013 and 2014 – from the monitoring of the German Chancellor’s mobile phone by the US National Security Agency (NSA) to the systematic wiretapping of Turkey by the German Federal Intelligence Service (BND). Despite the revelations about this mutual surveillance, there has been no reduction in cooperation among the intelligence services. Perhaps predictably, there is, instead, a trend towards greater cooperation, largely in response to the upsurge in terrorist activities [see *World Society under Surveillance*].

In light of these observations, to what extent are the world’s countries willing to assume responsibility for protecting global public goods? The wrangling over every tiny step forward in the climate negotiations suggests that a degree of scepticism is justified here; the same applies to the negotiations on the reform of the world trade rules, which are fraught, fragmented and beset by setbacks [see *The Changed Landscape of Global Trade*]. Nor has the international community excelled itself with its belated response to the Ebola epidemic in West Africa in 2014, with the provision of medical assistance slow to get started and serious difficulties in mobilizing adequate funding at first. The years of neglect and chronic underfunding of the World Health Organization (WHO) were partly to blame for the delayed reaction and are symptomatic of an ongoing trend towards the erosion

of the mandates and capacities of global institutions (Ulbert 2014, p. 201).

So are we in a phase of general irresponsibility in global politics? And

which political and social developments underlie the sometimes dramatic events and upheavals of recent years?

## From cooperative multilateralism to confrontational multipolarity: there and back again?

With a number of countries of the Global South now in ascendancy, the liberal international order established in the last decade of the 20th century and its institutions face major challenges. The most obvious example is the rise of the BRICS countries – Brazil, Russia, India, China and South Africa – but there are many others, with international investors constantly identifying new groupings and dreaming up new acronyms, from the Next Eleven (N-11) to CIVETS (Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa) and MIST (Mexico, Indonesia, South Korea and Turkey). The rise of these countries – although occasionally set back by transition crises [see *The Ambivalent Role of Middle Classes in Transition Conflicts*] – has been accompanied by a weakening of the transatlantically oriented global economic architecture, rivalry between state capitalist and market economic ideologies, and a noticeable increase in South-South trade [see *The Changed Landscape of Global Trade*]. These newly authoritative and self-confident players challenge some of the Western norms and values which form the basis for the liberal world order, not least the balance between national sovereignty and human rights [for example, see *Global Trends of Peace Negotiations and Conflict Mediation*] and concepts of

humanitarian aid [see *Cultures of Humanitarianism*]. This is taking place at a time when human rights protection has already been severely undermined by the Western countries' all-out "war on terror". This damages the liberal world order as a whole and delegitimizes its institutions. Against this background, the rising powers are increasingly declining to participate in institutions, bodies and processes in which they consider that they are at a structural disadvantage because their voices are not being heard. The International Criminal Court (ICC) is symptomatic of this problem: although it was born out of cooperative multilateralism, it has recently met with unexpected hostility [see *In Troubled Waters: The International Criminal Court (ICC)*]. The West's hopes of continuing to shape global politics in line with its own interests by co-opting the rising powers within the G20 framework have also been dashed, as the disappointing outcomes of recent summits show.

As a consequence, the American political scientist Ian Bremmer (2012), in his bestseller *Every Nation for Itself: Winners and Losers in a G-Zero World*, paints a gloomy picture of a G-zero world in which no single power is prepared to "lead the world" and take responsibility for peaceful global relations.

And indeed, the world's chief characteristic in recent years was non-governance rather than cooperation – and not only in climate politics [see *Global Energy Markets in Transition*]. In conflicts of interest in other areas, particularly security policy, existing rules are ignored in favour of power-political *realpolitik* [see *World Society under Surveillance*].

In parallel, a multitude of alliances, forums and negotiating formats have emerged, often leading to the much-discussed “new complexity”, forum shopping and, occasionally, confrontational modes of behaviour in key policy fields, especially security and climate policy. Stewart M. Patrick has coined the term “the ‘G-X’ world” to capture this “astonishing diversity” of multilateralism (Patrick 2014, p. 62). He predicts that binding multilateral treaties will become less significant due to a growing preference for informal arrangements involving smaller and more effective stakeholder groups. At the same time, all countries are limited in their scope for action as there is no longer a single superpower. Global governance is thus becoming more complex, evident from

the negotiating groups involved in the climate process [see Figure 2]. Such radical changes are unsettling for all sides and often lead to a state of denial, frictions and roadblocks at first. Nonetheless, these changes offer the opportunity to break open entrenched structures and overcome some of the rituals that have become firmly embedded in international negotiating contexts.

The lesson we learn from history, however, is that processes are rarely linear. For example, the tectonic shifts currently taking place in the global energy markets are strengthening the US's foreign policy role, although the significance of this development is still unclear. The US became the world's largest energy producer in 2013 and now competes with Russia and Saudi Arabia in the export markets [see *Global Energy Markets in Transition*]. A further surge in energy demand is anticipated, especially in the Asia-Pacific, and is likely to pose considerable risks for major importers Europe, China and India despite the current slump in oil prices. This may well have implications for their foreign policy scope.

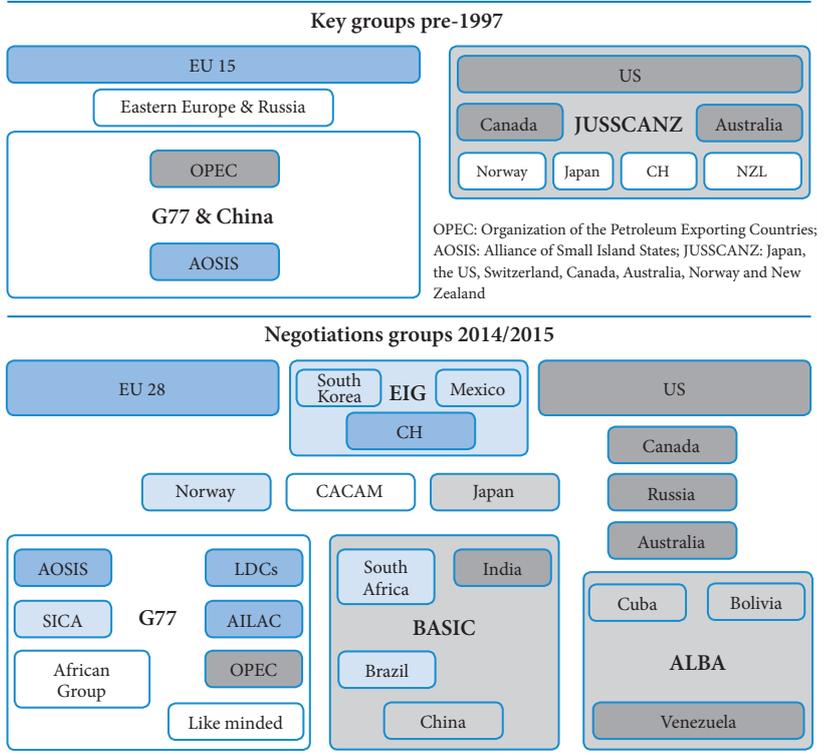
## Upheavals in a transnationalized and (digitally) networked world

Shifting the focus away from the world of states to the realm of societies, it is clear that the major changes in global politics, outlined above, coincide with a number of social, economic and technical processes which are steadily increasing the complexity of policy-making and governance. This is evident from some of the crises which have occurred during the past decade. The

contagion and feedback effects of the crises triggered by deregulation and speculation, such as the 2007/08 food crisis and the 2008/2009 global financial crisis, were severe because technological innovations have increased the global mobility of people, goods and data, creating a network of connections in which boundaries, in every sense, have lost their significance.

**Figure 2: Increasing actor diversity – more complex negotiating formats**

Negotiations groups in the climate process pre-1997 and in 2014/2015



SICA: Central American Integration System; LDCs: Least Developed Countries; AILAC: Independent Association of Latin America and the Caribbean; EIG: Environmental Integrity Group; CACAM: Central Asia, Caucasus, Albania and Moldova; BASIC: Brazil, South Africa, India and China; ALBA: Bolivarian Alliance of the Americas

The countries/groups shown in blue are in favour of a legally binding international agreement; those shown in grey are opposed.

Source: Adapted from <http://www.carbonbrief.org/blog/2014/01/why-more-political-rifts-could-be-good-for-international-climate-negotiations>, Farhana Yamin, 17.1.2015

These processes of deterritorialization and integration compel us to rethink our notions of clearly defined geographical, political, social and, indeed, cultural spaces. This is evident from the debate about “the local”, which no longer means a clearly defined place of comfortable seclusion and localized economic and sociocultural relations [see *When the Local meets the Interna-*

*tional*]. International development and peacebuilding actors are increasingly focusing on the local level, which offers the promise of greater legitimacy and better implementation of (external) projects and programmes. However, experience has shown that the local level is not as easy to co-opt or control as some international actors would wish, not least because projects and

programmes are increasingly being initiated at this level. Local stakeholders are also making it increasingly clear that they do not only wish to be responsible for implementing predetermined agendas: they want local knowledge to be built into policy-making from the outset.

Due to modern digital communications, economic and cultural globalization has now reached even very remote regions. Although a major digital divide still exists both globally and regionally, the number of Internet users has steadily risen over the past decade. Even in Africa, the continent with the lowest penetration rates of internet and communication technology, almost one person in five now has access to the Internet [see Figure 3].

These technologies have initiated a number of economic, social and political processes which can promote human well-being by creating employment, speeding up previously manual work processes, and facilitating political participation (WSIS 2003). However, they can also change economic life by undermining and eroding labour and social standards. With the formation of major information monopolies, they are also concentrating wealth in the hands of a few (Lanier 2013).

### **High economic but low legal integration: changes in the world of work**

Narrowing the digital divide, especially between urban and rural regions, is a key objective of global development endeavours and is also a goal pursued by policy-makers at the national level.

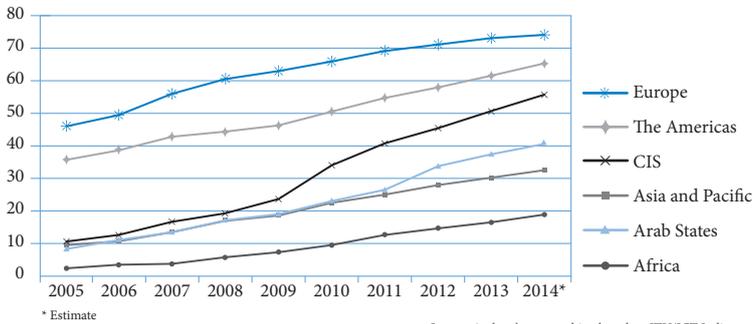
The spread of modern communication technologies is also changing the nature of work. For example, non-routine manual occupations are on the decline, whereas non-routine cognitive occupations are increasing worldwide and routine occupations remain stable (ILO 2015, p. 24). However, hopes that the digital economy would become a driver of jobs have not been fulfilled. What's more, the negative impacts of the world financial crisis on global employment can still be felt. According to the International Labour Organization (ILO), around 61 million fewer jobs have been created between 2008 and 2014 than would have been expected had the crisis not struck (ILO 2015, p. 16). This has worsened youth unemployment in particular, a trend which creates a particularly high risk of conflict and has the potential to cause political instability. There is also a risk that an entire generation will never acquire any occupational skills or their skills will become obsolete due to a lack of workplace experience [see *Youth Unemployment: A Global Challenge*].

A lack of employment prospects is also a key cause of migration. Contrary to earlier assumptions, migration is not necessarily harmful for the countries of origin, as migrant remittances show. These financial transfers are now three times larger than official development assistance [see *Migration and Development*].

Employment, however, is not always synonymous with "decent work". The many disasters in the global garment industry, epitomized by the collapse of the Rana Plaza factory building in Bangladesh in 2013, point to the preva-

**Figure 3: Strong increase in Internet use in all world regions**

Percentage of individuals using the Internet per 100 inhabitants, 2005–2014



Source: Authors' own graphics, based on ITU/ICT Indicators Database, Aggregate Data (<http://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>, 19.1.2015)

lence of working conditions that are an affront to human dignity. They are the outcome of a shift of power in favour of capital, at the expense of socially oriented employment governance. This is partly due to the globalization of supply chains [see *Transnational Production and the Future of Decent Work*], resulting in a high level of economic but a low level of legal integration. As a consequence, global supply chains are, to some extent, bypassed by national regulatory regimes. New mixed forms of governance (national/international, public/private and, increasingly, private/transnational) now exist in parallel, with the result that employment governance – i.e. the regulation of basic labour standards – is becoming less transparent and “softer”, making it easier for companies to shirk their responsibilities towards workers, including employees of component suppliers. Therefore, at the end of the day, the regulation of transnational corporations will only be effective if it is demanded by a strong civil society and enforced at the level of the nation-state.

### Protest and participation in a world of inequality

The concentration of assets in the hands of a few wealthy individuals is one of the causes of widening inequality within societies [see *Fragmented World Society*], which threatens existing democracies and democratization efforts. Although the impression that there is currently a global trend towards increased political opposition is deceptive [see *Protest and Resistance Movements in the 21st Century*], transnationalization and digitalization of protest movements have taken place. This encourages contagion effects across national borders and facilitates global coordination of protest and resistance. The Occupy movement is a good example.

However, in the digital age, political participation not only takes the form of protest. International organizations in particular are making every effort to involve societies, especially in the Global South, more fully in international processes at an early stage, encouraging

them to contribute to policy-making through online surveys, forums and information-sharing. The shaping of the post-2015 agenda is a good example, offering numerous opportunities for participation by civil society groups and individuals [see *The Post-2015 Consultations*]. This has done much to encourage creative reflection at the international level on the definition of human well-being [see “*You Can’t Eat GDP*”]. By engaging in these broader forms of participation, international organizations aim to increase their own legitimacy and improve the prospects of successful implementation of the desired measures later on. Nonetheless, these are still *intergovernmental* processes – a fact which becomes all too apparent when the time comes for decision-making.

### **Less individual responsibility = more security?**

The ambivalent role of modern information and communication technologies is never more apparent than when it comes to striking a balance between the state’s duty to safeguard collective security, on the one hand, and individual freedoms, on the other. This is a particularly serious issue because freedom is also the determinant of individual responsibility. If individual freedom is curtailed, this denies people the opportunity – and absolves them of the need – to assume responsibility.

The revelations about the activities of the US and UK intelligence services, resulting from Edward Snowden’s leaks to the media, show the full extent to which

civil liberties are being eroded by large-scale data gathering (Greenwald 2014) [see *World Society under Surveillance*]. Nonetheless, Europeans and Americans are willing to accept intrusion on their privacy as the price they have to pay for crime fighting and prevention, according to a representative survey conducted in Germany in May 2014, one year after the start of the Snowden leaks. Less than half the respondents (48%) felt that their privacy and basic rights had been infringed by the activities of the intelligence services, and 22% said that such activities were “justified provided that they enhance everyone’s security” (DIVSI 2014, p. 2). The ongoing debates about the expansion of surveillance, with the recording and storage of personal information in the public space (CCTV) and the private sphere (storage of telecommunications and Internet data), show that liberal societies are treading a fine line in their quest for (more) security. It should be borne in mind, however, that even if we “have nothing to hide”, constant surveillance has an ongoing and negative effect on social relations, as numerous examples from autocratic regimes show.

The debate about the progressive automatization of warfare also concerns the tension between security and human rights protection [see *From Quantitative to Qualitative Arms Control*]. At present, weapons systems are largely human-controlled, but the use of weaponized drones – in some cases in violation of basic principles of international humanitarian law – hints at the potential future capability of autonomous weapons systems, not least their ability to make decisions on the

use of (lethal) armed force without any human input. To avoid “losing our humanity” (Human Rights Watch 2012), all the world’s countries must make a collective effort to agree on common rules. However, it is not only governments that have a role to play here. The developers of these weapons systems must also fulfil their responsibility: the opportunities afforded by ever-greater

technological sophistication should only be utilized within a tight legal and ethical framework.

What needs to change? What are the prospects of overcoming the irresponsibility of state and civil society actors and adopting a cooperative approach to safeguard global public goods, such as security, freedom, human rights and the conservation of our natural resources?

### **Prerequisites for responsible cooperation: recognizing differences, but achieving a basic normative consensus**

Many of the current roadblocks in global problem-solving can be attributed to the impacts of the new confrontational multipolarity. Rising powers Brazil, India and China in particular can now act as veto players in many international institutions and negotiating processes because their consent is needed to effect change. And yet they (still) lack the power to shape the international agenda (Narlikar 2013a, p. 561f.). The rising powers have not indicated that they have any wish to radically change the existing system of global governance (Kahler 2013, p. 726), but their reluctance to assume more international responsibility, which would result in different burden-sharing in the provision of global public goods, is one of the factors causing these roadblocks, creating mistrust and threatening to destabilize the entire system (Narlikar 2013a, p. 576).

However, the current spoilers are not only expected to consent to the agreements; they must also actively support them in the interests of effective implementation. This dilemma is most apparent in the global climate process.

The principle of common but differentiated responsibilities was established in the Rio Declaration on Environment and Development, adopted in 1992, and subsequently became the guiding principle for the climate process. It took tangible form in the different reduction commitments for the industrialized and developing countries, reflecting the former’s historical responsibility for rising greenhouse gas emissions. However, the industrial countries now point out that due to their population size and increased economic power, emerging countries such as Brazil and especially India and China will also have to commit to emissions reductions in future.

The principle of common but differentiated responsibilities is a good paradigm for potential solutions: differences are recognized but the aim is to achieve a basic normative consensus on criteria governing the division of these different responsibilities. It thus has the potential to become a guiding principle for justice between nations in the context of the post-2015 agenda as well (Martens 2014, p. 36). However,

encouraging – and allowing – more countries to make the transition from traditional norm-taker to innovative norm-maker would then be essential. Brazil has already taken a pro-active role in this context with its 2011 initiative to develop the *responsibility to protect* into a *responsibility while protecting* and its joint proposal with Germany for the tabling of a resolution on online

privacy in the UN General Assembly in November 2013. Rising powers such as India, which have acquired something of a reputation for blocking international negotiations, should be encouraged – according to Amrita Narlikar – to identify those areas in which they are willing to assume more international responsibility in future and come to an understanding on common basic

**Table 1: Key international meetings and conferences, June 2015-2016**

Meeting	Where?	When?
World Economic Forum on Africa 2015	Cape Town (South Africa)	3–5 June 2015
G7 Summit	Schloss Elmau (Germany)	7–8 June 2015
BRICS Summit	Ufa (Russia)	8–9 July 2015
International Conference on Financing for Development	Addis Ababa (Ethiopia)	13–16 July 2015
70th anniversary of the United Nations	New York (US)	24 September 2015
UN Summit to adopt the post-2015 development agenda	New York (US)	25–27 September 2015
Conference of the States Parties to the United Nations Convention against Corruption	St. Petersburg (Russia)	2–6 November 2015
G20 Summit	Antalya (Turkey)	15–16 November 2015
UN Conference on Climate Change (COP21)	Paris (France)	30 November – 11 December 2015
World Humanitarian Summit	Istanbul (Turkey)	26-27 May 2016
HABITAT III (United Nations Conference on Housing and Sustainable Urban Development)	Quito (Ecuador)	17–20 October 2016
50th anniversary of the human rights covenants (ICCPR and ICESCR)	New York (US)	19 December 2016
UN General Assembly Special Session on the World Drug Problem	New York (US)	2016
Source: Authors' own compilation		

normative principles with other emerging countries (Narlikar 2013b, p. 612f.). This approach could then lead to a radical shape-up of the system towards a *reform for responsibility* (Narlikar

2013a, p. 576). Numerous opportunities to chart a new course in this direction are likely to arise in international negotiating processes over the next two years [see Table 1].

## Outlook for a reform for responsibility: institutionalized networking

Due to the “new complexity” of global politics, described above, “mammoth agreements” at the international level are neither realistic nor enforceable at present. Although new public, private and hybrid forms of governance are emerging, they do not constitute a socio-political corrective, and their effects are inconsistent, as the example of global value chains shows. Nonetheless, global challenges and risks can still only be addressed successfully through cooperation, and there is evidence that the pursuit of purely (power-)political interests is counterproductive over the long term [see *Territorial Reorganization – An International Challenge*]. The challenge is to develop rules for all stakeholders in the global value chain through cooperative governance, leading to economic and social security with due regard for planetary boundaries [see *A Road Map for Sustainable Production and Consumption*]. At the same time, the notion of an institutional power hierarchy which extends from the international, regional and national levels down to the local level has been outdated for some time. The aim must therefore be to integrate the highly diverse stakeholders, processes, rules and institutions more effectively across the various levels.

Today, global problem-solving is increasingly taking place against a background of uncertainty, a lack of clarity on responsibilities and accountability, and constantly shifting relationships of power and authority. This not only requires integrated solutions involving governments and traditional civil society (NGOs), businesses and academia [see *Cities – Spaces of Risk or Opportunities for Active Change?* and *A Road Map for Sustainable Production and Consumption*]. It also requires non-hierarchical decision-making processes which are open to participation by all stakeholders; in the case of sustainability issues, this must include future generations through innovative mechanisms [see *Why we Should Give the Future a Seat at the Negotiating Table*].

These new forms of Experimentalist Governance (De Búrca et al. 2013), viewed in terms of an “ideal type”, offer scope for an understanding on common definitions of problems and on normative principles for problem-solving. They are also notable for their continuous feedback, reporting and monitoring loops. Procedures should be agreed in advance for the alignment of rules and practices if necessary. The final key element of modes of Experimentalist Governance is networking at various

levels: given that it is mainly stakeholders at subordinate levels – including the local level – who are required to implement the agreed measures, ways must be found to take local or contextualized knowledge into account in problem-solving. Successful “ideal type” examples of Experimentalist Governance include the UN Convention on the Rights of Persons with Disabilities and the Montreal Protocol on Substances that Deplete the Ozone Layer (De Búrca et al. 2013) [see Table 2].

These governance modes facilitate new forms of transparency, confidence-building and verification, which are so urgently needed. Forms of Experimentalist Governance depend, however, on a fundamental desire to cooperate and overcome the status quo. Otherwise, institutional networking with built-in “learning loops” will not be feasible. In principle, the implementation of new global Sustainable Development Goals (SDGs) lends itself to new forms of Experimentalist Governance due to its stakeholder diversity, the need for feedback to local contexts, open definition of problems on which understanding must first be reached through a shared communicative process, range of responsibilities and accountabilities which must be negotiated, and monitoring and review processes (yet to be determined).

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**Table 2: Integration and networking of regulation via various governance modes**

Governance mode	Definition	Examples
International regimes	Comprehensive, integrated international regimes, comprising norms, rules, principles and decision-making procedures for common problem-solving in selected areas	Bretton Woods Monetary System, World Trade Regime/WTO, Air Transport Regime/International Civil and Aviation Organization
Regime complexes	Multiple, in some cases linked or competing forms of public, private or hybrid forms of governance	(Public and public/private) regime complexes on climate protection, protection of intellectual property, forest conservation, health, energy, corruption
“Experimentalist Governance”	Governance as a non-hierarchical, open process with inclusive participation, ongoing consultation on the definition of problems and normative principles, continuous monitoring and review, and feedback from local contexts	Montreal Protocol on Substances that Deplete the Ozone Layer (including further amendments and adaptations); UN Convention on the Rights of Persons with Disabilities

Source: De Búrca et al. 2013, p. 744, modified and expanded by the authors

Like other forms of political governance, these new governance modes must be embedded in a network of global norms, institutions and power relations and coupled to a national regulatory framework from which state actors, in particular, derive their authority and legitimacy. This requires a form of “metagovernance” for the coordination of existing pluralism, but it also poses new challenges for national politics. National governments must operate in an increasingly complex environment. Flexibility, management of diversity and forum shopping are required, not only to keep pace with developments but also to shape them in stakeholders’ own interests. Externally, this requires investment in confidence-building, a willingness to renegotiate normative bases and the institutional framework for cooperation, and the development of interest-led alliances beyond traditional pathways (Messner et al., p. 28f.). In line with the concept of Experimentalist Governance, it is not only about inter-state alliances but also about dialogue and, if appropriate, participation by non-state, regional and local actors.

Internally, the interministerial cooperation customarily practised quickly reaches its limits. There is therefore a need for deeper network-type forms of policy integration and coordination. These have similar features to those of Experimentalist Governance at the global level (Steurer/Berger 2010, p. 7). Here too, learning, understanding and adaptation processes among all the participating state and non-state actors are a priority. In the case of state actors, it

is no longer mainly about management or monitoring capacities but the ability to mobilize other actors and initiate processes, with subsequent guidance and support from the state. The implementation of National Sustainable Development Strategies has already created various network-type forms of policy integration (OECD 2006).

In a “G-X world”, global coordination mechanisms and an overarching normative framework – in other words, metagovernance – are essential for the fair exercise of responsibilities over the longer term (Sørensen 2006, p. 100ff.). Until now, this has been provided either by the less inclusive club formats, the diverse G-formats, or the major UN conferences, all of which tend to have been used to increase the diversity of multilateralism mentioned at the start. In order to overcome the present mistrust in international relations, mentioned several times, and the ensuing roadblocks, it is essential to build new trust among states and their groupings. This may only be possible with a limited number of partners at first, defined, perhaps, on a regional or interest-led basis. In a best-case scenario, however, this could produce a fairer world order characterized by patchwork governance and various overarching coordination forums in which a much larger number of countries and social groups are able to express their interests and the responsibility for global welfare is established on a broader footing. In order to achieve this goal, there is no alternative to a common approach which initiates a global reform for responsibility.

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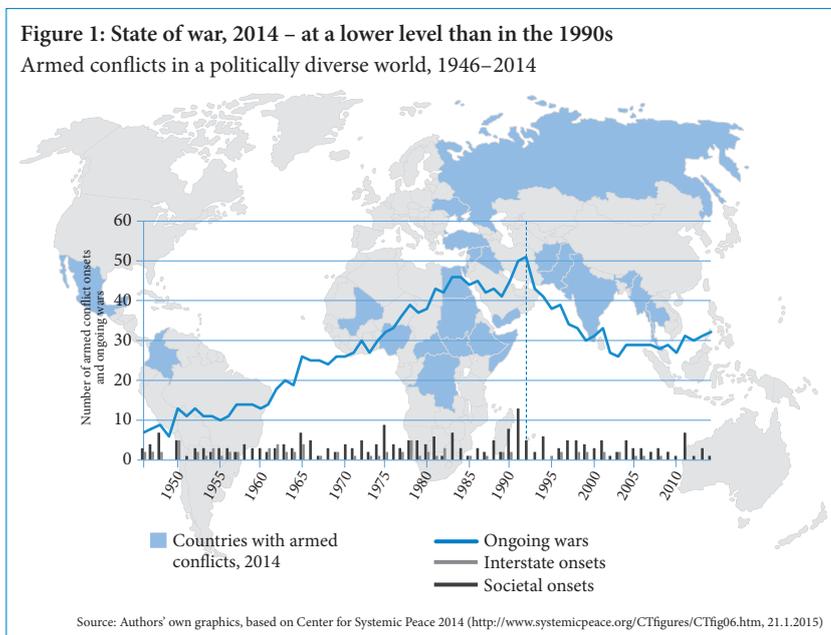
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Translation: Hillary Crowe

## **Peace and Security**



## Liberal Peace in Crisis: Armed Conflict in a Contested World Order

One hundred years after the start of the First World War and a quarter century after the fall of the Berlin Wall, events took a dramatic turn in 2014. The Ukraine crisis threatens the European peace order and has the potential to trigger a rerun of the Cold War. The collapse of regimes in the Middle East and North Africa (MENA) is accompanied by the emergence of a new and well-organized brand of militant Islamism under the banner of Islamic State (IS), which aims to establish a modern caliphate and whose appeal extends far beyond the region itself. There is immense human suffering, evidenced by the fact that more than 50 million of the world's people are refugees or internally displaced. "Liberal peace" and multilateral conflict management mechanisms are in deep crisis. At the same time, a glance at medium- and long-term trends shows that the current escalation of violence coincides with a comparatively peaceful phase of history, characterized by increasing, although often precarious, democratization. In order to avoid setbacks, however, cooperation and peacekeeping mechanisms must be adapted to the realities of a multipolar world order.



## 2014 in perspective

From a historical perspective, 2014 was a highly significant year for Europe, with the centenary of the start of the First World War and the 25th anniversary of the fall of the Berlin Wall. Few people would have predicted, at the beginning of the year, that the Ukraine crisis would confront the European peace order with probably its toughest challenge since the end of the Cold War.

The North Africa and Middle East (MENA) region was also shaken by crises and upheavals. The Arab Spring has given way to bitter winter in a number of countries. The war in Syria, according to the United Nations (UN), had claimed more than 190,000 lives by April 2014 (Price et al. 2014), and casualty figures have risen substantially since then. At the end of 2014, the Syrian Observatory for Human Rights, whose data have sometimes been contested, claimed that more than 300,000 people had been killed in the conflict until January 2014 (SOHR 2014). Four years after the Gaddafi regime was ousted with the assistance of external air strikes, Libya is on the brink of collapse. And 12 years after the US intervention and the fall of Saddam Hussein, the situation in Iraq is highly ambivalent: here, a new and remarkably effective form of well-organized militant Islamism has emerged in the shape of Islamic State. It now controls large areas of Syria and Iraq and exerts a magnetic attraction for young people from other countries [see *The Rise of "Islamic State"*]. IS is now a formidable rival for al-Qaeda, whose responsibility for 9/11 and subsequent attacks had firmly established it as the

“market leader” in Islamist terrorism. Indeed, military clashes are erupting at the regional level as IS and al-Qaeda compete for dominance. However, the January 2015 attacks in Paris indicate that when launching assaults on Western countries’ liberal order, the two organizations are still capable of forging a tacit alliance.

In November 2014, historian Heinrich August Winkler surmised that 2014 would “go down in history as a year of watersheds in global politics, perhaps even an epoch-making year” (Winkler 2014). Have we indeed reached a watershed moment comparable to the epoch-making upheavals of 1989/90? In this chapter, the authors argue that this is indeed the case for the increasingly liberal world order that evolved in the 1990s, which is challenged by the current crises and by the upheavals of the 2000s.

The West’s liberal societies see themselves facing a growing threat from militant Islamism. At the global level, there is the challenge of *de facto* multipolarity in which there are numerous and diverse forms of opposition to perceived “Western” values and institutions.

On the other hand, an evidence-based analysis of the past quarter century clearly shows that the number and scale of armed conflicts were very much higher during the first half of the 1990s than at present [see Figure 1]. However, the multilateral peacekeeping mechanisms increasingly deployed since the 1990s, including military intervention and lavish amounts of development assistance, appear to be reaching their limits. The stability that they have brought

about remains precarious. They are also less attuned to the new forms of violence

now emerging, especially in fragile and post-conflict states.

## Liberal peace and its setbacks

From a historical perspective, the early 1990s were characterized by somewhat unusual circumstances. On the one hand, the “new world order” proclaimed by George Bush Sr in 1991 naturally served to legitimize the Iraq War, mandated by the United Nations Security Council at the USA’s behest. On the other, it became increasingly clear that the USA – at that time the unique superpower – was reluctant to make use of the “unipolar moment” (Krauthammer 1991) as a means of pursuing hegemonic or, indeed, imperialist world politics. Instead, the 1990s were notable for the “victory march” of largely unchallenged liberal values and a new understanding of state sovereignty, which, it was argued, should be restricted if a government was unwilling or unable to prevent grave human rights violations and immense human suffering.

This normative shift was accompanied by corresponding blueprints for multidimensional peacekeeping, which included elements such as democratic elections and support for the rule of law, the establishment of new institutions (e.g. the International Criminal Court – ICC), and an increasing focus on democracy-building and the promotion of good governance in international aid. These elements typified a largely liberal world order which – besides prioritizing free trade and markets – was characterized by juridification and measures to promote democracy and the rule of law.

This was especially significant given that the end of the Cold War was a largely positive moment in history for the transatlantic region. However, in South-East Europe, South-East Asia, Central America and sub-Saharan Africa, it was initially accompanied by insecurity and conflict, creating a substantial need for peacekeeping measures.

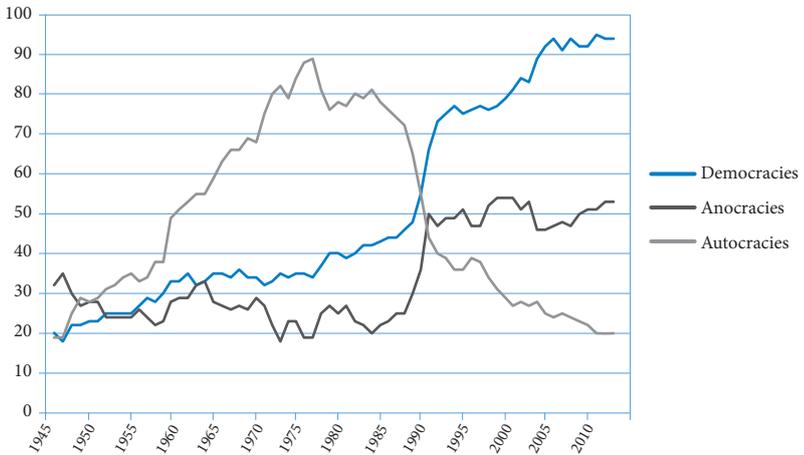
### Global democratization: partly off the track

After 1989, a broad-based and largely peaceful transition process began in Eastern and Central Europe. In the former Yugoslavia, however, the post-communist transition was marked by armed conflict, disintegration and the emergence of new states. Mongolia’s remarkably positive and peaceful transition to established democracy went largely unnoticed by the public and researchers alike. Meanwhile, autocratic regimes remained in place in Belarus, Central Asia, Azerbaijan and Armenia. The transition in Georgia and Ukraine was tentative at first and was accompanied by protests and uprisings, setbacks and a resurgence of authoritarianism, and conflict.

With the “wind of change” sweeping Africa during the first half of the 1990s, democratic and protest movements emerged in all the African sub-regions, shaking numerous autocratic regimes to their foundations [see *Protest and Resist-*

**Figure 2: Global trends in democratization – more democracies than autocracies since 1990**

Number of democracies, anocracies and autocracies, 1946–2013



Source: Authors' own graphics, based on Marshall/Cole 2014, p. 22

ance Movements in the 21st Century]. However, comparatively stable democracies were established in just 14 countries, including Benin, Botswana, Ghana, Kenya and Zambia (Marshall/Cole 2014, p. 45ff.). Otherwise, failed statehood and hybrid regimes (partly democratic, partly authoritarian), which offer freedom and opportunities for participation in varying degrees, still predominate on the African continent. For two decades, the Arab world remained largely immune to the contagious effects of the democratic ideas sweeping Africa. The protests and uprisings which began in Tunisia in late 2010 and engulfed the region soon met with authoritarian and dictatorial reactions in many countries.

Despite this mixed picture, a clear and entirely secular decline of autocratic regimes has been observed worldwide since the 1980s, which gathered momentum after the 1989/90 watershed. It has

been accompanied by a rise in the number of democracies and the establishment of remarkably permanent hybrid regimes [see Figure 2]. However, the past two and a half decades have shown that democratization processes are extremely vulnerable to conflict and setbacks and can even trigger state failure.

### **Multidimensional peacekeeping, intervention and criminal justice**

Besides being accompanied by progressive but fragile democratization, liberal peace in the 1990s and the 2000s was notable for its innovative approaches to peacekeeping. *An Agenda for Peace* (1992), largely the brainchild of the UN Secretary-General of the day, Boutros Boutros-Ghali, mapped out the contours of the new approach. From 1989 to 1994, 20 new operations were mandated by the

UN Security Council, and the number of peacekeeping personnel surged from 11,000 to 75,000 (UN 2014b; UN 2014c) [see Figure 3]. For the first time, the UN undertook multidimensional peace operations with mandates that explicitly included elections, democratization and the reform of state institutions in war-torn countries (including Namibia, Mozambique, Cambodia and El Salvador) in line with a liberal peacebuilding paradigm (Paris 2007).

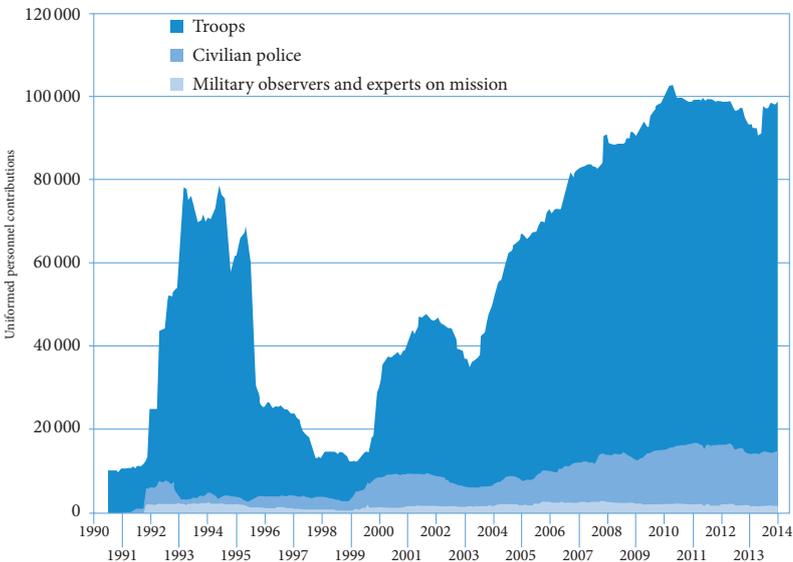
Since the early 1990s, the UN Security Council – the body responsible for international peace and security – has dealt with humanitarian crises to an unprecedented extent. Between 1991 and 2005, the Security Council responded to 42 out of 44 crises of this type, mandating

coercive measures in 16 cases (Binder 2011, p. 12). In Northern Iraq (1991), Somalia (1992), Bosnia and Herzegovina (1993) and Rwanda (1994), the Security Council authorized the use of armed force (albeit to an inadequate extent or too late in some instances) in response to grave human rights abuses and humanitarian crises. Some of these measures were implemented under the auspices of the United Nations and clearly reflected a new understanding of state sovereignty.

This new understanding found written expression in the seminal report *The Responsibility to Protect*, published by the International Commission on Intervention and State Sovereignty in 2001 (ICISS 2001). The report calls for

**Figure 3: Personnel contributions to UN peace operations**

Number of troops, police and military experts involved in UN peace operations, November 1990–February 2014



Source: Authors' own graphics, based on Perry/Smith 2013, p. 3

three specific responsibilities in situations of large-scale and extreme threats to human security such as genocide, war crimes, ethnic cleansing and crimes against humanity. They encompass the responsibility to prevent, to react, and to rebuild in situations in which the state concerned is unwilling or unable to exercise its responsibility to protect (R2P) its own population. This principle met with surprisingly broad acceptance, evidenced by its inclusion, albeit in a modified form, in the Millennium+5 Summit's outcome document. However, after 2011, a serious crisis set in. R2P formed the normative basis for regime change (Libya) and intervention in a domestic power struggle (Côte d'Ivoire), arousing mistrust on the part of China and Russia. Its effects can be felt *inter alia* in the war in Syria, where the paralysis of the major powers has prevented concerted action.

In institutional terms, the landmark event in the establishment of liberal peace was the founding of the International Criminal Court (ICC) in The Hague in 1998. As the body with primary responsibility for international criminal justice, its mission is to prosecute individuals for genocide, crimes against humanity, and war crimes. It has achieved a number of successes, notably the conviction of Congolese rebel leader Thomas Lubanga (Hiéramente 2013, p. 187). However, the ICC is increasingly regarded as embodying the "Western justice" paradigm, with claims that it intervenes in the internal affairs of countries of the Global South and especially Africa and is deployed by the UN Security Council as a means of exerting political pressure. In some

cases (Kenya and Sudan), the impression may certainly have arisen that the ICC prefers to focus on African countries. Overall, however, this accusation is not entirely justified, as many African governments initiated proceedings, especially in the early days. Nonetheless, it seems that double standards apply, given that some of the permanent members of the Security Council are not States Party to the Rome Statute but still refer cases to the ICC [see *In Troubled Waters: The International Criminal Court (ICC)*].

### **From triumphal liberalism to confrontational multipolarity**

The normative and institutional establishment of liberal peace was occasionally accompanied by a kind of triumphalism, since there was considered to be no alternative. And indeed, virtually no other serious options were proposed in the 1990s, although this was primarily due to the paralysis of non-Western powers rather than to the "end of history" (Fukuyama 1992). Russia, for example, was weakened after the demise of the Soviet Union, while China found itself on the defensive internationally for a decade following the Tiananmen Square massacre in 1989. The Kosovo campaign launched by the North Atlantic Treaty Organization (NATO) in 1999 without a Security Council mandate, on the grounds that this was necessary to prevent grave human rights violations, can be regarded as the high point – and the turning point – in this phase.

Four counter-movements then emerged from the start of the 21st century, undermining unipolarity and West-

ern dominance. Despite their highly diverse characteristics, their common feature was that they put pressure on the world order established in the 1990s. The outcome is a form of multipolarity that is currently characterized by confrontation and fragmentation rather than cooperation:

- Militant Islamism, in the shape of al-Qaeda, demonstrated the vulnerability of the world's unique superpower, the USA, with the 9/11 attacks marking the end of unipolarity, at least in a psychological sense. Further Islamist violence has occurred since then. Although this violence is perpetrated and supported by a minority, it signals the emergence of a militant counter-movement that targets a Western secular world order in which the perpetrators see themselves as marginalized, disenfranchised and, in some cases, humiliated. War and massacres perpetrated by Islamic State in Syria and Iraq and by Boko Haram in Nigeria, the attacks by al-Shabaab in Somalia and Kenya, and the global spread of al-Qaeda and its offshoots do not simply reflect the increasingly transnational networking of militant Islamism, but are also symptoms of a fragmenting world society. Ultimately, both these trends push interventionist stabilization paradigms to their limits; this was certainly the experience of the USA and Western countries in Afghanistan, Iraq and Libya. Among the Islamist terror groups, IS constitutes a new type of threat with its blend of fanatical ideology and a diversified economy of violence (donations, blackmail, natural resource exploitation, local taxes and arms trafficking).

It also has a professional bureaucratic apparatus and vigorously pursues its territorial claims in an effort to redraw the borders of existing nation-states.

- Although numerous countries in sub-Saharan Africa supported Western liberal peacekeeping projects in the 1990s and experienced democratic change, this gave way to stagnation and restraint some time ago. The distance which now exists resulted in part from the ICC's issuing of a warrant of arrest against Sudanese President al-Bashir on 4 March 2009 and the overly hasty indictment of Kenyan presidential candidate Uhuru Kenyatta and his deputy William Ruto, which ended in a failed trial in 2014. With China, Brazil and India stepping up their engagement in Africa, alternative financiers and mentors are now available, with new guiding visions. They offer African governments an opportunity to free themselves from the constraints of cooperation with the former colonial powers, often viewed as paternalistic and inefficient.
- In the power-political context, the rise of Brazil, Russia, India, China and South Africa (BRICS) spelled an end to unipolarity by shifting the focus of the global economy and bringing forth new players. This had significant implications for the management of the global financial crisis in 2008/2009, which mainly took place in the framework of the Group of 20 (G20). The G20 is a club of industrialized countries and emerging economies, which has weakened the hitherto all-powerful G7, comprising

the leading industrialized countries plus, occasionally, Russia (G8). In other areas of global politics, these countries tended to be free riders in the past and remained disengaged from cooperative multilateralism (Lieber 2014). BRICS does not yet constitute an alternative centre of gravity in the global governance context. Nonetheless, it has established its own monetary fund and the New Development Bank and pursues a coordinated approach in selected policy fields. It is thus a global player and should be taken seriously.

- The West sometimes underestimates the fact that the emergence of BRICS was also a reflection, and the

successful outcome, of increasingly self-confident Russian diplomacy. The decision-making elite in Moscow have perceived NATO's sidelining of Russia during the Kosovo conflict and the prospect of NATO membership for Georgia and Ukraine, discussed at the NATO Summit in 2008, as representing a threat to Russia (Mearsheimer 2014). From this perspective, Russia's annexation of Crimea and its involvement in the conflict in Eastern Ukraine mark a shift towards a more confrontational *modus operandi* vis-à-vis NATO and, indeed, the EU, and can be regarded as an attack on the European peace order.

<b>Begin</b>	<b>End</b>	<b>Mag-nitude</b>	<b>States Directly Involved</b>	<b>Brief Description</b>	<b>Deaths</b>
1948	2014+	4	Myanmar (Burma)	Ethnic war (Karen, Shan, and others)	110,000
1952	2014+	2	India	Ethnic war (north-east tribals; Assam separatists)	25,500
1965	2014+	2	Israel	Ethnic war (Arab Palestinians/PLO-Hamas)	22,000
1975	2014+	4	Colombia	Civil violence, land reform and drug trafficking	57,500
1988	2014+	5	Somalia	Civil war	115,000
1990	2014+	3	India	Ethnic war (Kashmiris)	43,500
1996	2014+	5	Dem. Rep. of Congo (Zaire)	Civil war: ousting of Mobutu and aftermath; involvement of Hutu paramilitaries (Interahamwe)	2,500,000
1997	2014+	1	Pakistan	Sectarian violence: Sunnis, Shi'ites, and Ahmadis	4,000
2001	2014+	3	Afghanistan	Ousting of Taliban; hunt for al-Qaeda	42,000

Begin	End	Mag-nitude	States Directly Involved	Brief Description	Deaths
2001	2014+	2	India	Maoist insurgency (People's War Group; Maoist Communist Centre; People's Liberation Guerrilla Army)	7,200
2003	2014+	5	Sudan	Communal-separatist violence in Darfur	350,000
2004	2014+	1	Yemen	Followers of al-Houthi in Sadaa	3,500
2004	2014+	4	Pakistan	Pashtuns in Federally Administered Tribal Areas	38,250
2004	2014+	1	Thailand	Malay-Muslims in southern border region (Narathiwat, Pattani, Songkhla, and Yala provinces)	4,000
2004	2014+	1	Turkey	War between the Government and the Kurdistan Workers' Party (PKK) in the south-east	2,500
2005	2014+	1	Pakistan	Rebellion in Baluchistan	3,000
2005	2014+	2	Central African Republic	Armée Populaire pour la Restauration de la Démocratie (APRD) (north-west), Union des Forces Démocratiques pour le Rassemblement (UFDR) (north-east) and Séléka rebels	5,000
2006	2014+	3	Mexico	Federal Army and police offensive against entrenched drug cartels and corrupt police and officials, mainly in the northern region bordering the USA	75,000
2007	2014+	1	Ethiopia	Somali and Oromo militants in Ogaden region	2,800
2008	2014+	1	Russia	Ethnic violence (Islamist militants in eastern Transcaucasus region: Chechnya, Dagestan, and Ingushetia)	4,000
2009	2014+	2	Nigeria	Rebellion by radical Islamist Boko Haram in north border region	8,000

Begin	End	Mag-nitude	States Directly Involved	Brief Description	Deaths
2009	2014+	1	South Sudan	Communal violence in south: Lou Nuer and Murle; rebel militias	3,500
2010	2014+	1	Nigeria	Communal violence in Jos/ Plateau state: Christian and Muslim	3,000
2011	2014+	3	Iraq	Continuing Sunni-Shia sectarian strife	23,000
2011	2014+	5	Syria	Popular protests and regime crackdown trigger warfare with ethnic Sunni militants and Islamist extremists against Assad's ethnic Alawite regime	150,000
2011	2014+	1	Yemen	Anti-Saleh demonstrations, southern separatists, army mutiny, clan rivalry, and al-Qaeda militants	4,000
2011	2014+	1	Sudan	Armed supporters of the Sudanese People's Liberation Movement in South Kordofan and Blue Nile states	3,000
2012	2014+	1	Mali	Islamist Ansar Dine and ethnic Tuareg (Azawad separatists)	1,000
2013	2014+	1	Egypt	Military ousting of President Morsi and crackdown on Muslim Brotherhood; Islamist rebellion in Sinai and south	2,000
2013	2014+	3	South Sudan	Rebellion by ethnic Nuer supporters of Riek Machar leads to war with ethnic Dinka supporters of President Salva Kiir	10,000
2013	2014+	1	Dem. Rep. Congo	Ethnic Mai Mai separatist rebellion in Katanga Province	750
2014	2014+	1	Ukraine	Pro-Russian separatists in Eastern Ukraine	

Key: **Dark grey:** Ethnic war; **Light grey:** Ethnic violence; **Mid-blue:** Civil war; **Light blue:** Civil violence; **Dark blue:** International war, international violence

Source: Authors' own graphics, based on <http://www.systemicpeace.org/warlist/warlist.htm>, 25.1.2015

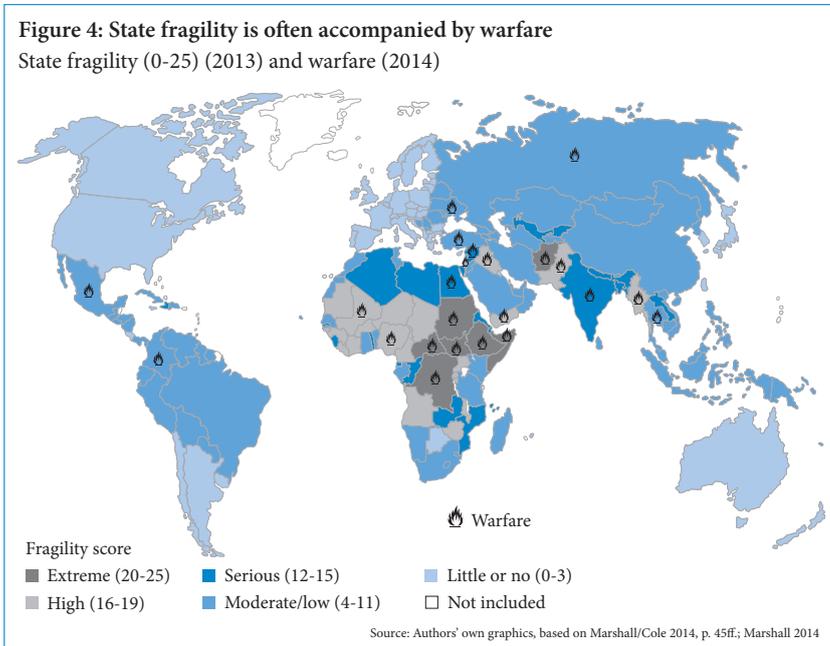
## Violence and human suffering in world society

In an ideologically and socially fragmented world society, the number of wars and armed conflicts around the globe, currently at its highest level – 32 – since 2001, is also a reflection of confrontational multipolarity (CSP 2014). And yet the impression that this is the most violent period for decades or the highest number of armed conflicts since 1989 is deceptive, for after the end of the Cold War, wars and armed conflicts surged to a total of 51 in 1992 [see Figure 1], particularly in sub-Saharan Africa. The number has fallen dramatically since then. An overview of the first quarter century after the end of the Cold War must therefore be more nuanced than the current dramatic situation would suggest.

### Armed conflicts, irregular violence and militarization

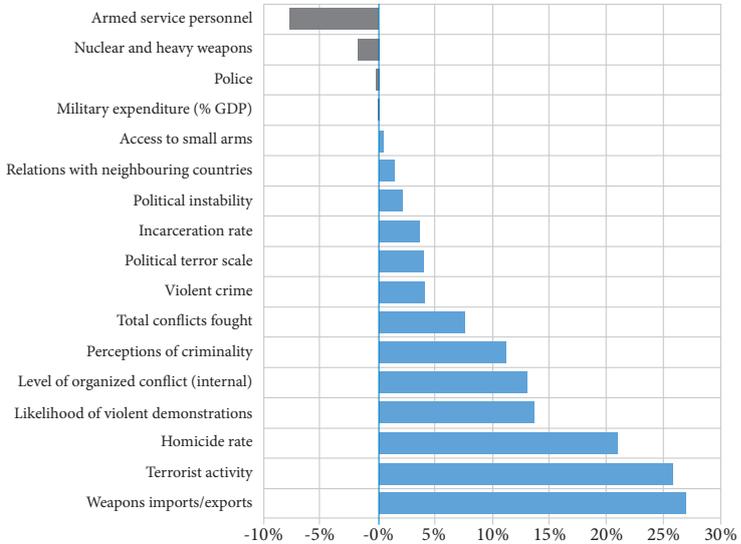
The surge in armed conflicts in the first few years of the “new world order” was followed, after 1992, by a noticeable decline – almost 50 % – to just 26 armed conflicts in 2003. Thereafter, the figure remained relatively stable at around 30 armed conflicts, before rising again in 2012. Broadly speaking, the 32 armed conflicts in 2014 can be divided into four main categories [see Table 1]:

- First, the worst affected countries are those which have suffered extremely high or high levels of state fragility for many years. They include countries in sub-Saharan Africa (e.g. Democratic Republic of the Congo,



**Figure 5: How global peace has declined since 2008**

Percentage change in global average indicator score, 2008–2014



Source: Authors' own graphics, based on IEP 2014, p. 44

Mali, Somalia, Sudan, South Sudan and the Central African Republic) and South Asia (Afghanistan, Myanmar and Pakistan) and are the setting for around 50% of armed conflicts at present [see Figure 4].

- The second category consists of the Middle East and North Africa, where entrenched conflicts have been ongoing for many years and instability has worsened dramatically since the US-led intervention in Iraq in 2003 and the largely failed Arab Spring in 2011.
- The third category consists of several long-running conflicts in relatively well-consolidated states such as India, Thailand, Colombia and Mexico. The first three of these cases are ethnic wars or were sparked by regional marginalization. In the

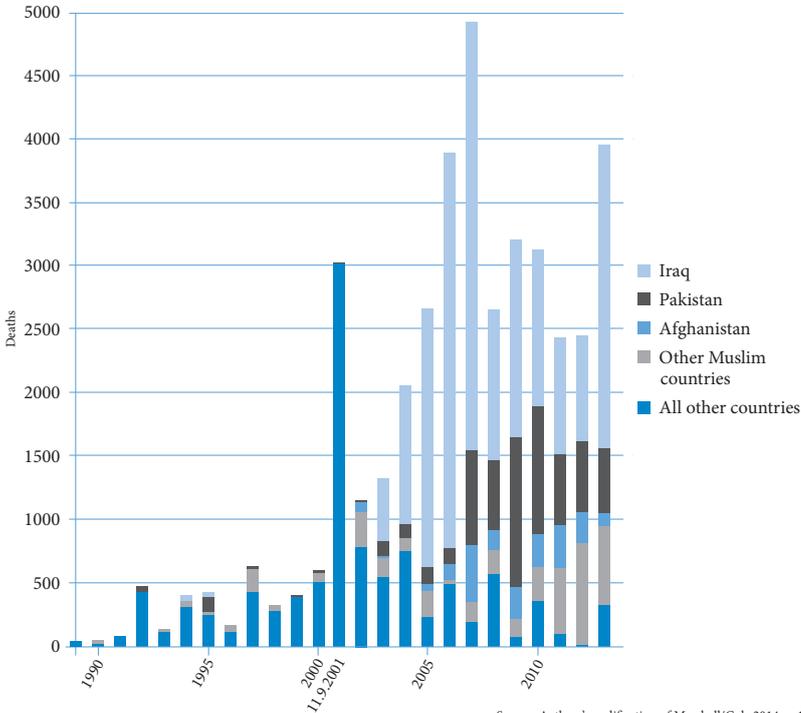
case of Mexico, however, the conflict is a drug war, ongoing for nearly a decade, which had claimed at least 75,000 lives by mid 2014 (Marshall 2014). The number of deaths is now thought to have risen to around 80,000.

- And fourthly, the war in Ukraine in 2014 has special status and is taking place at a time when the other flash-points in the post-Soviet space have been resolved or are at least frozen.

The trend towards a potentially less peaceful world is also confirmed by the Global Peace Index [see Figure 5], published since 2007. The Global Peace Index applies a definition of peace which goes beyond the mere absence of war and measures peace according to 22

**Figure 6: Terrorist bombings – a growing threat**

Deaths from terrorist bombings, 1989–2014



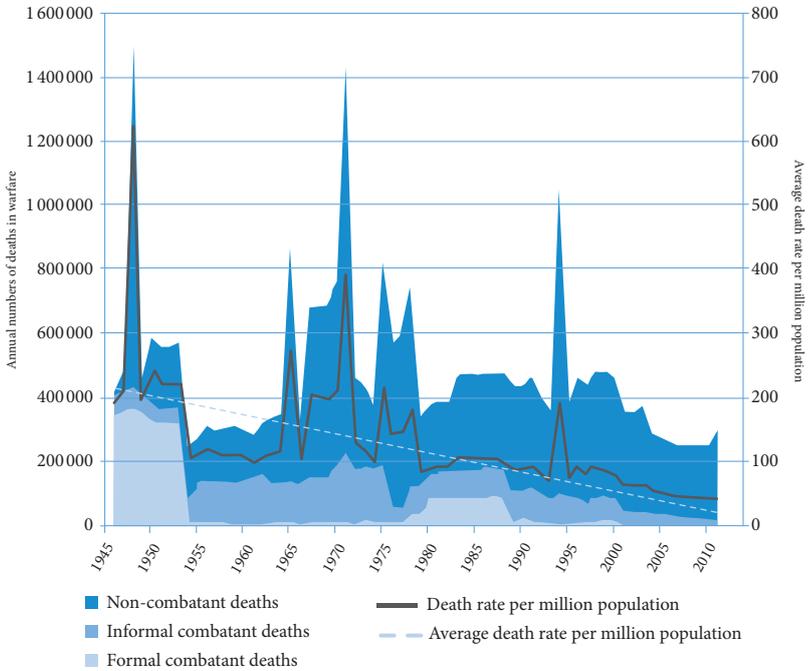
Source: Authors' modification of Marshall/Cole 2014, p. 16

indicators across three broad themes: safety and security in society, domestic or international conflict, and militarization. The first two dimensions broadly correspond to the concept of human security, which aims to achieve an absence of physical threats to the individual. The third dimension, by contrast, focuses on the hardware and manpower required for the use of force.

According to the Global Peace Index, since 2008, 111 of the 162 countries investigated have deteriorated in levels of peace, while only 51 have ameliorated. There has been a particularly noticeable rise in terrorist activity. According to the

Global Terrorism Database, the number of deaths from terrorism increased globally from around 3,800 in 2002 to 17,800 in 2013. The number of countries affected by deaths from terrorism also increased over the same period, from 28 to 59 (IEP 2014, p. 42). Bomb attacks during the wars in Iraq and Afghanistan and the armed conflicts in Pakistan, Nigeria and Syria led to a particularly large number of deaths [see Figure 6]. Both the quantity and the quality of terrorist activity have changed, with the attacks increasingly targeting dissenters and political opponents and seeking to destroy both the concept and the reality

**Figure 7: Downward trend in deaths from warfare and political violence after 1945**  
War-related death rate per million population



of a tolerant and liberal society. This became all too apparent in Europe too with the deadly assaults on the editorial team of the satirical weekly *Charlie Hebdo* and a Jewish supermarket in Paris in January 2015.

However, human security in regions that form the backdrop to the “war on terror” is also at risk, not least from air strikes by US drones. According to research by the Bureau of Investigative Journalism, between 2,410 and 3,902 people were reported killed by drone strikes in Pakistan during the period 2004-2014, with large numbers of deaths also reported in Yemen and Somalia (Serle/Fielding-Smith 2015). These fig-

ures are not always adequately reflected in conflict statistics or indices such as the Global Peace Index.

Besides the growing number of terrorist attacks, it is noticeable that in the last seven years, the number of homicides per 100,000 population has risen significantly worldwide (IEP 2014, p. 43, p. 47). Here, the gap between the safe Western industrialized countries and the impoverished and fragile sub-Saharan and South Asian regions is steadily widening. Safety and security are also worsening in Latin America; however, with the exception of Colombia and Mexico, it no longer appears in the armed conflict statistics.

Among the external factors that indicate a less peaceful and increasingly militarized world, the growth in the volume of international weapons transfers stands out. According to the Stockholm International Peace Research Institute (SIPRI), the five largest suppliers in 2008–2012 – the United States, Russia, Germany, China and France, in that order – accounted for 75% of the volume of arms exports (SIPRI 2013). Only Europe has reduced its arms imports, contrasting sharply with substantial growth in Russia and Eurasia (136%), South Asia (92%), South America (63%) and sub-Saharan Africa (43%) (IEP 2014, p. 45).

### Death, flight and expulsion

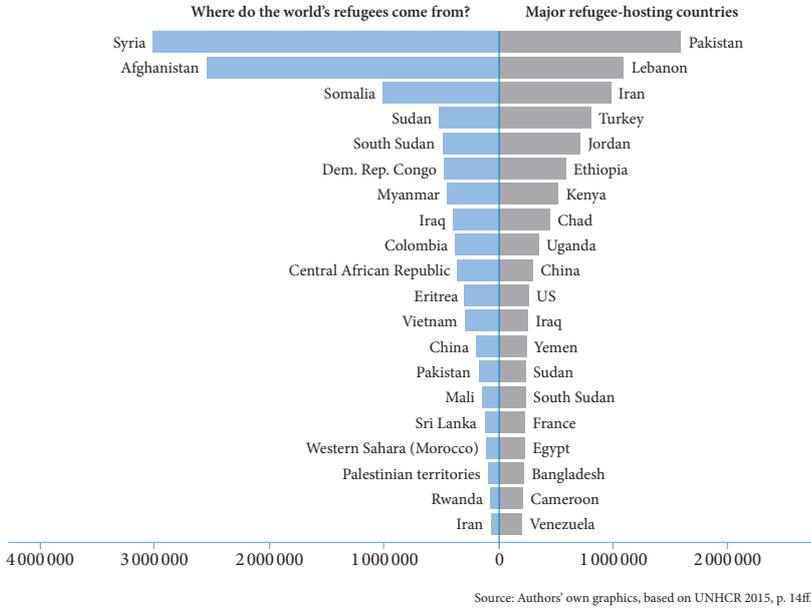
At present, there is immense human suffering in Syria, Libya, Iraq, Afghanistan and certain sub-Saharan African countries. War remains one of the greatest threats to world society and presents a severe obstacle to development in these regions for decades to come. Viewed as a medium- to long-term trend, however, it is clear that the number of victims of large-scale collective violence has decreased since the end of the Second World War. Indeed, if the number of victims is calculated as a proportion of the world population, there is a noticeable downward trend [see Figure 7]. There has been a general decline in the global death rate [black line in Figure 7] from more than 215 deaths per million population in 1946 to around 35 deaths per million population in 2011, although the share of non-combatant deaths during armed conflicts appears to have

increased during this period, from 62% in 1991 to 84% in 2011 (Marshall/Cole 2014, p. 19).

The armed conflicts with particularly high casualty numbers mainly occurred during the Cold War. The war in Afghanistan (1978–1992), the genocide perpetrated by Cambodia's Khmer Rouge against their own people (1975–1979), the atrocities during the so-called Cultural Revolution in China (1966–1976), the Vietnam War (1955–1975) and the two civil wars/wars of secession in Sudan (1955–1972, 1983–2005) each caused more than one million deaths. After 1989, according to the Systemic Peace research project (Marshall 2014), the war in the Democratic Republic of the Congo (around 2.5 million deaths), the ethnic war and genocide in Rwanda (around 530,000 deaths), the violence and massacres in Darfur (around 350,000 deaths), the genocide and war in disintegrating Yugoslavia (around 266,000 deaths) and the wars in Iraq (around 100,000 deaths in the first Gulf War and around 169,900 deaths between 2003 and 2013) and Syria (around 140,000 deaths between 2011 and 2013) caused particularly large loss of human life. However, it is extremely difficult to obtain accurate figures. For example, some sources offer significantly higher figures for the human suffering in the war and genocide in Rwanda, with estimates between 800,000 and one million deaths. And as already indicated, the estimates for the war in Syria also vary, in some cases widely. Nonetheless, the available data offer some very informative starting points for assessing the impacts of armed conflict and upward/downward trajectories since 1945.

**Figure 8: Need and solidarity in world society**

Where do the refugees come from – and who takes them in?



Although the global trend in conflict-related deaths shows a decrease in recent decades, the present crises and conflicts have caused a sharp rise in refugee numbers. By the end of 2013, 51.2 million individuals were forcibly displaced worldwide as a result of persecution, conflict, organized violence, or human rights violations – the highest level since the collection of relevant statistics began (UNHCR 2014, p. 2). The total figure includes 16.7 million refugees, 1.2 million asylum seekers, and 33.3 million internally displaced persons.

Around one fifth of the refugees were newly displaced in 2013 as a result of conflict or persecution. This includes 8.2 million people displaced within the borders of their own countries – another tragic record. As a result of the war in

Syria, the first half of 2014 also marked a shift in the main region of origin. The Asia and Pacific region has been the largest source region of refugees for more than a decade. However, the focus has now shifted to the Middle East and North Africa, with Syrians accounting for nearly a quarter (23%) of all refugees under the mandate of the United Nations High Commissioner for Refugees (UNHCR). During the first half of 2014, Lebanon took in the largest number of refugees after Pakistan (UNHCR 2015, p. 4f.). Growing solidarity is practised mainly in the Global South: developing countries hosted more than 86% of the world's refugees in 2013, compared to 70% ten years ago [see Figure 8].

## Peacemaking, confidence-building and common security: where are we now?

Faced with the current trend towards more wars and extreme suffering and the new quality of conflict threats at a time of confrontational multipolarity, it is clear that solutions must be sought on a cooperative basis. Ad hoc crisis management based on classic great power politics, currently practised in the MENA region and elsewhere, is ineffective in this context, as is a reversion to Cold War patterns of thinking. A more sensible approach is surely to reflect on successful experiences with peacemaking and confidence-building, and to consider how they can usefully be deployed in response to present uncertainties.

### Overcoming the conflict trap

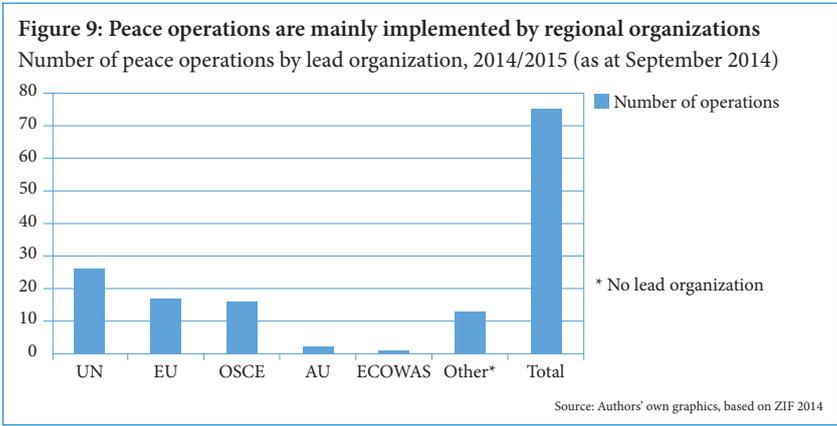
The analysis of conflict trends over recent decades should not divert attention from the successes achieved in addressing the causes of conflict in some world regions. It is clear that this is closely connected to the solution of the development issue and the management of social change – an aspect which is sometimes overlooked in short-term crisis management and, indeed, in some peacebuilding approaches. Particular successes have been achieved in East and South-East Asia, which were among the world's sub-regions most severely impacted by conflict and collective political violence in the first 35 years following the end of the Second World War. In the 1980s, the East Asian Miracle led to an economic boom in Taiwan, South Korea, Singapore and Hong Kong,

which was not induced from outside but was embedded in national development strategies. In the 1990s, other countries followed suit, notably Malaysia and Indonesia, although their economic performance faltered as a consequence of the Asia crisis in 1997.

South America, too – a byword for revolutionary and reactionary violence in the 1970s – has overcome armed conflict through political and economic reform, although Colombia and Mexico are exceptions. In the 1990s, the continent also benefited from numerous peace operations. However, until the advent of left-wing and left-wing populist governments in the 2000s, social inequalities widened considerably in many of these countries, with a form of “transformation through violence” in which homicide and organized crime in several countries claimed more lives than were previously lost through war; El Salvador is a classic example.

Countries can therefore only lift themselves out of the conflict trap if they increase welfare by their own efforts, share it equitably and build resilience to global economic turbulence. In crises and conflict situations, however, controlling and ending acute violence is the first step in creating the conditions for these development and transition processes. So it is worrying that relatively few armed conflicts have been resolved in the last five years and that non-military instruments have played a subordinate role in this context [see Table 2]. The civil war which began in 1972 in Mindanao, a predominantly Muslim region

<b>Begin</b>	<b>End</b>	<b>Mag-nitude</b>	<b>States Directly Involved</b>	<b>Brief Description</b>	<b>Deaths</b>
1972	2014	3	Philip-pines	Ethnic war (Moros)	52,000
1983	2009	5	Sri Lanka	Ethnic war (Tamils)	75,000
1997	2010	1	Nigeria	Communal violence (Delta province; Ijaw, Itsekeri and others)	2,500
2003	2010	6	Iraq	US-led ousting of Saddam Hussein's Ba'athist regime and consequent sectarian strife: Sunnis, Shias, Kurds, and foreign al-Qaeda	150,000
2003	2010	2	USA	US invasion of Iraq (with a coalition of the willing) and military occupation	4,400
2005	2010	1	Chad	Anti-Déby Regime: Front Uni pour le Changement (FUC), Union des Forces pour la Démocratie et le Développement (UFDD) and others	2,000
2005	2014	1	USA	Stabilization operation in Afghanistan	2,200
2005	2010	2	Chad	Communal fighting between Toroboro ("black" sedentary farmers) and Janjaweed ("Arab" pastoralist) militias	5,000
2010	2010	2	Kyr-gyzstan	Ethnic violence (Kyrgyz, Uz-beks, after ousting of Bakiyev)	600
2011	2011	1	Egypt	Popular protests against Mubarak regime	1,000
2011	2011	2	Côte d'Ivoire	Rejection of December 2010 presidential election results by regime leads to resumption of civil war and ends with arrest of President Gbagbo	3,000
2011	2011	4	Libya	Anti-Gaddafi elements centred in the eastern coastal region; NATO intervention	25,000
Key: <b>Dark grey:</b> Ethnic war; <b>Light grey:</b> Ethnic violence; <b>Mid-blue:</b> Civil war; <b>Light blue:</b> Civil violence; <b>Dark blue:</b> International war, international violence					
Source: Authors' own graphics, abridged version of Marshall 2014					



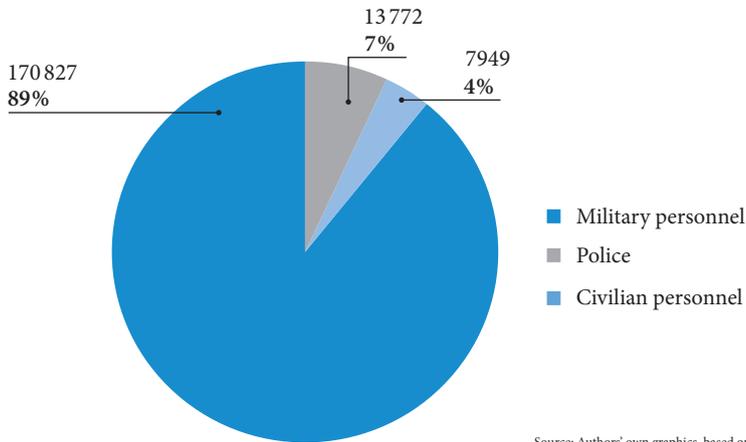
of the Philippines, was the only conflict to be settled through negotiation, with the government and the Moro Islamic Liberation Front signing a peace deal in early 2014. In other conflicts, military action and the deployment of security forces played a more significant role; in 2009, for example, Sri Lankan government troops secured a military victory that ended the ethnic war, ongoing since 1983, with the Liberation Tigers of Tamil Eelam – with war crimes committed on a wide scale by both sides.

In post-conflict situations, development aid can help to prevent a recurrence of conflict, as it can have a moderate effect on growth and can stabilize societies (Hoeffler 2014, p. 81). This is significant, as the majority of armed conflicts nowadays take place in countries which have experienced a recent outbreak of collective violence. As well as supporting economic growth, development aid must aim to promote equitable distribution and social inclusion; otherwise, every-day and organized crime will become as much of a threat to society as armed conflict.

It is now almost impossible to imagine security policy efforts to stabilize war-torn societies without the UN's peacekeeping operations, which expanded considerably in the 1990s. In 2014, a total of 16 peacekeeping operations were being implemented, with 122,279 personnel from 128 countries and an annual budget of US\$ 7.06 billion (UN 2014a). Although the success of these operations is mixed – the war in Bosnia and Herzegovina 20 years ago and the still precarious situation in the Democratic Republic of the Congo are obvious examples – there is often no alternative to a robust presence of international forces after the signing of a peace deal or ceasefire agreement. The problematical cases are those in which no agreement is signed or external donors are unwilling to support implementation – a likely scenario in conflicts over secession and autonomy (Hoeffler 2014, p. 86).

In an increasingly multipolar world, UN peacekeeping is, of course, only one element among many. Widening the perspective to include non-military operations and those implemented by

**Figure 10: Military personnel predominate in peace operations worldwide**  
 Military, police and civilian personnel in peace operations (as at September 2014)



regional organizations shows that as well as the current 26 UN peacekeeping and political/peacebuilding operations, there are 17 EU missions, 16 operations led by the Organization for Security and Co-operation in Europe (OSCE), and various others led by regional organizations [see Figure 9]. Although there is still an overall predominance of military personnel, many diverse occupational groups are now involved in establishing and maintaining common security, and the operations themselves have become increasingly complex [see Figure 10].

### Strategies for acute threats and crises

It must be acknowledged, however, that the various peacekeeping mechanisms are often not enough to prevent acute outbreaks of violence. This is evident from the critical situation affecting the people of Syria in recent years. The ma-

ajor humanitarian crisis in Syria is partly the consequence of the stalemate in the UN Security Council. The Western intervention countries' excessive interpretation of R2P – a principle initially accepted by the international community – in the context of Libya caused considerable alarm on the part of Russia and other states, which fear that the protection of civilians in crisis could serve as a pretext for regime change. The resulting lack of cooperation among the major powers – alongside the strategies of extreme violence deployed by the conflict parties – is a major obstacle to a peace deal for Syria and regional stability.

Confrontational multipolarity also makes it more difficult to take concerted and resolute action against IS – a new type of threat which cannot be properly understood without reference to the 2003 Iraq intervention and the disintegration of Syria. However, IS is not just a regional phenomenon: it has also a new transnational dimension which reaches

far into European societies. IS's attraction, especially for young men who see themselves as marginalized and lacking prospects and whose impressionable minds are susceptible to power fantasies, is especially worrying. Certainly, security measures are needed to prevent these would-be recruits from travelling to conflict areas in the first place, or to closely monitor their activities upon their return. However, positive prevention is also needed, which must offer an alternative to radical Islamism. As well as social policy measures against marginalization and ghettoization, attractive role models are required, showing how Muslims with a migration background can identify as integrated and welcome members of a liberal and secular society.

The crisis in Syria is a challenge to European societies in another sense as well. These societies must play their part in alleviating the suffering of Syrian refugees, the main burden of which is currently falling on other regions (as with Afghanistan, Somalia, Sudan, Eritrea and Myanmar). The current refugee admission figures do not suggest that liberal societies are excelling themselves with their transnational solidarity and compassion. There is good reason why, in late 2014, many non-governmental organizations urged potential host countries to admit at least 180,000 of the most vulnerable people from Syria (FAZ 2014).

However, it would be futile to focus the debate on quotas and supposed limits to capacity. Instead, innovative approaches to refugee support are required. Accommodating refugees in container housing, large hostels or, indeed, under canvas in camps simply creates isolation, parallel worlds and

public resentment. However, judicious planning and appropriate funding would enable local authorities to allocate refugees locally among towns and municipalities, support their rapid integration into society by granting them work permits, and provide them with education and training in order to maximize their potential. When adopting this farsighted approach to fulfilment of obligations under the Geneva Convention on Refugees, it is important to bear in mind that many refugees are likely to remain in the host country for some time or even permanently, and that early recognition of this fact offers great opportunities for all concerned. Generous aid is, of course, also required for Syria's immediate neighbours to encourage them to keep their borders open.

### **Common security – an alternative to the logic of escalation**

The entrenched situation in Syria and the new threats posed by IS clearly show that major crises can only be overcome if key players in the multipolar world agree a cooperative approach. In parallel to the acute conflicts, the world peace order has a number of noticeable fracture lines with considerable conflict potential. They include the tensions surrounding North Korea, a nuclear state on the brink of collapse; the conflict over Iran's nuclear ambitions; the border tension between India and Pakistan, which escalated in early 2015; and, not least, geostrategic ambitions and expansion of naval capacities in the South China Sea. The Ukraine crisis not only challenges the European peace order but also has

devastating repercussions for cooperation in other regions.

The Europeans and, not least, the Federal Republic of Germany have a special responsibility to avoid a rerun of the Cold War. In this context, the concept of common security, initiated in 1982 by the Independent Commission on Disarmament and Security Issues under the chairmanship of the then Swedish Prime Minister Olof Palme, is more relevant than ever. In view of the destructive potential of nuclear weapons, security can only be achieved with, not against, others. And today, it could be argued that this is a prerequisite in identifying joint solutions to the key challenges – climate change, financial market stability and energy security – facing human relations and survival in a multipolar and increasingly interconnected world. The “return of geopolitics” (Mead 2014) is not an option. Instead, the fundamental insights that facilitated conflict transformation in the context of détente in the 1970s and 1980s provide guidance for the present:

- If conflicts over power or ideology appear to be insurmountable and solutions cannot be imposed on others, legitimate mutual interests must be identified within the framework of international law.
- The security dilemma, in which measures taken by the other side are always seen as a threat, can be mitigated through a network of cooperative relationships across various policy fields (security, economy, rule of law/human rights) and mutual concessions via package deals.
- When situations have escalated, communication should not ebb away.

Instead, it is essential for modifying behaviour to make it non-threatening to others.

In January 2015, the Commission on European Security and the Future of the Bundeswehr at the University of Hamburg’s Institute for Peace Research and Security Policy spelled out how this type of confidence-building can be initiated in relations between the West and Russia. It proposes a multi-stage conference project within the OSCE framework, involving both the governmental and the civil society level. Participants would initially outline their concerns about and contradicting views on the current situation and review developments over the past 25 years in a joint document. Instead of focusing on the other side’s mistakes, the primary aim is to reflect on areas where one’s own behaviour has caused difficulties. Based on the findings, a second round of the conference would draw up a policy document on pan-European security, with similar status to the 1975 Helsinki Final Act or the 1990 Charter of Paris. It would provide guidance on key issues such as prohibition of the use of force, sovereignty and self-determination, the involvement of non-state violent actors, relations between the state and civil society, and the institutional organization of peace and security in Europe (IFSH 2015, p. 6).

Such proposals may initially appear somewhat naive and give the impression that they implicitly accept past injustice. However, this criticism ignores the fact that there is no conflict between confidence-building and loyalty to principles. Ultimately, the only alternative to this approach is to submit to the

logic of escalation. However, that would be irresponsible, not only for Europe but also in view of the other fracture lines in the world peace order. Principles of common security – provided that they are adapted in line with regional circumstances and the reality of a multipolar world – can provide guidance here.

The principles mentioned above can help to build on the liberal peace of the 1990s, which should be promoted not in a triumphalist but in a reflective manner, with a view to its further development. At present, the rules, mechanisms and institutions established in this framework are not being called into question. Nor have the new actors on the global political and economic stage given any hint that they would prefer a completely new set of global governance rules, or that they have a particular interest in shaping relations such that one side's gain is another's loss. There is, however, considerable criticism of the selective application of rules and tools, of double standards, and of the lack of representation of non-Western countries and their populations in key decision-making bodies at the global level.

So in a multipolar world, in which the West no longer predominates, common security not only means taking account of the views and interests of others; it also requires shared decision-making and consensual practices (Payne 2012, p. 605). It is about a discussion, among equals, of the rules governing global relations and their renegotiation if necessary. Building bridges must take priority over entrenched thinking. Brazilian diplomats showed the way when, in late 2011, they proposed the concept of *responsibility while protecting* in response to the Libya intervention and strong criticism of R2P. Their document contains an explicit commitment to R2P, but emphasizes that its application must follow formal rules on authorization, scope and monitoring, in order to avoid its abuse for the purpose of regime change, for example. The West would be well-advised to respond constructively to such initiatives. This would create an opportunity to preserve some of the most important achievements of liberal peace, albeit reinterpreted for a pluralist – and not necessarily a post-liberal – world peace order in the 21st century.

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## Spotlight

### The Rise of “Islamic State”

The Arab Spring, which began with the ousting of Tunisia’s longstanding dictator Ben Ali in late 2010 and the toppling of Egypt’s autocratic President Mubarak soon afterwards, awakened hopes of a new beginning in North Africa and the Middle East. Decades of dictatorship finally appeared to be giving way to more democratic – or at least more pluralist – forms of government, driven by popular movements across the region. Jihadist and violent Islamist groups appeared to have been marginalized, for the peaceful revolutions in Tunisia and Egypt showed that a few weeks of non-violent protest by popular movements could achieve something that jihadist violence had failed to do in decades: it could topple dictatorships. However, the civil wars in Libya and Syria brought this trend towards more pluralism and greater freedom to an abrupt halt.

Since then, disillusionment has set in. Since 2014, the group known as “Islamic State” (IS) has dominated the debate. The focus of attention has shifted: away from peaceful protests, reforms and democratization, and towards political violence, war, terrorism, and religious extremism.

“Islamic State” evolved over a relatively long period of time, from the mid-1990s onwards, as a result of mergers or confrontations with other jihadist groups [Table 1]. Jordanian-born Abu Musab al-Zarqawi, who had gained experience of “jihad” in Afghanistan, played a key role. A leader of several of IS’s forerunner organizations, al-Zarqawi

pledged allegiance to Osama bin Laden and al-Qaeda in 2004 and renamed his group the Organization of Jihad’s Base (Qaidat) in Mesopotamia. It was often referred to as “al-Qaeda in Iraq” (AQI), although this name was not used by the group itself. From 2005 onwards, political conflicts over strategy in Iraq erupted with al-Qaeda’s central leadership under Osama bin Laden. Bin Laden’s deputy and later successor Ayman al-Zawahiri was particularly critical of AQI’s extreme brutality, arguing that this was damaging to al-Qaeda’s image among potential supporters. AQI rejected the criticism from al-Qaeda and refused to change its brutal tactics. Zarqawi was killed in a US air strike a few months later, and in 2006, AQI merged with several other jihadist groups in Iraq, forming the “Islamic State of Iraq” (ISI). This marked a new departure for the Iraqi branch of al-Qaeda: it no longer defined itself as a politico-religious group but as a “state” – albeit limited, for the time being, to Iraq. The move was opposed by other Salafist and jihadist groups on ideological grounds and because of intra-jihadist competition.

From 2006 onwards, organized resistance to AQI/ISI began to emerge in Anbar province and other Sunni Arab areas of Iraq. Former insurgents, Sunni tribes and some sections of civil society no longer regarded ISI as the lesser evil but increasingly viewed it as a brutal army of occupation, worse than the Iraqi Government and the US troops. As a result of ISI’s brutality and uncompromising

stance, many Sunni Arabs hunted down members of the al-Qaeda offshoot, killing many of its activists and fighters and passing intelligence to the Iraqi military and the US forces. ISI was rapidly and dramatically weakened, with the result that violence in Iraq decreased by 95%. A substantial increase in the size of the Iraqi security forces and the US troop “surge” reinforced this trend.

In April 2010, Abu Bakr al-Baghdadi took over the leadership of the enfeebled ISI. From summer 2011 onwards, ISI then expanded into Syria’s eastern regions following the outbreak of civil war. Abu Mohammad al-Julani, believed to be of Syrian origin and a close ally of Zarqawi and Baghdadi, became leader in Syria. With support from ISI, al-Julani set up the Nusra Front, whose formation was officially announced in January 2012. The Nusra Front soon became the most formidable insurgent group in Syria until the emergence of Islamic State.

In April 2013, ISI renamed itself the “Islamic State of Iraq and Syria” (ISIS); it was also known as the “Islamic State of Iraq and the Levant” (ISIL). At the same

time, Baghdadi announced the merger of ISIS and the Nusra Front under his leadership, on the grounds that Nusra had been formed and was financed and supported by ISI. Nusra leader al-Julani hotly contested the merger and vigorously rejected the claim that the Nusra Front should submit to Baghdadi and ISIS. In February 2014, al-Qaeda formally dissociated itself from ISIS, blaming strategic differences and the dispute with the Nusra Front and allying itself with Nusra. In June 2014, ISIS changed its name again, this time to “Islamic State”, and proclaimed a caliphate, underlining its claim to political and religious authority over all Muslims. Baghdadi was designated “Caliph Ibrahim”.

The proclamation of a caliphate is significant in three respects. Firstly, it is further evidence of IS’s claim, not just to strive for introducing a truly “Islamic State”, but to already *be* such a state. Secondly, like the historical caliphate, IS sees itself as the direct political and religious successor to Prophet Muhammad: in other words, it claims to be not just *an* Islamic state but *the* Islamic State for all true believers. And thirdly, as the

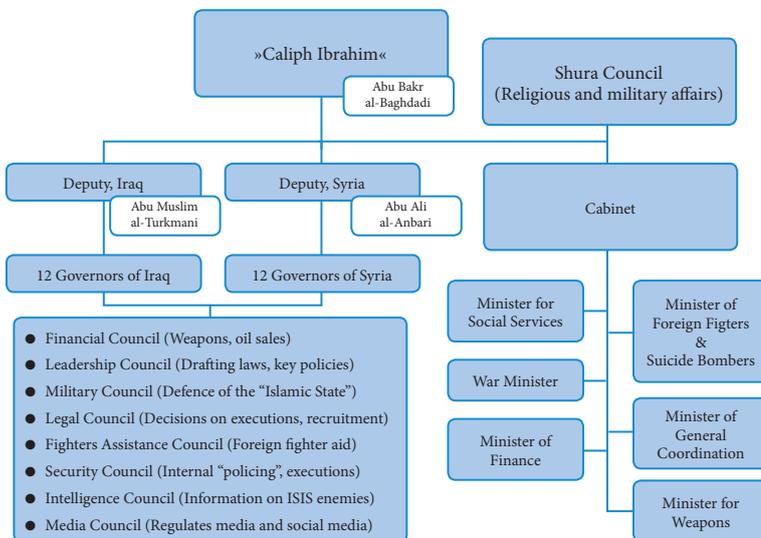
**Table 1: The emergence of Islamic State: timeline**

Mid 1990s	Bayat al-Imam (“Pledge of Allegiance to the Imam”)
1999	Jama’at al-Tawhid wal-Jihad (Organization of Monotheism and Jihad)
2004	Organization of Jihad’s Base in Mesopotamia, better known as al-Qaeda in Iraq (AQI)
2006	Islamic State of Iraq (ISI)
2013	Islamic State of Iraq and Syria (ISIS) (also known as Islamic State of Iraq and the Levant – ISIL)
Since 2014	Islamic State (IS)
Source: Author’s own compilation	

caliphate, it claims leadership over all Muslims and Muslim groups, organizations and states worldwide, with the new “Caliph of the Islamic State” demanding allegiance and obedience from all Muslims. Although global in scope, this particular claim was primarily targeted at al-Qaeda, ISIS’s jihadist rival. In the power struggle with al-Qaeda, IS not only refused to submit to al-Qaeda’s leadership; it also demanded the submission of al-Qaeda itself. In the feuding between the two jihadist organizations, only one – al-Qaeda – continued to define itself as a politico-religious organization; the other saw itself as a divinely ordained world state. In practice, this ideologically motivated claim to universal authority is limited to the MENA region, mainly Syria and Iraq, with some

recent advances in Egypt, Libya and Algeria. IS’s quasi-state structures exist only in Syria and Iraq [Figure 1] where, in just three years, IS has managed to seize control of large areas. Its system of government does not conform to the network structure characteristic of many jihadist organizations, but is hierarchical and tightly organized, albeit with some regional variations. IS has established its own legal system, intelligence service and general staff. It operates a tax collection system and has introduced a form of financial equalization between rich and poorer “provinces”. It provides social welfare services, has a propaganda department at “state” level and in each “province”, and has set up professional recruitment management and finance/accounting systems (Barrett 2014).

**Figure 1: Islamic State has established quasi-state structures in Syria and Iraq**  
Anatomy of IS



Source: Author’s own graphics, based on Al Hashimi 2014; Lister 2014; Thompson/Shubert 2014

Indeed, the quasi-state nature of its organizational structures and operations is one of the reasons for IS's efficiency and its ability to maintain control over vast geographical areas. If conditions change, however, this will be its Achilles heel. If its bureaucratic and hierarchical structure is significantly weakened or fragmented, IS is likely to splinter into numerous mafia-type factions and warlord structures, diminishing its authority and resulting in regional instability.

At present, Islamic State is the main rallying point for international jihadists. The vast majority of foreign fighters join IS, with the rest being spread among the various other jihadist groups. Around 12,000 foreign jihadists are thought to have gone to fight in Syria in the first three years of the conflict. According to the latest estimate (January 2015) by the International Centre for the Study of Radicalisation and Political Violence (ICSR), around 20,000 foreign nationals have joined Islamic State and other jihadist groups in Syria and Iraq (ICSR 2015). Most come from the Middle East, closely followed by the Maghreb and

North Africa [Table 2 and Box], but an estimated 3500-4000 Western Europeans are also thought to be fighting in Syria and Iraq. According to recent statements by Hans-Georg Maassen, President of the German Federal Office for the Protection of the Constitution, this includes some 550 fighters from Germany (Die Welt 2014). There are complex reasons for the large numbers of foreign fighters, with both push and pull factors coming into play. The push factors relate to social and political conditions in the countries of origin, which have proved conducive to jihadist radicalization. These conditions often are secular in nature and include alienation and a failure to integrate in European societies, but they may also lie in the fascination that violence exerts for some young men searching for an identity. The mechanisms of radicalization are similar to those experienced by Europe's right-wing extremists, despite being expressed in a different ideological framework. Three main pull factors can be identified: the desire to participate in what is perceived as a "just" struggle, like

### **Jihadist fighters: checking the figures**

Obtaining valid and verifiable data during armed conflicts is often difficult, and this is particularly the case with conflicts involving jihadism/terrorism. Independent casualty figures and numbers of jihadist fighters are almost impossible to obtain. Figures are exaggerated or understated, suppressed or manipulated, and are often based on information provided by the conflict parties themselves, which rarely qualify as reliable sources. In many cases, figures are extrapolated or estimated from fragmentary information, and the baseline data and methodology applied to derive these estimates are often unclear. This type of quantitative data can convey an impression of numbers or an overall trend, but must be treated with caution.

fighting against Syrian dictator Bashar al-Assad; IS's ideological claim to global authority over all Muslims, which sets it apart from other groups; and its record of success: clearly, it is more appealing to join a successful and victorious group than others which appear to be in stasis.

Despite the successes achieved by IS in mid-2014, there are some signs that its state-building endeavours have already peaked. Like its predecessor ISIS, IS has a tendency to alienate its actual and potential power base (Sunni Arabs

in Syria and Iraq) through its excessive brutality. As a result of IS's massacres of Sunnis and other groups, some signs of nascent armed resistance among Sunnis in the area under IS control can already be observed. If this increases, it will spell the end for jihadist attempts at state-building, for if IS alienates its main supporters, the Sunni Arabs, it stands no chance of prevailing in a conflict against Shiites, Kurds, smaller minorities and the US-led international coalition.

**Table 2: Estimates of Foreign Terrorist Fighters in Syria and Iraq**

Region	Country	Foreign Fighters	Totals
Middle East/ North Africa	Tunisia	1500-3000	
	Saudi Arabia	1500-2500	
	Morocco	1500	
	Jordan	1500	
	Lebanon	900	
	Libya	600	
	Egypt	360	
	Algeria	200	
	Israel/Palestinian Territories	120	
	Yemen	110	
	Sudan	100	
	Kuwait	70	
	Qatar	15	
	United Arab Emirates	15	
Bahrain	12	<b>8502-11002</b>	
Western Europe	France	1200	
	United Kingdom	500-600	
	Germany	500-600	
	Belgium	440	
	Netherlands	200-250	
	Sweden	150-180	

Region	Country	Foreign Fighters	Totals
	Spain	50-100	
	Denmark	100-150	
	Austria	100-150	
	Italy	80	
	Norway	60	
	Ireland	30	
	Finland	50-70	
	Switzerland	40	<b>3500-3950</b>
Rest of Europe/ Eurasia	Russia	800-1500	
	Turkey	600	
	Uzbekistan	500	
	Turkmenistan	360	
	Bosnia	330	
	Kazakhstan	250	
	Tajikistan	190	
	Kosovo	100-150	
	Kyrgyzstan	100	
	Albania	90	
	Serbia	50-70	
	Ukraine	50	
	Macedonia	12	<b>3432-4202</b>
Rest of World	Pakistan	500	
	Australia	100-250	
	China	300	
	Canada	100	
	United States of America	100	
	Somalia	70	
	Afghanistan	50	
	New Zealand	6	<b>1226-1376</b>
			<b>16660-20530</b>

**Note:** The above table shows the estimated figures for 2014 provided by governments and national security agencies, etc. These figures may vary, depending on the source.

Source: Based on Saltman/Winter 2014, p. 45; updated data from ICSR 2015

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Jochen Hippler

Translation: Hillary Crowe

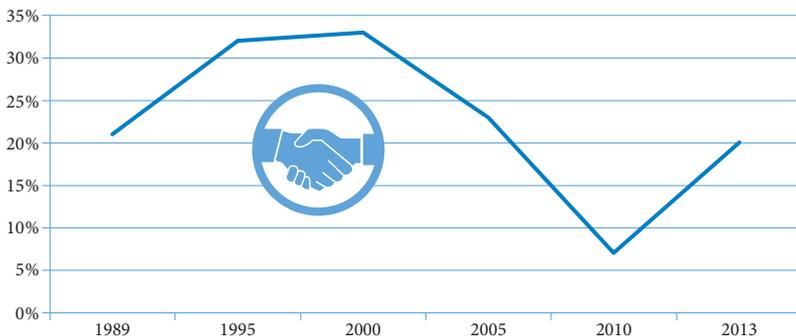


## Global Trends of Peace Negotiations and Conflict Mediation

Mediation has been seen as a powerful way of trying to address some of the most pertinent problems of our time: the prevalence of civil wars and other forms of armed conflicts. In the last years, there has been a great expansion of mediation initiatives around the world. Despite the impression of a rise in mediation efforts, international mediation is still under-utilized as a method of conflict resolution. In fact, contrary to what one might expect given the growth of actors and engagements in the peace mediation field, the proportion of mediated conflict remains relatively low, and we cannot detect an increase over time. This is shown by an analysis, which includes all armed conflicts over the last two and a half decades, where at least one side of the warring parties was the government. In other words, given the emphasis on mediation in the last years, it may come as a surprise that only a minority of conflicts are permanently mediated over time, and that there is no discernable increase in the number of conflicts being mediated constantly. Hence, there is still plenty of room for third party engagement. Yet, the distribution of mediators is highly skewed if seen from a global perspective, and more attention needs to be paid to mediating in regions that do not usually receive mediation or in conflicts that mediators tend to avoid.

**Figure 1: International mediation is still under-utilized as a method of conflict resolution**

Percentage of mediated conflict dyad years\*, 1989–2013



\*conflicts separated by year and single pairs of actors

Note: Sample includes all armed conflicts where at least one side of the warring parties was the government.

Source: Authors' own graphics, based on UCDP data

## The unfulfilled need of international mediation

International mediation initiatives have increased around the world, such as the United Nations' establishment of a Mediation Support Unit. Recently, a group of EU and European countries has created a new entity, focused on the enterprise of international mediation, the European Institute of Peace (EIP). The African Union (AU) and other regional inter-governmental organizations have developed various institutional mechanisms as well (Lundgren 2014). There is now a plethora of peace-oriented civil society organizations – Crisis Management Initiative (CMI), International Alert, and Asia Foundation, to mention a few – that are involved in peace mediation efforts in areas of armed conflicts and political violence. Several countries, including Norway, Finland, Switzerland, Turkey, and Malaysia, also aspire to play critical roles in peace negotiations bringing armed conflicts to peaceful ends.

Previous research recognizes the growth of actors on the international mediation scene. In an influential article, Crocker, Hampson and Aall (Crocker et al. 2001) even described the mediation field as “A Crowded Stage”. Are there too many potential mediators active in trying to bring about negotiated settlement

to armed conflicts and violent crises, with the risk of chaos, coordination problem and forum shopping? Are mediators simply becoming too numerous?

We question this. By contrast, we claim that during the time-period 1989 to 2013, the number of mediated conflict years have been slightly decreasing, just to increase over the very last years [see Figure 1]. With the proportion of mediated conflicts ranged between 33% in 1995 down to just 7% in 2010 of all active conflict dyads, we suggest that there is still plenty of room for third party engagement. Yet, as we will see below, the distribution of mediators are highly skewed if seen from a global and general perspective and more attention needs to be paid to mediating in regions that do not usually receive mediation or in conflicts that mediators tend to avoid. Thus, comparing the growth of mediation actors to the conflict (separated by years and actors involved), which were actually mediated, it seems that there is an asymmetrical degree of attention being paid to some type of so called armed conflict dyads (see below), whereas many others are left un-mediated: a lacuna in mediation engagements that needs to be filled.

## What is mediation, and how do we know when we see it?

Mediation can be defined as “a process of conflict management where the disputants seek the assistance of, or accept an offer of help from, an individual, group, state or organization to settle their conflict or resolve their differences

without resorting to physical violence or invoking the authority of the law” (Bercovitch et al. 1991, p. 8). We can differentiate between two major mediation levels. One focuses on short-term cease-fire agreements immediately decreasing

the loss of lives, while the second aims at more extensive agreements to peace processes (DeRouen/Bercovitch 2012, p. 67). This broad understanding of mediation hence includes various diplomatic initiatives trying to negotiate with both sides in a conflict: including provided good-offices, facilitation of talks, and shuttle-diplomacy, that is, efforts to mediate between the parties when they are physically separated.

To find out more about the number of mediated conflicts, conflicts are separated into *conflict-dyad years*, which allows us to look at several conflicts in the same year, and potentially in the same state. Instead of looking at the whole conflict or at all conflicts in one year, we assess conflicts separated by year and actors – hence by conflict dyad year. The advantage of this is that we can take variation between different rebel-groups (and their specific relationship with the government) into account. In

any given conflict dyad year we, among others, measure whether mediation took place or not, and identify mediators. By measuring conflicts in terms of conflict dyads, we can better capture the broader range of conflicts within different contexts, than if we had examined conflicts without distinguishing between various rebel-groups within the same conflict. But as we here are focusing on mediated dyads (followed over time), rather than on the number of mediation interventions, our analysis looks different than in some other studies (e.g. DeRouen/Bercovitch 2012). With the data presented we do not aspire to explain success in international mediation (see e.g. Bercovitch/Gartner 2006), the focus is rather on mapping and describing the occurrence of mediation.

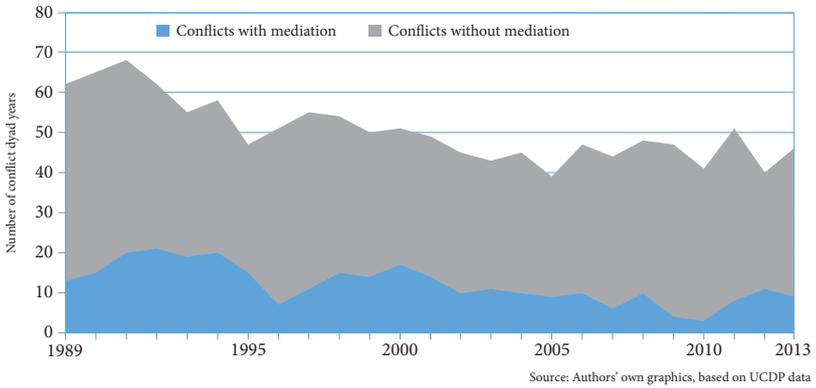
Before we proceed, we should mention some limitations in our analysis. First, we examine only official – Track I – mediation efforts, where third parties

### The Uppsala Conflict Data Program

The Uppsala Conflict Data Program (UCDP) is a world-leading data-source on political violence and armed conflicts (<http://www.pcr.uu.se/research/UCDP>). Since the 1970s the UCDP has systematically gathered information on worldwide violent conflicts, where at least one actor resembles the state. It continuously gathers data on various dimensions of conflicts dating from 1946 to the present. This information ranges from conflict histories with details on conflicts parties and changes over time to, among others, resolution attempts and conflict dynamics.

We use the UCDP to extract information on third party mediation in state-based armed conflicts, with “armed conflict” taken to imply at least 25 battle-related deaths per calendar year, and “state-based” meaning that at least one of the sides in conflicts is a government of a state. The UCDP forms the basis of our analysis by allowing us to, both, get an overview of *all* as well as a detailed understanding of *each* conflict.

**Figure 2: The number of mediated conflict dyads has not risen over the past 25 years**  
Distribution of mediated and non-mediated conflict dyads, 1989–2013



are actively working with the primary parties in conflicts and their representatives. We therefore do not include various forms of Track II – informal or secret processes – primarily because the ability to get systematic data on these patterns is very problematic. Our source is the information on *third parties, negotiations, and third parties to peace agreements* found at the UCDP's *Conflict Encyclopedia*. Second, we examine as our basic unit of analysis conflict-dyad-years, that is, relationships with governments disaggregated into different rebel-groups. Third, we focus on the post-Cold War period, that is, the time period from 1989 to 2014.

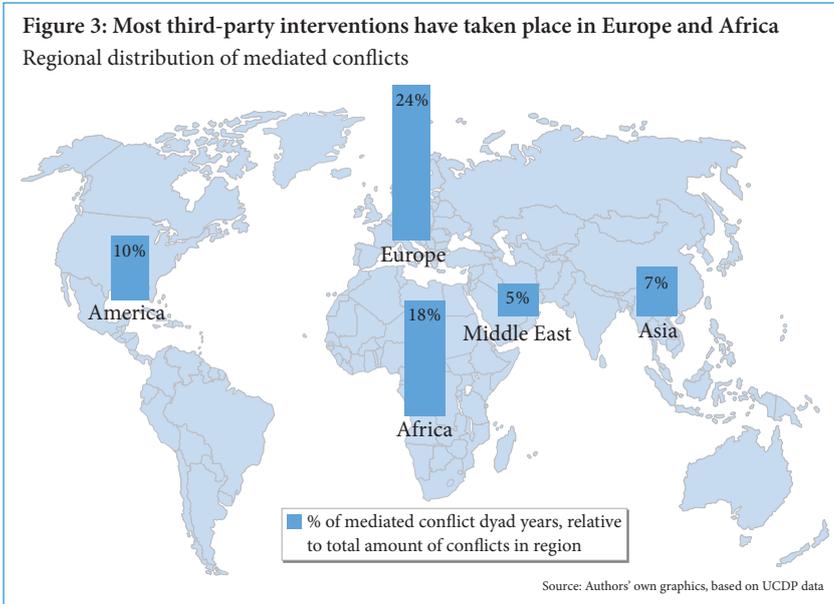
### Is mediation increasing?

When examining mediated conflict-dyads, we see that their total number has not risen over the past 25 years [see Figure 2]. This is represented in the blue field of the graph in Figure 2, as it visualizes the share of mediated conflicts.

Beginning the documentation in 1989 moving towards 2013, the upper grey field demonstrates the absolute number of conflicts in each dyad year. The graph identifies a fluctuating pattern of conflict dyad years as well as its proportional frequency of mediation. As we can see, there is no evident trend of increasing relative mediation occurrences. This should not be interpreted as signalling that mediation overall has not increased, but that the mediation is highly skewed and that most of today's conflict dyad years do not receive third party mediation.

### Where do mediators go?

Over the past 25 years an average of 11% of the total conflict dyad years have experienced mediation. The total number of conflict-dyad-years during this time-period in the UCDP data is 2700. 302 of those conflict dyad years were mediated. Most third-party negotiation has taken place in Europe with nearly 25% of their



total conflict dyad years being facilitated [see Figure 3]. Last, the Middle East has had little over 5% percent of their conflict dyad years mediated, which is nearly five times less mediation attention than Europe has gotten.

What does this empirical track record reveal? Three points should be mentioned here. First, the distribution of mediation is highly skewed. Mediation does not occur randomly in conflicts, and is not represented in a way that represents the distribution of armed conflicts. In fact, some regions are, as we have also seen in the data presented here, “over-mediated” whereas others are “under-mediated” (Greig/Diehl 2012). Second, the reason for this selection pattern can be explained in two different basic ways. It can be because the demand for mediation services by parties in conflicts may be lower in some regions than in others. For instance, it

has been suggested that countries in East Asia have been particularly sensitive to encroachment on their national sovereignty and therefore quite reluctant to engage external mediators in their conflicts (Weissmann 2009). Yet, it may also be explained by more supply-side factors, upon which mediators tend to select conflicts that they have most interest in to engage themselves in. Given that several of the mediating organizations as well as peace-profiled countries are based in Europe, this may help to explain some of the regional pattern we can see. Since we have not disaggregated offers and requests of mediation in this study, we cannot determine which of these ways that carries the most heavy-lifting in terms of explanations. Most likely, the skewed distributions of mediation practices are due to a combination of demand and supply of international mediation for respective areas.

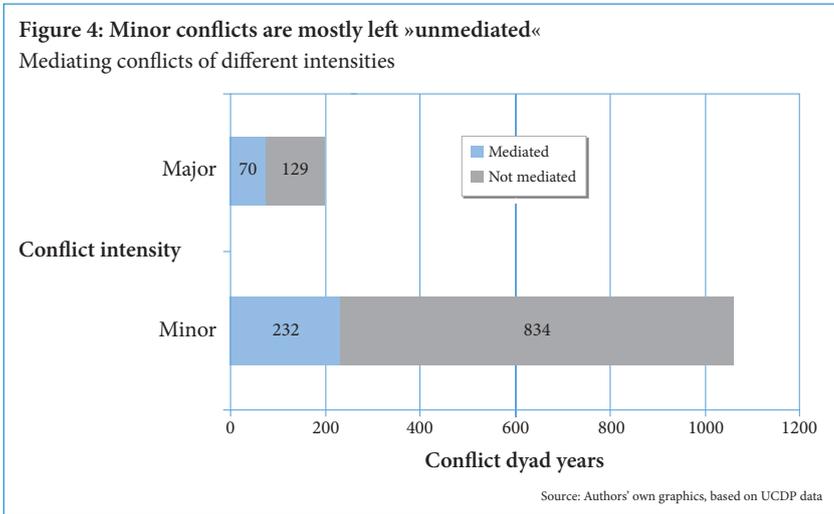
## Which types of conflicts are mediated and which ones are not?

We have argued that some regions have had more mediation attention than others. The following analyses will show that the kind of conflict has a great impact on the degree of mediation it experiences. We will refer to conflict types, intensities, and incompatibilities to highlight which conflicts have experienced more mediation than others.

We look at four types of conflicts, which helps identify patterns of mediation. The distribution of conflict types appears to be as uneven as their proportions of mediation. While there were only two extra-systematic or also called anti-colonial conflict dyads none of them were mediated. The second smallest group is interstate conflicts, of which 52% of its dyads have been mediated. Despite the fact that internal conflicts resemble the largest group of the conflict types, only 22% of its dyad years were mediated. We have also separated internationalized internal conflicts, which refer to intrastate conflicts with foreign military intervention. There were 170 of those conflict dyad years, and even though this quantity is much smaller than internal conflict dyads, it has still had more mediation attention with 32% mediated dyad years. To sum up, conflicts with international affiliations, such as interstate and internationalized internal conflict dyad years have had more mediation than extra-systematic or internal conflict dyads. This is especially intriguing as the number of internal conflict dyads exceeds the accumulated dyad years of all other conflict types by far. Result-

ing, this may suggest that some conflicts are more appealing to international mediators than others possibly resulting from the internationalized scope of the conflict (DeRouen et al. 2011, p. 668). There are several features that differentiate internationalized conflicts from others. As a result, they inherit different demand-supply dynamics, which may potentially favour mediation. First of all, the conflict already has international involvement, which could mean that the hesitance of warring parties to agree to an international actor mediating might be lower. Second, an internationalized conflict gets more attention in general, which puts the conflict into an international spotlight. Third, internationalized conflicts are generally at a higher level of intensity (partly because of the fact that more resources are poured into the conflict), which creates higher incentives for settling the conflict through mediation.

An additional characteristic of conflicts, which seems to impact mediation efforts, is the conflict intensity in each dyad year. Hence, we have disaggregated each dyad year into major and minor conflicts. The threshold for this distinction is based on the number of battle-related death. We speak of a minor conflict as soon as it involves more than 25 but less than 1000 battle related death. As soon as the number of casualties exceeds 1000, we refer to a conflict with major intensity. Even though there have been less major conflicts over the past 25 years, this kind of conflict has had more mediation attention [see Figure 4]. A total of 35% of conflict dyad years with major intensity, and merely 22% with minor intensity have been mediated. Although one might think that the larger

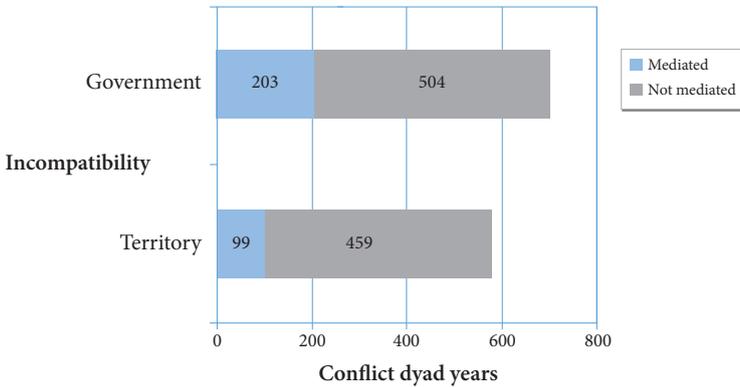


quantity of minor conflicts would result in more mediation attention the contrary appears to be true: those conflicts with most losses are most mediated. This can be due to two reasons. Either, there is more international interest in resolving major conflicts, which results in more mediation supply. The higher number of lives lost in major conflicts seems to make this kind of conflict a priority for the international audience. Alternatively, the demand for mediation is bigger in those conflicts. The theories of “ripeness” (Zartman 1995) suggests that increased costs of conflicts usually should be associated with a broader willingness to seek alternative routes and thereby a willingness to engage in mediation efforts. War is costly, and the warring parties do not have endless resources to wage it. Every day spend on war, puts lives at risks and increases military expenses. These increased costs in the transition from minor and major conflicts may alter the parties’ willingness to engage in mediation, as the need

for an end to violent conflict becomes more evident. An example of a change in mediation demand and supply can be found in the conflict between the Liberian government and the Liberians United for Reconciliation and Democracy (LURD) in the second Liberian civil war from 1999 to 2003, where in the last year of the conflict the intensity increased and mediation occurred at the same time.

Moreover, mediation varies according to the primary incompatibility of the conflict [see Figure 5]. When we differentiate between conflicts over governments, and conflicts over territory we see that, in sum, there are more conflicts over governmental rule than there are over territory. As an example of a *territorial* conflict, one could mention the ethnic conflict in Myanmar that is fought by the Kachin Independence Organization (KIO) and the government of Myanmar: initial fighting took place from 1961 to 1992, and a re-emergence of the violent insurgency is reported

**Figure 5: Mediation has been concentrated on conflicts over governmental rule**  
Mediation according to issues at stakes



Source: Authors' own graphics, based on UCDP data

in 2011. Once clashes resumed, China took on the role as the only mediator to ever have fostered talks between KIO and the government. Even though there were multiple attempts by China to get warring parties to discuss settlements, conditions were incompatible. While the KIO held on to a ceasefire made in 1994, which agreed on expelling Burmese troops, the government affirmed their interest in remaining in the Kachin State, which is situated at the Northeast at the border to China. A *governmental* conflict can be found in India. Since 2004, the Communist Party of India-Maoist, whose explicit aim is to change governmental regime over the whole state, has been in armed conflict with the government. They emerged from two anti-government insurgents, which had already been fighting towards governmental change for years.

Besides the uneven number of conflicts according to their incompatibility, there is also an unequal distribution of mediation among cases. Mediation

has been concentrated on conflicts over governmental rule. The explanation for this asymmetry is yet to be identified, but speculatively is possible to point out the intractable nature of territorial conflicts as a reason for why many of these conflicts tend not to be amenable to international mediation or even open for mediation attempts. Further analyses have shown that thus far mediators tend to be more involved in conflicts with governmental incompatibilities not only in absolute numbers, but also in relative proportion. In fact, 29% of conflicts over governmental rule, and merely 18% of conflicts with territorial incompatibilities have seen mediation.

Keep in mind that finding a suitable mediator often results from a cost-benefit analysis the conflict parties undergo. Neither of them wants to give up too much power by involving a mediator that might favour the other side. Hence, besides finding a mediator to make an offer it is just as difficult to have all the conflict parties to accept the offer. The

following illustrative cases emphasize different levels of mediation once the mediator has been accepted. At the same time, we present different conflict types, intensities, and incompatibilities. Ending the civil war in Syria has had great attention, yet mediation proved difficult resulting in ongoing fighting between the government of Syria and multiple Syrian insurgents. Several UN-Arab League appointed special envoys, such as Kofi Annan and Lakhmar Brahimi, have tried set negotiations between belligerent parties – without major success. Both have resigned their activities after stagnation seemed persistent. Since July 2014 Staffan De Mistura has taken up the role as the new special envoy to Syria hoping to convince warring parties to participate in peace negotiations by building locally based areas of cease-fires and peace arrangements, as the basis for the future.

Oftentimes, mediators face multiple simultaneously occurring conflicts in just one country. This poses an extremely difficult challenge to the third party, as to decide whom to include in possible peace talks (Cunningham 2006, 2011; Nilsson 2012; Paffenholz 2014). An example of various warring parties took place in South Sudan in 2012. Since its formal independence in 2011, its political landscape has been dominated by conflicts with several insurgent forces as well as battles at the border to Sudan. In 2012 a peace agreement was reached between South Sudan and Sudan, which was the result of negotiations especially fostered by the African Union High Level Implementation Panel and Ethiopia. Nonetheless, internal conflicts with more than three opposition groups

are still ongoing, as the conflict about power and resources with the government remains, and mediation efforts are lacking.

Particularly difficult can multi-party mediation efforts be, when external actors are engaged in supporting one of the sides in conflicts. The Organization for Security and Co-operation in Europe (OSCE) has made it its goal to promote dialogue between warring parties over the Crimea and the situation in Eastern Ukraine, after a revolt had turned into violent hostility and an international crisis. This conflict has had great international attention, as parts of the population support a Russian regime, and other parts aim at remaining Ukrainian. Earlier in 2014 a diplomatic deadlock was likely, as negotiations were predominated by threats and sanction between Russia and the US. Finally, OSCE observed peace talks in the beginning of September 2014 leading to a ceasefire, deliveries of humanitarian aid, and an exchange of prisoners. Belarus had been hosting talks by Russia, the Ukraine, and the OSCE, as in the month prior to the talk it had reinsured its neutrality in the conflict. Overall, we know from previous research that neutrality is not a crucial factor in international mediation. In fact, biased mediators are commonly engaged in peace processes, and are sometimes more successful than strictly neutral ones. Nevertheless, unbiased mediators may have particular resources to add to peace processes, and hence, the academic debate about the relative merits of unbiased versus biased mediators is an important and ongoing one (Svensson 2015). It is in Belarus' interest to continue to be a safe space for negotia-

tions, and remain this neutrality, as it is economically and politically connected to both the Ukraine and Russia. After months of violent clashes and peace talks, a ceasefire was finally reached, where the Ukraine and pro-Russian rebels agreed to lay down weapons. Yet, the ceasefire, even though a potential step towards peace, has not shown to be respected, and a robust peace remains elusive in Ukraine.

Finding a suitable mediator is more difficult in some conflicts than in others (Greig/Regan 2008), as conflicts present unique settings of factors not every mediator is able to take into consideration. One of the biggest challenges for conflict resolution can be found in the Israel-Palestine conflict, as it is characterized by decades of fighting, and a political landscape consisting of disunity, and deadlock-like agendas. State-formation conflicts tend overall to be intractable, and the conflict in Israel-Palestine is a particularly intractable one, given the high levels of international political support on both sides, as well as high levels of intra-party tensions. Most recently, violent outbreaks in Gaza demonstrate the urgent need to manage conflict and resolve underlying issues, as despite the international attention the conflict has thus far experienced lasting agreements as unreachable. Among others, Qatar and Turkey offered to mediate a ceasefire. Israel and the US were sceptical towards this initiative, because Qatar and Turkey have close relations to Hamas and aim at establishing regional legitimacy of Palestine. Egypt had already held peace talks, which led to a ceasefire in 2012. Nevertheless, the situation of Egypt regarding

international power structures has since changed, as the country had distanced itself from Hamas. After President Mohammed Morsi was replaced through a military coup, the government of Egypt grew closer to Israel. Egypt became a mediator as it had more leverage and hence influence than Turkey and Qatar. As talks continued Egypt managed to include demands of both sides resulting in an agreement. It meant the beginning of Gaza's reconstruction, and a partial easing of the blockade with an Israeli supervised lifting of restrictions on Gaza travels and trades.

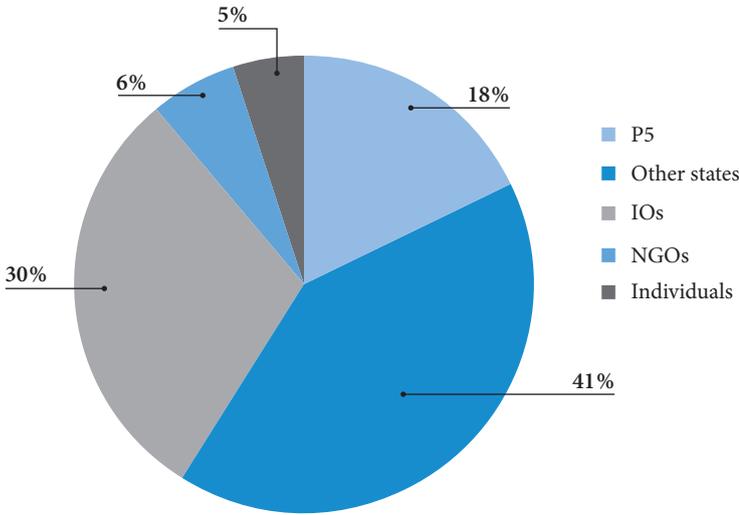
### **Who mediates?**

In order to answer the question of who the mediators are, one can distinguish between different types of actors and the proportion of mediation they have undertaken [see Figure 6]. The varying reasons for why conflict actors accept mediation offers by different types of actors has to do with the anticipated costs for continuing conflicts, the prospects of a negotiated settlement, the resources (including information, and third party guarantees) that a prospective mediator can bring to a conflict setting, as well as side-reasons not necessarily related to quests for peace.

An actor is included in one of the categories based on their primary affiliation with an organization or government, and if there is no primary affiliation as individuals. P5 refers to the five great powers: China, Russia, France, the US, and the UK. Here, international governmental organizations (IGO) are understood as collaborative efforts

**Figure 6: States and international organizations (IOs) are the leading actors in mediation**

Mediation by different types of actors



Source: Authors' own graphics, based on UCDP data

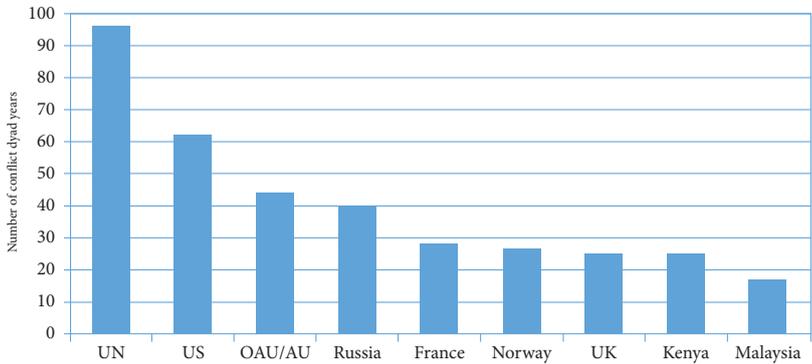
between governments of several states. Famous examples of this are the UN, and the EU. Organizations without any governmental affiliation (NGO) are spoken of as soon as they involve purely non-state actors.

Interestingly, some countries or IGOs are very active in mediation. Across the total conflict dyad years, in which mediation appeared, the most prevalent mediator is the UN, which has played key roles in several conflicts [see Figure 7]. UN mediation was for example present in all mediated years in the conflict between the governments of India and Pakistan over the Kashmir region – meaning that in the three years mediation took place in this conflict dyad the UN participated. The US has also been a frequent actor, as it has made second most mediation. The US Secretary of State John Kerry has for example

recently mediated between Afghanistan's 2014 presidential candidates, as they negotiated a political agreement on how to proceed after the democratic election. The AU has mediated approximately half as many cases as the UN. In 2013 the organization together with the US, the UN, and the EU has witnessed peace negotiations in DR Congo, where the primary goal was to resolve conflicts between the government and the rebel group M23. The government of DR Congo faced this violent insurgency in the eastern part of the country, whose aspirations concentrated on the implementation of the peace agreement from 2009. This negotiation process shows the inter-play between the battle-ground and the negotiation table: the peace settlement was reached after the rebel-group suffered defeats on the battle-fields. At the end of the Kampala talks in December 2013

**Figure 7: The UN is the most active mediator**

The most prevalent mediators, 1989–2013



Source: Authors' own graphics, based on UCDP data

both parties signed separate declarations on earlier agreements, among others allowing combatants if found not guilty of any crime to re-join the Congolese Army or the police.

Norway is positioned sixth most mediating nation and has been an active peace mediator for years. The so-called Oslo-channel in Israel-Palestine, leading up to the Oslo Agreement of 1993, put Norway on the map as a leading peace mediation nation, and the ambition to have a prominent role in peace attempts have ever since been a clear ambition in Norwegian foreign policy. For instance, in 2005 and 2006 it has among others put efforts into solving internal conflicts in Colombia, where Norway together with multiple other countries fostered negotiations between the government and the National Liberation Army (*Ejército de Liberación Nacional*, ELN). Despite Norway's efforts for the parties to start negotiations for example in 2013, the government instead focused on talks with the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas*

*Revolzionarias de Colombia*, FARC). Norway has also played a role in this conflict dyad, together with Cuba in the peace negotiations between the government of Colombia and FARC, which is heading towards a negotiated settlement to the intractable conflict in the country.

Another country worth mentioning is Malaysia, a country that mediated the comprehensive agreement on the establishment of the Bangsamoro- entity in the Southern Philippines – an agreement that may finally put an end to the conflict between the government of the Philippines and one of the main Muslim-dominated rebel-groups, the Moro Islamic Liberation Front (MILF). Malaysia was the main mediator in this peace process, but did also collaborate with an international consortium of countries and organizations that actively supported and engaged in the peace negotiations. The agreement of 2014 in the Philippines represents a milestone in this particular conflict history, but it is has wider implications as well. The parties in the peace process, stewarded

by Malaysia, created an innovative peace architecture by its combination of countries and organizations that complemented each other in the efforts to bring the primary parties closer to a settlement of the conflict. The peace process is also noteworthy, because it engaged quite a lot of high-profile women as negotiators, whereas women participation in peace attempts on the higher levels are largely absent and missing generally and globally. The peace process in the Philippines is also quite extra-ordinary

and with important wider ramifications since it shows the potential of creating negotiated peace with jihadists – militant Muslim groups fighting for a sacred cause. Note, however, that the possibilities to generalize to other jihadist conflicts from the MILF-peace process needs to be caveated by the fact that religion did play a relatively minor role in the whole MILF conflict, if compared to other Islamist insurgencies around the world.

## Conclusion and policy-recommendations

In the light of the empirical data that we have presented above, what seems to be the main challenges facing mediators nowadays?

First, with many actors on the international mediation scene, the need for coordination and collaboration between third parties has increased. Instead of potentially working against one another, or overlooking the other's efforts, one could increase the quality of overall mediation, and cover more conflict dyads by combining resources, and knowledge. We hence agree that "any offer of mediation is better than no offer" (Greig/Regan 2008, p. 779). Nonetheless, it is also important to point out that just because mediation is offered it does not necessarily have to be accepted. One way of increasing the likelihood of accepting mediation is to have the right kind of mediator making the offer (Greig/Regan 2008, p. 779). Having the supply side of mediation work together, they could better cater the demands of the warring parties. On the long run this would lead

to a better distribution of the mediation supply, and avoid over- and under-mediated conflicts.

Second, in terms of active rebel groups, there is still a quite substantial gap between those that are mediated, and those that are left to fester. There is room to develop and spread mediation attempts more broadly to bring armed rebel-groups and governments fighting armed conflicts to settle their disputes. There are several reasons why third party mediation in intra-state conflict is problematic, and mediators have thus far been hesitant to actively engage in facilitating talks. This is among others due to the nature of intra-state and foremost asymmetric conflicts, as they pose an extraordinary challenge to mediators. Generally, there is less international attention for intra-state conflicts, and their need for mediation. Furthermore, interfering might be considered as questioning the state's sovereignty, which puts mediation into a bad light in the first place. Therefore, more attention

and caution is required, when dealing with fighting between rebel groups and governments, in order to meet their mediation requirements.

Third, we have seen that mediation is quite skewed in its geographic distribution. Hence, there is a need to pay more attention to conflicts that are currently left unmediated. Importantly, several of these conflicts are jihadist and/or religious conflicts. These remain challenging for the international community, in particular because they include actors and individuals with such extreme positions that negotiation attempts are possibly meaningless. However, it is not certain and should therefore not be ruled out that there are possibilities to find accommodations with sections or factions of jihadist groups, which are more open for dialogue and negotiations. The historical track record of negotiations and peace agreements show that if there are religious issues at stake

the chances for negotiated agreements are decreased significantly (Svensson 2007, 2012). Yet, there are also cases in contemporary times when Islamist and jihadist militants have settled for accommodation or negotiated agreements, including cases from the Philippines, Tajikistan, Indonesia (Aceh), Sudan, and Iraq (Svensson 2012; Svensson/Harding 2011). Overall, the international community, including organizations such as the United Nations, needs to develop their instruments of, and approaches to, conflict resolution – in terms of how to identify potential moderates that can be negotiated with, to identify underlying interests as basis for negotiations, and to develop methods that combine pressure to end conflict with dialogue about solutions – in order to among others meet the contemporary jihadist challenge, and to engage more actively in other conflicts that are currently not in focus of our attention.

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Isak Svensson,  
Monika Onken



## Spotlight

### Territorial Reorganization – An International Challenge

According to the provisions of the United Nations Charter, territorial changes may take place only by agreement between the states concerned, without the use of force (Article 2 (4): Prohibition of the threat or use of force). The classic regime of international law which recognized annexation as conferring title to another state's territory was thus abolished in 1945. The concept underlying the UN Charter is that of a world peace order. Nonetheless, in the seven decades which have passed since its adoption, numerous territorial changes have taken place.

The main catalyst for this process was the right of self-determination of peoples, which found normative expression primarily in UN General Assembly resolution 1514 (XV) on decolonization (1960) and Article 1 of the two human rights covenants (1966). The aim was to end colonialism, which was achieved through a truly revolutionary process of liberation that concluded, broadly speaking, with Namibian independence in 1990 and the abolition of apartheid in South Africa in 1994. Today, there are very few colonies left. The majority of territories which retain some form of colonial status are governed by the United Kingdom and are too small to be viable as independent states.

Parallels to the ending of Western colonialism can be observed elsewhere, notably in the collapse of the Soviet Union and its transformation into the Russian Federation (1991), which resulted in independence for the Baltic

states (Estonia, Latvia and Lithuania), Moldova and the republics of the Caucasus and Central Asia (Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan). The Moscow leadership was also willing to grant genuine independence to Ukraine and Belarus, which until then had merely enjoyed a quasi-autonomous status.

Mutually agreed territorial adjustments between sovereign states have remained a rare occurrence to this day. The prime example is the dissolution of Czechoslovakia, which split into the Czech and Slovak Republics in 1993. Montenegro peacefully withdrew from the federation with Serbia in 2006. The accession of the German Democratic Republic (GDR) to the Federal Republic of Germany in 1990 was achieved after the Four Powers renounced all rights they had held over Germany since the Second World War ended and occupation began in 1945. In the UK, a referendum admitted by the British Government in September 2014 failed to produce a result in favour of Scottish independence.

Other territorial changes in Europe and Africa have generally been the outcome of lengthy conflicts, often involving force of arms. As a rule, the nations striving for secession have invoked the right of self-determination, which has thus acquired a non-colonial dimension. However, some minorities – the Kurds being one example, Russia's Chechen population another – have never been

recognized as nations with a right to self-determination and independent statehood. Indeed, if this right were applied universally, it would spell the end for every multiethnic state. Secession acquires legitimacy only if it takes the form of remedial secession born out of a crisis sparked by a government's structural discrimination against a particular ethnic group. Most territorial changes nowadays are the outcome of conflicts in which national groups resort to remedial secession as a way of exercising their right of resistance. After the collapse of

communism in Central and Eastern Europe, for example, it proved impossible to maintain the cohesion of ethnically diverse Yugoslavia as a unified state. In June 1991, Slovenia and Croatia became the first republics to declare independence from the Socialist Federal Republic of Yugoslavia. When Macedonia (FYROM) and Bosnia and Herzegovina (BiH) followed suit soon afterwards, Yugoslavia rapidly broke apart. Serbia continued to exist as an independent state but was itself truncated when, as the final act in the former Yugoslavia's

**Table 1: The ever-changing map of the world**

Status changes, 1990–2011	
1990	Namibia (end of South African rule) Federated States of Micronesia (termination of UN Trust Territory status) Unification of North and South Yemen to form the Republic of Yemen
1991	Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Republic of Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan (exit from the Soviet Union); Croatia, Slovenia, Macedonia (collapse of Yugoslavia)
1992	Bosnia and Herzegovina (collapse of Yugoslavia)
1993	Czech Republic, Slovak Republic (dissolution of Czechoslovakia) Eritrea (secession from Ethiopia)
1994	Palau (termination of UN Trust Territory status) Walvis Bay (transfer of sovereignty from South Africa to Namibia)
1997	Hong Kong (transfer of sovereignty from the UK to China)
1999	Macao (transfer of sovereignty from Portugal to China) Panama Canal Zone (termination of treaty with the US)
2002	East Timor (end of Indonesian occupation)
2006	Serbia, Montenegro (dissolution of State Union of Serbia and Montenegro/secession from Serbia)
2008	Kosovo (secession from Serbia) Abkhazia, South Ossetia (secession from Georgia)
2011	South Sudan (secession from Sudan)
Source: Author's own graphics, based on <a href="http://www.correlatesofwar.org/COW2%20Data/SystemMembership/2011/System2011.html">http://www.correlatesofwar.org/COW2%20Data/SystemMembership/2011/System2011.html</a> , 6.11.2014	

disintegration, Kosovo proclaimed independence in February 2008 following several years under UN administration from June 1999. Serbia has consistently refused to recognize the breakaway province as an independent state, and a number of Western countries also have serious concerns which make them reluctant to recognize Kosovo's independence. The governments of Greece, Romania, Slovakia, Spain and Cyprus fear that this would set a precedent that could ultimately pose a threat to their own territorial integrity. In fact, Cyprus itself has been divided since the Turkish invasion in 1974. The Turkish Republic of Northern Cyprus, proclaimed with Turkey's backing, is still not recognized by the international community.

With the benefit of hindsight, it is clear that the territorial dispositions agreed at the Paris Peace Conferences in 1919/1920 did little to consolidate peace in Europe and the world, given that for the most part, they merely served the victors' interests. It is no secret that the vanquished countries' attempts to revise the peace settlement were one of the main causes of the Second World War. For Germany, the border arrangements agreed under the Treaty of Versailles became obsolete through the Second World War whose territorial consequences the two German States had to accept by the Two-plus-Four Treaty of 1990 on German reunification. Hungary, on the other hand, still mourns the losses – amounting to two-thirds of its territory – imposed upon it by the Treaty of Trianon in 1920.

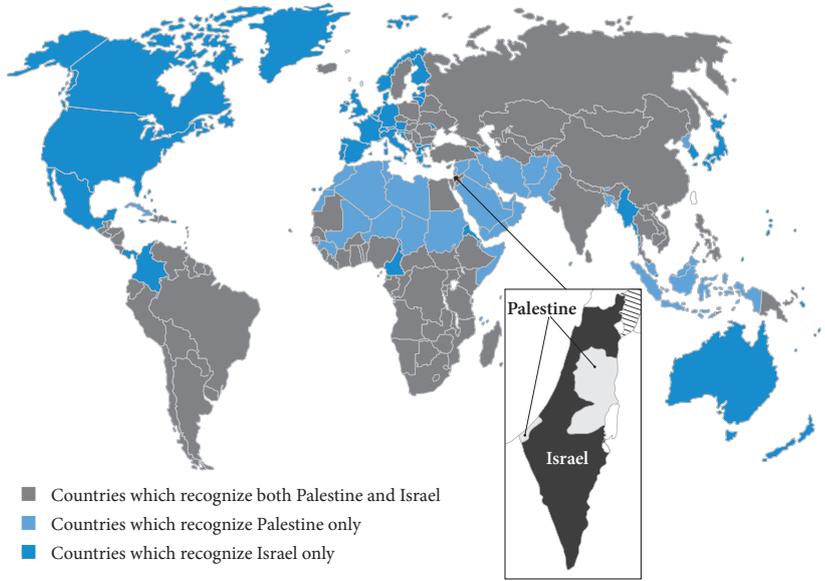
As for the demise of the Ottoman Empire, the territorial border lines in the Middle East determined in 1920 by

the Treaty of Sèvres and the San Remo Conference decisions now lie in ruins. In outlining the contours of three states – Iraq, Lebanon and Syria – Britain and France were motivated primarily by their own power-political interests. The Kurds, whose homeland is spread across four countries (Iraq, Iran, Syria and Turkey), were never granted a state of their own. Pan-Arabism rejected the post-war agreements on the grounds that they were arbitrary. Nonetheless, their effects can still be felt today, notably in the form of the terror group known as Islamic State – a violent “coalition of the disaffected” which has erupted into a power vacuum in some of these countries. There is a worrying possibility that in any event Iraq and Syria may not survive in their present configuration. Lebanon's continued existence is also at risk.

Likewise the fraught relationship between Israel and the Palestinians stems from the 1920 peace agreements. Territory comprising several provinces in Ottoman Southern Syria was formally granted to Britain under a League of Nations mandate. Known as “Palestine”, it included present-day Jordan. However, in November 1917, the British Government had issued the Balfour Declaration formally announcing its support for the establishment of a Jewish national home in Palestine. This prompted several waves of Jewish immigration – often triggered by persecution in the countries of origin – into the area governed by Britain under the mandate. Under growing pressure from Zionist extremists, Britain terminated the mandate on 14 May 1948, making way for the unilateral declaration of the founding of the State

**Figure 1: Although not a member of the United Nations, Palestine is recognized by the majority of countries**

Countries recognizing Palestine (non-member observer state in the UN) *and/or* Israel (UN member state)



Source: <http://www.jewishvirtuallibrary.org/jsource/Peace/recogIsrael.html>, 13.11.2014; <http://palestineun.org/about-palestine/diplomatic-relations/>, 13.11.2014; author's amendments

of Israel the same day. A Partition Plan for Palestine, adopted by the United Nations in 1947, was rejected by the Arab states, which then went to war with Israel. The 1949 Armistice Agreements ended the 1948 Arab-Israeli War, and a temporary demarcation line – known as the Green Line – was drawn. The Agreements supposedly brought peace to the Palestinian territories beyond the Green Line, but these territories were captured by Israel in the Six-Day War in 1967. Their international status is still based on the Palestinians' right of self-determination. In its Advisory Opinion of 9 July 2004, the International Court of Justice (ICJ) confirmed that Israel's settlement activities in these ter-

ritories breach international law. In all, 135 countries have recognized the State of Palestine. On the other hand, some countries still do not recognize the State of Israel [see Figure 1].

Since decolonization in the 1960s and 1970s, Africa has been notable for its high level of territorial stability. At their summit in Cairo in July 1964, African leaders undertook to respect the borders existing on their achievement of national independence. Since then, just two new states have come into being: Eritrea in 1993 and South Sudan in 2011, their struggle for sovereign statehood at no point being supported by the international community. Morocco's attempted annexation of Western Sahara is not

recognized by the United Nations on the grounds that it violates the right of self-determination of the people of Western Sahara.

Currently, it is Russia's annexation attempts which give greatest cause for concern. Russia has created two satellite states, Abkhazia and South Ossetia, through military invasion. Then in a lightning move in February/March 2014, Russia seized control of Crimea – part of Ukraine – and appears to be planning further annexations in Eastern Ukraine, in flagrant breach not only of the prohibition of the use of force but also of its specific obligations towards Ukraine under international law, enshrined in the Budapest Memorandum of 5 December 1994.

In the West, the widely recognized free movement of persons means that national borders have lost much of their former significance. In particular, the European Union acts as a guarantor of peace and security and, therefore, of territorial stability. However, even in Western Europe, traditional ethnic tensions could potentially lead to the breakup of consolidated nation-states in the not too distant future, prime examples being Spain, with the Basque Country and

Catalonia, and Belgium, with Flanders and Wallonia. For Africa, too, it may be assumed that notwithstanding the narrow legal definition of self-determination, this concept will gain traction in future, leading to the emergence of new states. Unfortunately, the African Union is too weak to mediate successfully in such cases. At present, there is considerable uncertainty over what can be done to rein in Russia's ambitions to restore, at least in Europe, some of the Soviet Union's territorial reach. The Western countries have no desire to resort to military force and enter a war on behalf of Ukraine. On the other hand, Alliance commitments towards the Baltic states under the North Atlantic Treaty create a barrier beyond which Russia is unlikely to trespass.

It is well-nigh impossible to draw firm conclusions about future developments: each territorial scenario merits its own separate analysis. What is certain, however, is that the United Nations Security Council is too riven by internal discord to steer the way towards a peaceful settlement in every bilateral dispute.

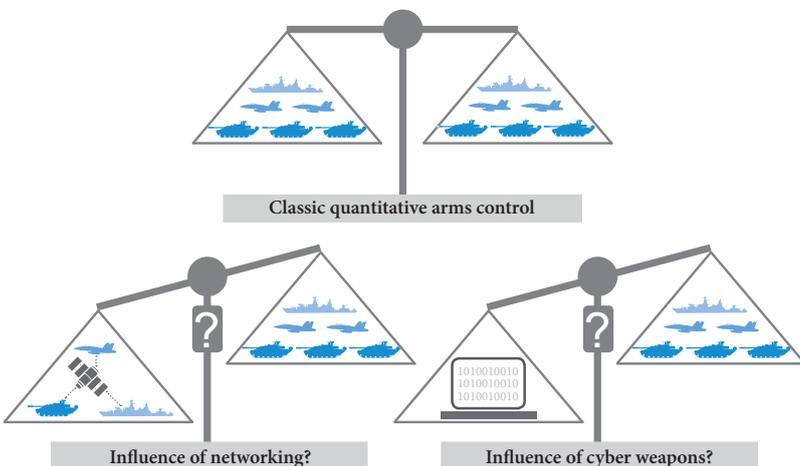
Christian Tomuschat  
Translation: Hillary Crowe



# From Quantitative to Qualitative Arms Control: The Challenges of Modern Weapons Development

Classic arms control is in crisis. Concepts and ideas which were developed mainly in the 1960s in the context of the Cold War with the aim of stabilizing the superpowers' bilateral relations now seem inadequate, due to the more strongly multilateral focus and growing number of potential fields for arms control. A contributory factor is the specific military trend towards a greater role for computers and software. This includes the growing networking of the armed forces, the trend towards more autonomous weapons systems – perhaps even towards fully automated systems with lethal effect – and the greater scope for electronic or cyber warfare. It is becoming increasingly clear that due to the increased use of computer technology and software, classic quantitative arms control based on limits on weapons and troop numbers, with verification-based compliance, is steadily losing significance. On the other hand, new forms of transparency, confidence-building and verification are emerging as possible solutions.

Figure 1: Classic arms control is challenged by new technologies



Source: Author's own graphics

## The classic approaches: bilateral – quantitative – verification

Classic arms control pursued three objectives (Schelling/Halperin 1961, p. 1): 1) to prevent war by creating stability, 2) to reduce the costs of armaments, and 3) to limit the anticipated damage in the event of war. The most important of these three objectives was to stabilize the tense relations between the superpowers, especially in times of crisis. Starting from the (neo-realistically inspired) idea that military parity would make a war much less likely, quantitative limits on arms would, it was argued, stabilize the relations between the superpowers and exclude the possibility of a successful surprise attack. This “balance of power” concept is simple to implement if there is very little difference in the quality of the two adversaries’ military potential, and both sides recognize quantitative parity as constituting a balance. Compliance must then be assured by means of appropriate verification measures, to ensure that no party can covertly accu-

mulate more military resources than the treaty provisions allow (see, for example, Müller/Schörnig 2006, p. 140ff.).

Verification thus plays a key role in classic arms control: only when both sides have sufficient confidence in the effectiveness of the verification measures are they prepared to submit to the regime. Accordingly, there must also be clarity and consensus on precisely what is prohibited and what is not (Fey/Müller 2008, p. 215). However, it would be unrealistic to believe that verification genuinely has the potential to detect every violation of the rules, so the objective of an appropriate verification regime should be to reliably detect violations of relevance to military stability. Quantitative parity is being increasingly challenged, however, by the growing importance of software in the military sector, greatly exacerbating the verification problem.

## New challenges in conventional arms control

### The networked nature of modern weapons systems: a focus on capabilities rather than systems

Ever since the success of the US armed forces in the 1991 Gulf War, a development has been taking place in the US – and consequently in other Western countries – which is often described as a transformation or revolution in military affairs (RMA). The core of this RMA is the networking of modern sensors,

weapons systems and military decision-makers within a “system of systems” (e.g. Schörnig 2005; Shimko 2010). This aims to provide the actors involved in a military operation with all the relevant information without delay, in order to speed up decision-making processes, improve the quality of decisions and synchronize operations. Germany’s Federal Armed Forces (Bundeswehr) refer to *Vernetzte Operationsführung* (NetOpFü – network enabled opera-

tions) in this context. Furthermore, this comprehensive networking should not only increase but “multiply” the effect of individual weapons, according to the military. For example, if assaults are carried out with significantly more precise “smart” bombs or rockets than conventional models, on the basis of real-time reconnaissance, the gap between the reconnaissance and the assault will be reduced to a minimum and the military “effectiveness” will be substantially increased. As the 2003 Gulf War showed, this new kind of high-tech warfare is particularly successful in inter-state wars against technologically inferior adversaries (Shimko 2010, p. 142ff.).

However, this gives rise to new technological challenges, in the form of an ever-growing number of increasingly efficient sensors providing more and more information that has to be analysed and interpreted as quickly as possible. According to United States figures from 2011, the intelligence, surveillance and reconnaissance data produced over Afghanistan, for example, amounted to 53 terabytes per day (de Selding 2011). Increasingly complex software is therefore being employed to evaluate and correlate the data and to generate recommendations for action for human decision-makers (Schörnig 2014).

However, this IT-based multiplication of military force also means that fewer and fewer units are required to achieve military objectives. This trend is illustrated by the considerable increase in the percentage of precision-guided munitions since the 1991 Gulf War (Minkwitz 2008, p. 71) and the growing deployment of special units rather than regular troops (Sanger 2012). Fewer but

substantially more efficient units also mean faster deployability, less logistical effort and a more rapid response. As the 1991 and 2003 Iraq Wars demonstrated, small, networked armies are, in some circumstances, not only able to hold their own against quantitatively superior adversaries but also to defeat them with virtually no losses on their own side (Shimko 2010, p. 2). This shifts the focus to the qualitative components, which relate to the degree and quality of networking and/or the software employed and are much more difficult to capture with arms control measures.

### **Lethal autonomous systems: grappling with the automation of war**

In military conflict, (re)action time is an important factor which can make the difference between success and failure. In view of the sometimes extremely short response times in (surprise) attacks – especially with high-speed rockets but also mortars – the military is increasingly deploying highly automated systems such as missile defence systems on ships, and systems to protect camps and cities, as in Israel. As a rule, these defence systems are still deployed by people sitting in front of screens, but they can also be operated in fully autonomous mode, in which the system independently seeks out and engages targets without the time lapse that human intervention necessarily entails (Schörnig 2014). Admittedly, these autonomous combat systems are not yet targeted at humans, but critics fear that in future, life-and-death decisions will be taken by computer algorithms, a sce-

nario which in their view is unethical, illegal and technologically unsafe (see, in particular, Human Rights Watch 2012). Many future systems will certainly have a significantly higher degree of automation than current weapons systems, as demonstrated by new developments in the drones sector, for example. The latest unmanned aerial vehicles (UAVs), such as the USA's MQ-1 Predator and MQ-9 Reaper, are piloted remotely by human operators via satellite or radio communications, although in practice, certain manoeuvres such as takeoff or landing now merely have to be overseen. In the event of an attack, however, it is the operator on the ground who actively gives the order to open fire. However, current reconnaissance and combat drones are only designed for "uncontested airspace". As long as the adversary (still) has a rudimentary air defence system, these slow-flying drones are a relatively easy target (Haider 2014, p. 6f.), which severely restricts their possible applications. Models currently being developed or tested therefore have features intended to enable them to be deployed in contested airspace as well, where only manned fighter jets can operate at present. The industry's aim, therefore, is to develop drones with not only the same but in some cases better capabilities than manned fighter aircraft; for example, it will no longer be necessary to take account of the physical stress limits of the pilot in the cockpit in extreme aerial manoeuvres (e.g. Haider 2014, p. 101). Controlling such systems remotely is disadvantageous for the military. The use of satellite control produces delays ("latency") of at least half a second before a signal from the drone is answered by the

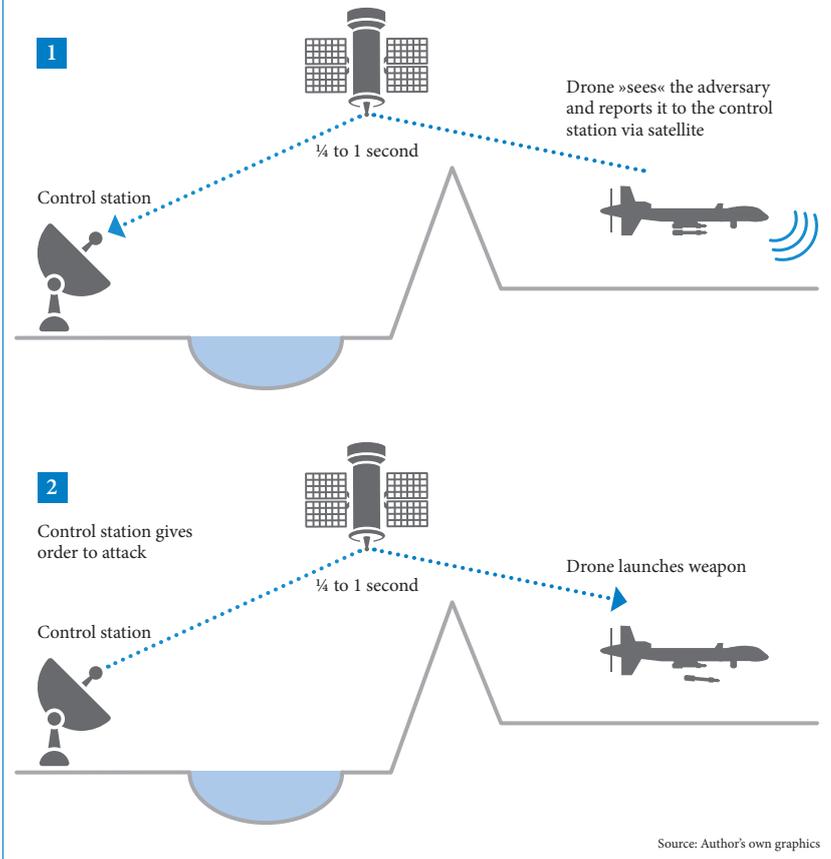
ground control station and is transmitted back to the drone (e.g. an order to open fire) [see Figure 2].

In combat scenarios, this appears to be too long a delay, as the military advantage resulting from the increased agility of the unmanned system would then be lost. There is also the risk that the control signal could be interrupted or manipulated. Although drones today automatically fly back to their home base if the control signal is lost, the result is still an aborted operation and non-completion of the military mandate. Both problems could be avoided if the decision on weapons deployment (or the execution of the mission more generally) were made by highly complex software in the drones themselves. This could include the use of armed force against humans, in which case the term "Lethal Autonomous Weapons System" (LAWS) would apply. It is therefore important to look at the extent to which humans are still involved in the decision-making processes [see Figure 3]: is the human operator still involved at every stage in the decision-making loop and is he or she still controlling and confirming actions suggested by the autonomous systems? Or does the system operate so autonomously that the human operator's only option, at best, is to abort – assuming that he or she can react quickly enough?

LAWS do not only consist of drones. Autonomous armed ground robots, for example, are also conceivable, which would independently seek out targets and deploy armed force against humans. In this context, some robotics experts, such as the American Ronald Arkin, are working on software that is intended to build an ethical capability into these

**Figure 2: Remote control of autonomous systems causes delay**

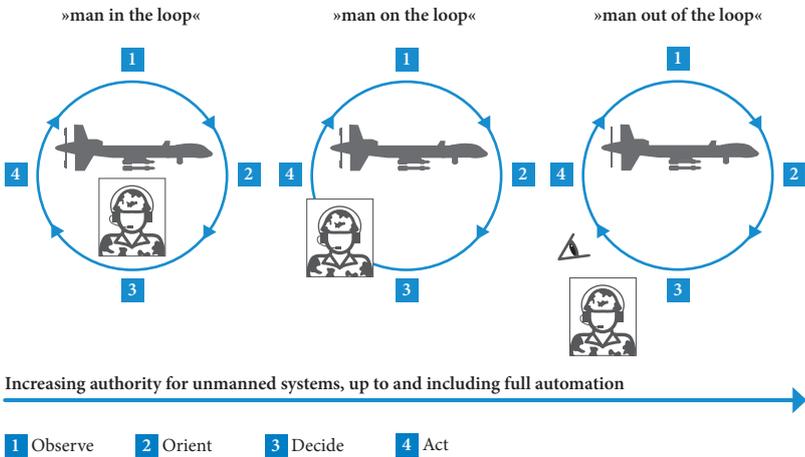
The »latency problem« of remote-controlled unmanned combat drones



robots (2009), so that they only attack targets identified as combatants, sparing civilian lives. This, it is argued, would enable "more humane" warfare than that practised by humans, as emotions such as stress, fear and revenge (for fallen comrades, for example) would play no part (Arkin 2009). However, critics doubt that computers will, in the foreseeable future, have the ability to reliably distinguish between combatants and civilians (e.g. Human Rights Watch

2012). No country (at least officially) possesses LAWS yet, and soldiers themselves also make it clear that they do not wish to leave life-and-death decisions to machines. Nevertheless, the automation of military procedures is advancing. If fractions of a second can make the difference between military success and failure, this could trigger an arms race in the field of automation, which would ultimately lead to the use of lethal autonomous force against humans as well.

**Figure 3: Humans no longer need to be involved in decision-making**  
The military decision-making loop\* with varying degrees of autonomy in unmanned systems



**Explanation:** As automation increases, the role of the human decision-maker steadily decreases. With a low level of automation, the pilot makes all the key decisions (*man in the loop*). In fully autonomous systems, the machine selects and engages targets without any prior human intervention (*man out of the loop*). At intermediate levels of automation, the human operator can intervene, especially in decisions to deploy weapons (*man on the loop*).

\* The OODA loop (Observe/Orient/Decide/Act) is attributed to the US fighter jet pilot John Boyd.

Source: Author's own graphics

## Cyber warfare: war with “virtual” weapons

In the last few years, scarcely another concept has attracted as much attention as cyber warfare. Since both the civilian and the military infrastructure of modern states are increasingly reliant on electronic networking, the “cyber sphere” has now been identified as the arena for potential future conflicts. According to cyber security expert Sandro Gaycken, between 108 and 140 countries are pursuing cyber war programmes (Gaycken 2014, p. 10), the major ones probably being the US, China and Russia. However, cyber space creates a host of new military problems. Firstly, the

spectrum of potential forms of attack is highly diverse, even if cyber crime perpetrated for illegal gains is excluded. It ranges from cyber espionage, i.e. surveillance or theft of third-party data (Neuneck 2014, p. 241), and relatively simple and therefore common hacktivism – e.g. denial-of-service attacks where a server is overwhelmed by a large number of simultaneous external communications requests – to attacks aimed at inflicting permanent damage on an adversary’s physical infrastructure. Depending on the extent of the damage, it would then be appropriate to refer

to “cyber sabotage” or even cyber war (Neuneck 2014, p. 242). So far, the only known example of this type of cyber attack to have caused actual physical damage was the *Stuxnet* worm, which came to light in 2010 and sought to destroy Iranian uranium enrichment centrifuges by deliberately changing their speed of rotation over an extended period of time (Farwell/Rohozinski 2011). More comprehensive attacks, also against civil infrastructure such as traffic light systems in a major city or even power stations, are also conceivable. The common feature of all these attacks is that they take place in a “virtual” sphere and are based on software of varying degrees of complexity.

The main problem with any kind of cyber attack lies in accurately identifying the perpetrator; this is known as an “attribution problem”. Expert attackers can conceal their locations on the Internet, and attacks can be carried out from malware-infected computers belonging to uninvolved persons without their knowledge. Indeed, a cyber attack, at least in

theory, can be launched from any location with Internet access, as the requisite software fits on a USB stick or the hard drive of a laptop. Therefore, tracing an attack back to a specific country does not necessarily mean that it was ordered or carried out by that country’s national authorities. The attribution problem also calls classic deterrence concepts into question. If the country originating an attack cannot be reliably identified, and it cannot be proved that the attack was initiated by government agency, the threat of a counter-cyber attack will have no effect. Although countries such as the US are working to resolve this problem, the fact is that for the foreseeable future, very few countries will have the cyber resources that the US armed forces have at their disposal. The speculation about capabilities, combined with the broad spectrum of potential attacks and the very limited opportunities, at best, to attribute an attack to a specific perpetrator therefore make cyberspace an unstable sphere, and one that is almost impossible to limit or control.

## The reactions of arms control

The common factor in all the above-mentioned fields of current military development is that software, either in place of or in combination with hardware, is becoming increasingly important. This poses very substantial problems for arms control, as stable (quantitative) parity cannot be identified or play a key role. Verifying compliance with the provisions of a treaty – the be-all and end-all of classic arms control – would be almost

impossible. In many currently relevant fields, the fundamental problem of how to control immaterial and highly complex software is therefore the crux of the matter in relation to robust arms control agreements. Experts have been drawing attention to the new challenges and calling for action for more than a decade (e.g. Müller/Schörning 2001; Fey/Müller 2008). However, very little action has been taken, presumably due to the longstanding technological leadership

of the West during the 1990s and 2000s. Nonetheless, some attempts at arms control policy, at least, are being made in the individual areas mentioned above.

### **Networked warfare: focus on quality and “verified transparency”**

In conventional arms control, purely quantitative measures are playing an increasingly minor role due to the multiplier effects of networking. Small, highly networked units have the military ability to combat quantitatively superior adversaries effectively, and regional approaches – such as the regional limits which aim to prevent destabilizing concentrations of troops, established in the Treaty on Conventional Armed Forces in Europe (CFE) – are also playing a less significant role due to the substantially increased mobility of easily deployable yet effective forces (Schmidt 2013). Recently, practitioners and experts have therefore stepped up their search for new instruments with the potential to enhance or perhaps even replace conventional European arms control in the long-term future, although quantitative approaches to restrict qualitative features of armed forces and individual weapons systems are, of course, also conceivable in principle. One option, for example, is to impose upper and, indeed, lower limits on the size, range or payload of unmanned aerial systems (and, in future, unmanned ground systems) (e.g. Altmann 2013), which would prevent highly destabilizing assault options, such as the use of unmanned combat aircraft as carrier systems for nuclear weapons, extensive decapitation strikes

or targeted covert assaults with micro-UAVs. However, it is doubtful whether such selective limitations will significantly restrict multiplier effects per se. A radical rethink is therefore required. An alternative would be to focus on prohibiting specific military effects or strategies, e.g. targeted decapitation strikes, which particularly lend themselves to networked warfare (Müller/Schörning 2001). However, the question of whether countries which have this capability will agree to ban certain military options and operations if they do not contravene current international humanitarian law is debatable. Accordingly, the extremely difficult issue of attempting to limit networked operations does not yet feature in the current debate. Instead, experts and practitioners have identified the uncertainty surrounding the capabilities of networked armed forces as a major destabilizing factor, but also as one which can be addressed constructively. One ambitious but achievable goal is therefore to work with all parties, as the first step, to clarify the capabilities arising from networking. In this context, Germany has recently developed the concept of “verified transparency” for conventional European arms control, which focuses the transparency and verification measures on potentially destabilizing “capabilities”, e.g. rapid aerial deployability (Schmidt 2014, p. 10f.), rather than on armed forces and weapons. This aims to provide the other side with a realistic assessment of the available military capabilities, thereby reducing uncertainties and building confidence. Although verified transparency is based on classic confidence-building measures (CBMs), it is a new instrument

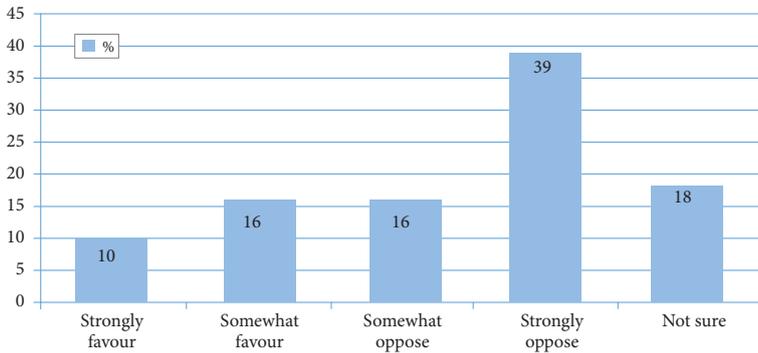
in its own right. The approach is controversial, for in order to ensure the requisite verifiability of transparency, it would have to provide confidential insights into military operations. Due to the current tensions between Russia and the North Atlantic Treaty Organization (NATO), it is uncertain whether this concept will be implemented. Nevertheless, it is one of the first approaches to address the issue of qualitative networking in modern armed forces in a systematic way, with a focus on transparency, verification and confidence-building. Subsequent quantitative and qualitative restrictions are not ruled out, but are being postponed until the next round of potential arms control negotiations, provided that more reliable assessments of capabilities have been achieved through verified transparency.

### **Cyber: Preliminary steps – common definitions and confidence-building**

Software plays a key role in the cyber area, even more so than in RMA and network-centric warfare, where the hardware used is still crucially important. A logistical backbone may also be required in the cyber area until the target facility has been re-programmed – especially when worms or other malware, as in the *Stuxnet* case, are specifically aimed at individual targets (Lindsay 2013). However, if the software is programmed, it can be stored on a USB stick in cases of doubt and can be activated from this device. The notion that cyber weapons are completely “virtual” and not amenable to any form of verification is therefore incorrect, because they always require a physical

medium (USB stick, hard drive, etc.) which can be checked if necessary. Nonetheless, searching for a specific storage medium would be like looking for the proverbial needle in a haystack. The notion that arms control must be based on verifiable treaties with equal rights and obligations for all parties also impedes a pragmatic and constructive approach. In view of the increased awareness, and presumably because Western states are no longer necessarily the technological leaders in the cyber area, calls for stricter regulation at international level have intensified in recent years. Various approaches are being pursued, with an initial step being international law experts’ proposals to develop a legal definition of the term “cyber war” as distinct from less severe forms of cyber attack (e.g. Melzer 2011). NATO is also involved in this legal debate and has gathered expert opinions on the subject (Schmitt 2013), as has the United Nations (UN), which has now published three expert reports (United Nations 2013). Furthermore, discussion is taking place on an International Code of Conduct for Information Security, which was proposed by Russia and China at the 2011 UN General Assembly, although the US response was muted (Farnsworth 2011). Confidence-building currently appears – or, until the crisis between Russia and the West, appeared – to be the most promising approach in this area too: alongside the UN expert reports, which initially propose voluntary confidence-building measures, the member states of the Organization for Security and Co-operation in Europe (OSCE) also made a voluntary commitment to initial CBMs in December 2013

**Figure 4: Considerable public scepticism about autonomous weapons systems**  
Attitudes in the US towards the use of autonomous lethal weapons systems, May 2013



Source: [http://www.whiteoliphant.com/duckofminerva/wp-content/uploads/2013/06/UMass-Survey\\_Public-Opinion-on-Autonomous-Weapons.pdf](http://www.whiteoliphant.com/duckofminerva/wp-content/uploads/2013/06/UMass-Survey_Public-Opinion-on-Autonomous-Weapons.pdf), 3.11.2014; author's own graphics

(Neunack 2014, p. 251). The EU is also now becoming involved in confidence-building in the cyber area, and German diplomats are attempting to promote the (European) concept of CBMs in the cyber area in other regions (Geier 2014). Access to official documents on national cyber doctrine, for example, could be a first step here.

### **Lethal autonomy: the ban on deployment, a taboo and ex post analyses**

In relation to increasingly autonomous combat systems, too – combat drones are currently the obvious example – the main difference between a remote-controlled and an autonomous system is the more complex software code built into the autonomous system, with external characteristics being largely irrelevant (Gubrud/Altmann 2013). However, locating and identifying the software algorithms, which may be concealed, would be well-nigh impossible, even though the physical control panels and drones

are relatively easy to spot. The controller would also need access to the system's entire software code, which would require very detailed insights into relevant routines. It is unlikely that countries will agree to this type of verification.

Although the US is one of the few countries in the world in which the majority of the population is in favour of the use of remote-controlled armed combat drones, the use of LAWS was rejected by a majority of respondents in a survey conducted by the University of Massachusetts Amherst in 2013 [see Figure 4]. So far, no information is available on surveys on LAWS from other countries. However, this situation may change: thanks to vigorous campaigning and awareness-raising initiatives, non-governmental organizations (NGOs) have very swiftly succeeded in putting lethal autonomy on the international agenda and encouraged nation-states to discuss the issue in greater depth. Within the framework of the UN Convention on Certain Conventional Weapons (CCW) [see

Box], for example, an informal Meeting of Experts took place in Geneva in May 2014 at which a ban on the use of lethal autonomy was discussed in great depth by representatives of governments and NGOs (Sauer 2014). These deliberations were continued in April 2015. However, the CCW only offers scope to ban the use of certain weapons systems. This does not go far enough for some NGOs, which would prefer a comprehensive ban on the development and production of lethal autonomous systems. The Meeting of Experts has at least revealed many countries' interest in maintaining "meaningful human control" in the use of lethal force against humans by machines, i.e. a degree of human control that is not merely limited to confirming decisions already made by computers (Sauer 2014). It is currently unclear where the CCW process will lead. If

the consensus-based CCW process fails, NGOs could conceivably initiate a similar international campaign to that which led to the Ottawa Treaty. Provided that there is a critical mass of countries pledging their support, this would lead to the establishment of an international norm, which non-signatories would also have to consider (Meier 2013). The example of the anti-land mine campaign shows that at least some non-signatories are likely to recognize the provisions of a convention. Ideally, such a norm could make the use of lethal autonomous weapons by non-participants "taboo" and induce additional states to take part. Admittedly, a norm would not offer any certainty that lethal systems would not be used but, by means of international blame and shame campaigns, it would substantially increase the political costs of proven violations.

### **The United Nations Convention on Certain Conventional Weapons (CCW)**

The Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons (Convention on Certain Conventional Weapons – CCW), which came into force in December 1983, is an international treaty which aims to prohibit or restrict the use of certain conventional weapons in international and non-international armed conflicts. It focuses on weapons which are considered excessively injurious or whose effects are indiscriminate, and is based on a norm in international law which stipulates that states are not completely free to choose the weapons they use in conflict, but must consider humanitarian aspects. At present, the Convention is a framework treaty, which has been signed by 118 states and ratified by 113. The prohibited weapons are listed in various protocols. Five protocols currently exist, prohibiting inter alia the use of incendiary weapons (Protocol III) and blinding laser weapons (Protocol IV). New protocols are negotiated by all participating states and adopted on a consensus basis. Countries are free to decide which protocols they wish to sign, i.e. not all participating states have signed all five protocols.

Sources: Auswärtiges Amt 2013; UNOG 2014

On the question of how to prove violations of a norm relating to the use of legal autonomous systems, Gubrud and Altmann have developed the concept of “forensic” arms control (2013). This approach would oblige countries to save specific communication data between ground control stations and drones, along with other flight data, on a particularly secure storage device and surrender this to an international review

body if the use of “lethal autonomy” were suspected. Without necessarily being familiar with the underlying software, this body could then reconstruct the data to ascertain whether control was still genuinely in the hands of the human decision-maker at the ground control station. It remains to be seen whether this initiative has any prospect of being implemented.

## Policy recommendations

The above review of the three dynamic areas of current weapons development has shown that arms control must address a greater number and variety of elements in order to remain relevant in the future. Purely quantitative approaches are losing significance, although they may still be relevant in regions where security dilemmas prevail, for example (Meier 2013, p. 100), and where there are no significant qualitative differences in the weaponry of local rivals. However, new instruments applicable to the technologically advanced states must be developed and implemented, and it is becoming increasingly clear that these instruments must be primarily based on transparency, confidence-building and robust norms. This presupposes a willingness to implement arms control measures which, in turn, depends on the underlying relations between the key actors (Müller 1996, p. 405ff.). From an arms control perspective, therefore, the current significant cooling of relations between the West and Russia is a major problem. However, continued discussions of arms control may help to

prevent any further deterioration in relations, and may even improve them.

It is surely also in the West’s interests for governments to systematically address the threats posed by the increasing importance of software in the context of arms control. The fact that states are attempting, even in the highly problematical areas described above, to take small steps in arms control policy and develop new concepts – even though implementation is currently fraught with difficulty – is a positive sign. However, it may also be useful to discuss the various approaches in the above areas from the broader perspective of “arms control for software”. However, in light of the rapid advances in technology, it is particularly important to focus on the issue of lethal autonomy and to continue the international debate on this issue which has now begun. There is an opportunity to achieve tangible results in the context of the CCW in the next few months. This must not be wasted.

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Niklas Schörnig  
Translation: Hillary Crowe

## Spotlight

### In Troubled Waters: The International Criminal Court (ICC)

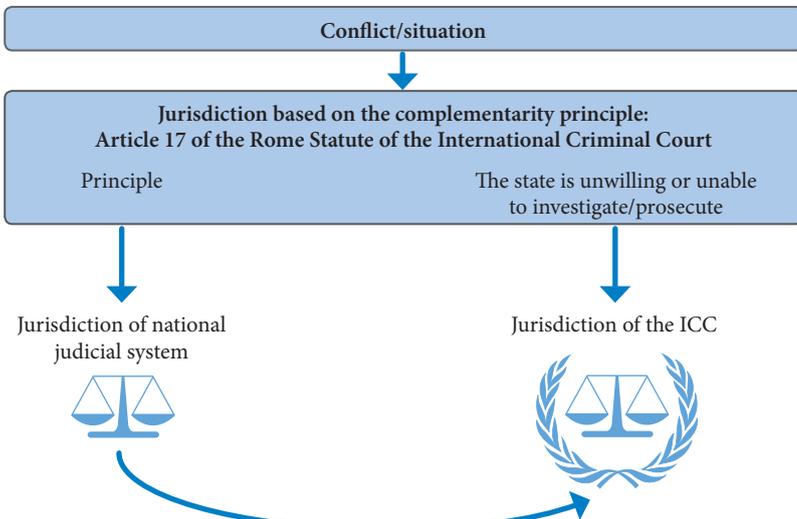
In the evolution of international criminal jurisdiction, in which the quest for justice has been accompanied by frequent criticism of the manner in which it is delivered, the founding of the International Criminal Court (ICC) was celebrated as a landmark event. Today, more than a dozen years since it began work, what has it accomplished?

At present, 122 countries are States Parties to the Rome Statute of the International Criminal Court. In all, 21 cases in nine situations have been brought before the Court and two judgments (in the cases against Thomas Lubanga and

Germain Katanga) have been issued (at November 2014). Of these situations, two (Sudan and Libya) were referred to the Court by the United Nations Security Council and two were initiated by the Prosecutor proprio motu (Côte d'Ivoire and Kenya). Five situations were referred by states themselves – Uganda, the Democratic Republic of the Congo, Mali and, on two occasions, the Central African Republic. This process is known as self-referral.

The predominance of this latter type of referral is noteworthy, for according to the Rome Statute, the ICC is a court of last

**Figure 1: The International Criminal Court (ICC) is a court of last resort**  
Complementarity and self-referrals



NB: A State Party may refer a situation directly to the ICC, bypassing national jurisdiction (self-referral)

resort and has jurisdiction only if a state is unwilling or unable to carry out the investigation or prosecution itself (complementarity principle) [see Figure 1].

Notwithstanding current practice, various legal and political challenges are creating an increasingly tense mood.

## Tensions and controversies

The most heated controversy surrounding the Court at present concerns its relationship with the African Union (AU). This dispute centres on allegations of selectivity (bias), the problem of immunity, and the balance between justice and peace.

The criticism of selectivity stems from the fact that all the situations currently before the Court relate to countries in Africa [see Figure 2]. The accusation touches a nerve, for the ICC's status as a world court is incompatible with a regionally limited radius of investigation.

A problem with equality can also be discerned, resulting from the ICC's limited jurisdiction. The ICC has jurisdiction over nationals of states not party to the ICC Statute (the most prominent being the United States, Russia, China and India) in just two scenarios: referral by the United Nations Security Council, or crimes committed on the territory of a State Party. In the former case, at least, the ICC has no power to influence this inequality.

Nonetheless, the criticism of selectivity falls short of the mark. Firstly, it cannot justifiably be claimed that there is a general unwillingness to initiate investigations in countries outside Africa. Preliminary examinations are already under way: for example, the ICC is closely monitoring the current peace process in Colombia, which – in view of the ICC's stand-by jurisdiction – faces the

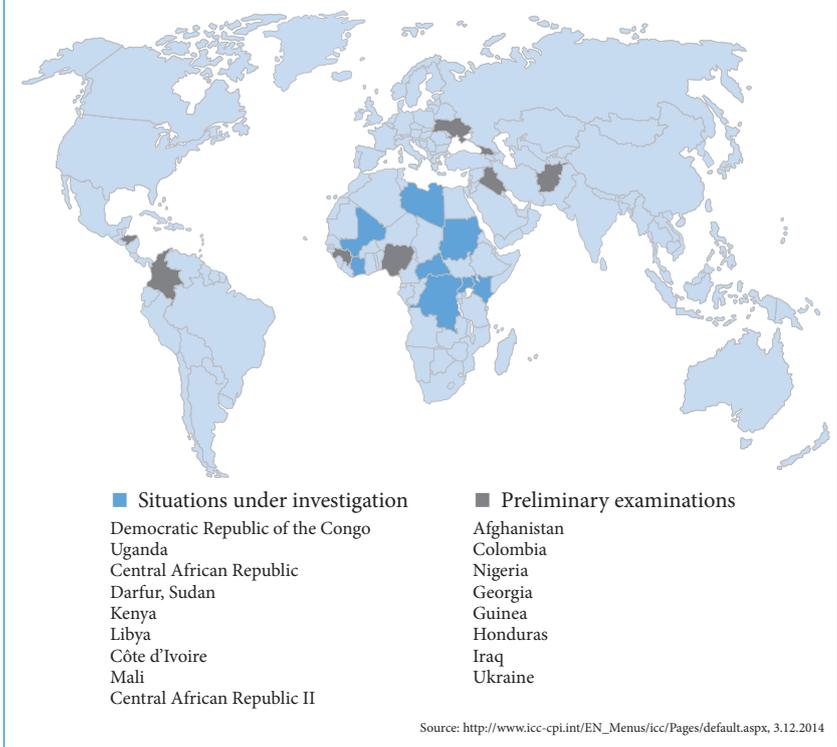
potential threat of international criminal proceedings. And having established the International Criminal Tribunal for the former Yugoslavia (ICTY), the Western European countries have demonstrated their willingness to pursue criminal justice in situations of sufficient clarity.

This requirement for clarity brings us to the second point: the accusation of unfair Africa-centricity. This accusation is unfounded, not least in light of the need for effectiveness. The ICC must confine itself to situations of sufficient clarity. This is absent from a number of non-African situations. One example is the situation in Gaza, where the issue of Palestinian statehood is problematical. Another is the question of whether British soldiers committed war crimes on Iraqi territory; here, the relatively small number of alleged killings is an indication that the situation was not of sufficient gravity to justify further action by the Court, as required by the ICC Statute (for a critical commentary, see Schabas 2013, p. 30ff.). By contrast, among the situations which the ICC has dealt with to date, only Kenya can be described as genuinely contentious.

The criticism seems particularly ill-considered in relation to cases resulting from self-referrals or situations based on non-Party recognition of the ICC's authority (Côte d'Ivoire). It is unreasonable to accuse the ICC of only dealing

**Figure 2: Africa: the main focus?**

Situations brought before the International Criminal Court (as at December 2014)



with African situations if the government of the country concerned has itself consented to the investigation. There is more of a risk that the ICC will be perceived as an “anti-rebel court”, due to the assumption, implicit in self-referrals, that no investigations will be launched against the government side in the civil war concerned (Kress 2004, p. 946).

Ultimately, the assessment depends on one’s perspective. A “government-centric” view emphasizes the equality gap, whereas from the victims’ perspective, the main priority is surely that justice is being done, even if it is selective. For that reason, various African non-governmental organizations have taken a clear stand against the AU position.

## Challenges in criminal procedure

Procedural law also poses major challenges for the ICC, due to its international context. Many problems are new

or were not given sufficient consideration when they were being regulated, due to the pressure on countries to reach

agreement in the negotiations on the Rome Statute. Two of the main criticisms relate to the slow pace and lengthy duration of the proceedings.

One specific element blamed for their lengthy duration is the “confirmation of charges hearing”, whose purpose is to enable the Pre-Trial Chamber to assess the charges on which the ICC Prosecutor intends to seek trial of the accused. This highly complex procedure, which is meant to protect the accused from an unnecessary and lengthy trial, involves the defence and often lasts a full 12 months.

Another reason for the length of the proceedings is the frequent difficulty in gathering evidence in the country concerned, particularly if the conflict under investigation is still ongoing. In order to ensure that the investigations are conducted effectively, the Prosecutor works with intermediaries with local knowledge, who can facilitate contact with witnesses and encourage victims to participate in the proceedings. However, this approach is open to abuse and almost caused the collapse of the

Lubanga trial, as some intermediaries were accused of threatening behaviour and bribing witnesses.

Victim participation, mentioned above, causes further problems. In order to give a voice to the victims of the alleged crimes, they can participate in the proceedings as independent actors. Victims’ rights and the safeguarding of due process when large numbers of victims are involved are among the many problems arising in this context. The ICC, after all, deals with mass crimes which in most cases have very large numbers of victims (Van den Wyngaert 2012, p. 477) [see Figure 3]. The question of precisely who should qualify as a “victim” was examined individually in the initial cases. However, in the Kenya case, the ICC limited the extent to which victims were granted individual recognition, doing so for reasons of efficiency.

Clearly, international criminal justice is still evolving, and this process is likely to continue for some time. But meanwhile possible attempts at solutions are evolving as well, as the Court gains experience.

## Cases under the microscope

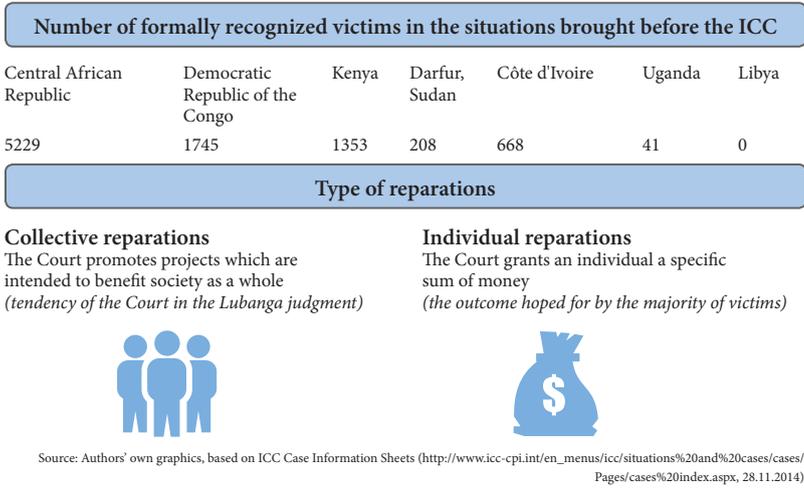
One of the greatest challenges facing the ICC is its prosecution of incumbent heads of state, which creates an array of legal and political problems.

A classic example is the case of Sudanese President Omar al-Bashir, which demonstrates with particular clarity the ICC’s heavy reliance on states’ cooperation in the absence of any enforcement mechanism of its own. The AU pressed for al-Bashir’s immunity and refused

to cooperate with the ICC. In breach of their obligations, Chad, Kenya and Mali – which are States Parties of the ICC – therefore refused to arrest al-Bashir when he entered their national territory. Faced with this non-cooperation, the Court had no option but to turn to the Security Council, which, however, failed to take firm measures against any of these countries (Magliveras/Naldi 2013, p. 426f.). In her report to

**Figure 3: Major challenges in the participation of victims of mass crimes in ICC proceedings**

Victim participation in ICC proceedings (as at November 2014)



the Security Council in December 2014, the ICC Prosecutor was outspoken in her criticism of this lack of cooperation. Meanwhile, al-Bashir is still at liberty.

Action was brought against another head of state in the case of President Uhuru Kenyatta of Kenya, a State Party to the Rome Statute. Proceedings were initiated by the Prosecutor despite opposition from Kenya and progressed with such haste that some charges ultimately had to be withdrawn for lack of evidence. An additional difficulty arose when Kenyatta was democratically elected as Kenya's President despite facing trial at the ICC: the ICC was accused of obstructing the work of the Kenyan Government, and an application for the suspension of the trial was made to the Security Council. The Court reacted to Kenya's protests in January 2014 and allowed the accused to be absent from some of the proceedings, which were

terminated in December 2014.

In the case of Libya, the case against the country's leader Muammar Gaddafi was withdrawn after his death, although proceedings against his son Saif al-Islam are ongoing. Under considerable political pressure, the ICC issued arrest warrants after a very narrow timeframe for the investigations of just three months, prompting accusations that the ICC had allowed itself to be exploited as a means of exerting political pressure to oust a regime regarded by the Security Council as troublesome (Knoops 2012, p. 80f.). Furthermore, the ICC is currently denying Libya the opportunity to prosecute these crimes in its own courts, with various chambers claiming that Libya's justice system lacks the ability to conduct the trial. There is certainly a significant risk that a trial would be dominated by Gaddafi's opponents, putting a major question mark over its fairness. In this

case, then, jurisdiction lies with the ICC, notwithstanding opposition to an ICC trial from Libya, a country ravaged by civil war but working hard to safeguard the rule of law and ensure neutrality in its handling of even the most difficult cases in the near future. In this instance, shouldn't international criminal justice take a step back and wait for Libya to achieve stability?

Alongside Sudan and Libya, the Security Council has also considered the case of Syria and its possible referral to the ICC. However, the draft resolutions on its referral were vetoed by Russia

and China, which support the Assad regime. Due to this stalemate in the Security Council, the ICC is unable to act (Lomeli 2014, p. 114). The answer to the question "why Libya and not Syria?" therefore has little to do with criminal justice and everything to do with painful political reality: without a consensus among the veto powers in the Security Council on a referral of this situation to the ICC, there is no prospect of an ICC trial of Bashar al-Assad and others suspected of war crimes in the Syrian civil war.

## Outlook

The range and complexity of the challenges facing the ICC are considerable. A loss of political support from Africa in response to the perceived shortcomings of the court would be especially worrying. Although the ICC is largely beyond reproach in this regard, a move to give the ICC the scope it needs to smooth troubled waters would be very welcome. An open, honest and intensive dialogue with the African countries about their concerns would be a good starting point. Indeed, ensuring that there is no (politically motivated) reluctance to initiate investigations in non-African countries

is essential. On these points, the ICC already appears to be moving in the right direction.

Notwithstanding all the problems and the need for change, it would be premature to predict the ICC's imminent demise. It is perfectly normal for such a new institution, especially one whose purpose is to serve as a beacon of justice in the troubled waters of global politics, to encounter obstacles at first. Patience is required from the ICC itself as it continues its work, as well as from those assessing its performance.

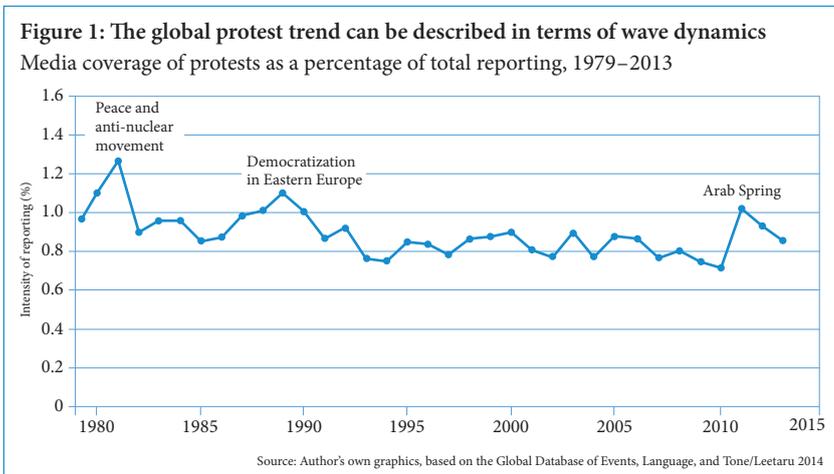
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Translation: Hillary Crowe



# Protest and Resistance Movements in the 21st Century

Media reports on the Arab Spring and protest movements such as the recent Occupy Central civil disobedience campaign in Hong Kong have created the impression, over the last few years, that there is a global trend towards increased political opposition to despotism and dictatorship. This impression is reinforced by the intensity with which reports on protest movements are “liked” and shared via social media such as Facebook and Twitter. However, protest movements do not only occur in autocratic states; they are also a feature of capitalist democracies, albeit with different motives and objectives. The global protest trend can be described in terms of wave dynamics, with fluctuation between periods of high and low intensity. The current frequency of protests is extraordinarily high but not unprecedented: higher frequency was also observed in the early and late 1980s with the peace and anti-nuclear movements and during the democratization of Eastern Europe. However, in recent years, two new developments have taken place, namely the transnationalization and digitalization of protest movements. Digital communication technologies (DCTs) encourage contagion effects across national borders and facilitate global coordination of protest and resistance.



## Protest waves: the global intensity and frequency of protest movements – a historical perspective

The Arab Spring and protest movements such as Euromaidan in Ukraine take up considerable space in media reporting and are “liked” and shared via social media such as Facebook and Twitter (Hanrath/Leggewie 2012). The 2014 FIFA World Cup was also accompanied by protests, with Brazilians demonstrating against corruption and social welfare cutbacks. In many Southern European

countries, the public has been protesting for years against austerity programmes, forcing several governments out of office. And the Occupy movement which began in the US has successfully organized protests against social inequality on a global scale and even inspired a similar movement – Occupy Central – which campaigns for free elections and democracy in Hong Kong. It is not only

### Validity of protest event data

Usually, the data used to analyse protest movements is based on news agency reports (e.g. *Reuters* or *Agence France-Presse*). The events described in the news reports – demonstrations, strikes, sit-ins, etc. – are coded as protest events. The reports are also used as a source of additional information, such as protest size (= number of participants), location and duration. However, in this process, there are a number of potential sources of error, putting a question mark over the validity of the data.

First of all, it must be borne in mind that in their international coverage, the news agencies themselves decide which events are worth reporting. Systematic studies on news agency coverage show that agencies are more likely to report on events taking place in their vicinity (Mueller 1997) and/or events involving an element of violence (Barranco/Wisler 1999).

Secondly, when analysing historical trends, it is important to consider that the scale of news reporting has increased exponentially in recent decades; in other words, the number of news agencies covering world events has increased over time, as has the frequency of reporting (Boyd-Barrett/Rantanen 1998). For that reason, Figure 1 shows the coverage of protests as a percentage of total reporting in a given year, not the frequency of the protest events being reported. Thirdly, there is a risk that stakeholders – i.e. demonstrators and protest groups, but also state actors – will deliberately influence the reporting. This applies particularly to reported protest size (i.e. number of participants): there is often a substantial discrepancy between the organizers’ figures and the estimates provided by state authorities. Protest organizers generally have a strategic incentive to inflate the figures, whereas state authorities may well have an interest in under-reporting them. Similar conflicts of interest arise in assessments of the scale of violence involving security forces/protesters.

journalists who therefore talk about new global revolutions (Mason 2012); sociologists also refer to an unprecedented level of intensity in global protest (Tejerina et al. 2013).

If we look at the intensity of media reporting on protest events and its development over the past 30 years [see Figure 1], it is clear that although protest events are occurring very frequently all over the world at present, the situation cannot, in fact, be described as historically unique. In the early and late 1980s, protests and resistance occurred with equal or even greater intensity (Leetaru 2014). In general, the figures support the assumption – widespread in protest research – that protests occur in waves (Della Porta 2013). “Protest waves” refers to the cyclical rise and fall in protest activity. For example, for the US, researchers identify three waves of protest which have substantially influenced the country’s politics, values and goals: the first was the abolitionist (anti-slavery) movement in the early 19th century; the second was the labour movement in the late 19th/early 20th century; and the third was the civil rights movement in the 1960s (Freeman/Johnson 1999). The Occupy movement, which campaigns against social inequality and corporate influence in politics, has the potential to achieve similar status in the US. Three waves of protests can also be identified for post-

war Germany: first, the student protests in the late 1960s; second, the campaigns against the deployment of medium-range missiles and the expansion of nuclear power in the early 1980s; and thirdly, the anti-racism protests at the start of the 1990s (Hutter/Teune 2012).

The wave dynamics model can be applied to global protest intensity – i.e. the frequency of protests around the world – as well, with fluctuation between periods of high and low intensity [see Figure 1]. The first wave of rising global protest intensity occurred in the early 1980s and mainly involved the peace and anti-nuclear movements, which were active not only in Germany but throughout Western Europe and the US (Rochon 1988). The second wave in the late 1980s/early 1990s can be attributed to the end of the Cold War and democratization in many Eastern Europe countries (Beissinger 2002). The Arab Spring can be regarded as the trigger for a third protest wave of comparable intensity, although it should be borne in mind that after the rapid surge in protest activities in 2011, they then gradually subsided in 2012 and 2013. It should also be noted that the intensity of reporting on global protest events, described above, only indirectly captures the phenomenon. Event data in general and protest event data in particular is particularly susceptible to measurement error and bias (Earl et al. 2004) [see Box].

## **Gandhi and Castro in the same boat? The diversity of resistance and protest movements**

Protest, defined as collective and organized resistance to prevailing conditions, takes many different forms and encom-

passes a multitude of groups and stakeholder alliances. When assessing global protest movement trends, it is crucial to

determine which particular phenomena are specified as protest events. In Figure 1, the “protest” category encompasses the following types of events: demonstrations, marches, strikes, boycotts, erection of barricades and road blocks, and riots. This array of event types reflects the diversity of protest itself. Protest/resistance movements, as the collective and organized form of protest, also fall into a variety of categories. Current protest movements such as Occupy Central in Hong Kong, the Tea Party movement in the US and the Basque and Catalan separatist movements in Spain all differ in terms of their participant profile, their political agenda and the financial resources at their disposal. They also pursue different strategies in order to achieve their goals. The group known as “Islamic State” (IS), which is currently fighting in Iraq and Syria, is also regarded as a resistance movement by its members and sympathizers. Protest and resistance movements are not a new phenomenon; on the contrary, they are intimately linked with the genesis of the modern nation-state and can be traced back to events that took place in the 18th century, such as the French Revolution and the Boston Tea Party. Mahatma Gandhi’s Salt March in 1930 is often said to have been the first major campaign of civil disobedience, while

the Cuban Revolution was born out of Fidel Castro’s 26th of July Movement, which can also be considered a resistance movement.

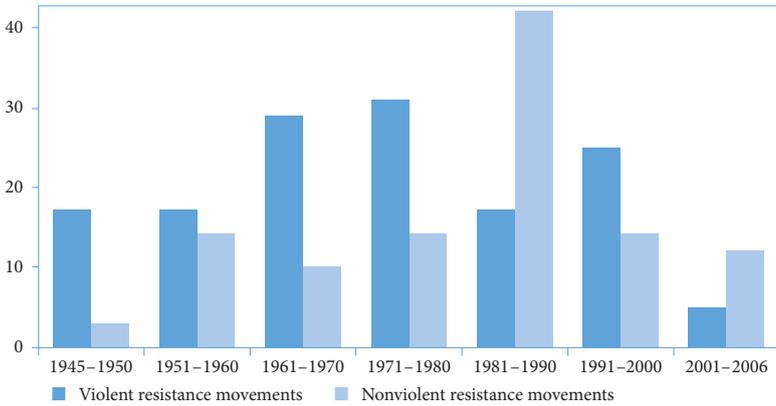
A better understanding of this diversity can be gained by classifying movements according to their stated goals and methods (Chenoweth/Lewis 2013). With regard to their goals, a distinction is made between 1) regime change, 2) policy change, and 3) secession/independence. Protest and resistance movements also differ in the methods they use to achieve their goals. These may be predominantly nonviolent, such as demonstrations, boycotts and sit-ins; alternatively, a movement may attempt to achieve its goals primarily by violent means [see Table 1].

The purpose of regime change is to replace one system of government with another; as a rule, this means ousting an autocratic regime and establishing a democracy. It involves the removal of the political leader and the government, (fresh) elections, new appointments to public institutions such as the judiciary and administrative apparatus if necessary, and the adoption of a new constitution. All the Arab Spring movements pursued the goal of regime change, albeit with varying degrees of intensity and levels of success. However, the movements clearly differed in the extent

<b>Table 1: Classification of present-day protest and resistance movements</b>		
	<b>Violent</b>	<b>Nonviolent</b>
<b>Regime change</b>	Islamic Front in Syria	Jasmine Revolution in Tunisia
<b>Policy change</b>	Earth Liberation Front	Occupy Wall Street
<b>Secession</b>	Islamic State (IS)	Catalan separatist movement
Source: Author’s own compilation		

**Figure 2: Violent resistance movements predominate over time**

Number of resistance movements which were predominantly violent/nonviolent, 1945–2006



Source: Author's own graphics, based on the Nonviolent and Violent Campaigns and Outcomes (NAVCO) 2.0 Data Set and Chenoweth/Lewis 2013, p. 420

to which they used violence as a means of achieving their goal. The Jasmine Revolution in Tunisia was predominantly peaceful, whereas the insurgency against Syrian President Bashar al-Assad has largely taken the form of armed struggle (Erickson Nepstad 2011).

Protest movements whose goal is policy change aim to bring about substantial political reforms, which are, however, limited to specific policy areas. The political system as a whole is not called into question. For example, the Occupy Wall Street movement in the US campaigns against social inequality, focusing solely on the economic and financial policy of the state, and not on the United States' political system as a whole. Other movements pursue even more specific goals: for example, the sole purpose of the protest movement against "Stuttgart 21" was to stop the redevelopment of Stuttgart's central station. A distinction must be made between peaceful and vio-

lent protest movements in this context too. Whereas, the Occupy Wall Street and Stuttgart 21 protests were predominantly peaceful, some movements that pursue a radical environmental agenda, for example, are prepared to use violence in order to bring about political reforms. Since the 1990s, the Earth Liberation Front has carried out acts of sabotage against large corporations, mainly in the US and Europe, in order to force policymakers to take action to preserve the environment (Leader/Probst 2003).

And finally, secession/independence is another prominent objective pursued by protest and resistance movements. In this case, the goal is to secede territory from an existing state and the founding of a new sovereign state. Secessionist movements may pursue this agenda peacefully or violently. IS is a current example of a secessionist movement which pursues its goal of establishing a caliphate (an Islamic theocracy) on the

territory of Iraq and Syria and elsewhere in the Middle East solely through violence [see *The Rise of "Islamic State"*]. By contrast, the Catalan separatist movement, which supports Catalonia's independence from Spain, is nonviolent and abides by the rules of the Spanish constitution.

There is considerable variation in the frequency of violent and peaceful resistance movements from 1945 to 2006 [see Figure 2], although the overview only includes larger movements; smaller protests such as Stuttgart 21 are not considered. Broadly speaking, other than in the 1980s and the first few years of the new Millennium, violent resistance movements clearly predominate: in the period reviewed, 100 peaceful and 150 violent resistance movements came into being. The number of new violent movements – 31 – was highest in the 1970s, due to the numerous proxy wars during the Cold War. The extremely high number of peaceful resistance movements in the 1980s can be explained by the collapse of the Soviet Union – the result of mainly peaceful protest activity in Eastern Europe. The 1990s were then dominated by a series of violent conflicts which have been described as “new wars” (Kaldor 1999). The frequency of peaceful resistance movements in the first years of the new Millennium can be attributed to the “colour revolutions” in Georgia,

Ukraine, Lebanon and Kyrgyzstan, which were generally nonviolent (Chenoweth/Lewis 2013, 419f.).

If the efficacy of the methods deployed is considered, it is clear that peaceful movements are generally more successful than those which use violence, especially if the goal is regime change: in such cases, peaceful methods have a much higher success rate than violent resistance [see Figure 3].

This is mainly because nonviolence enhances a movement's appeal to potentially sympathetic publics, increasing its scale and legitimacy. Furthermore, if the goal is regime change, nonviolent resistance is more likely to encourage members of the state's security forces to join the protesters (Chenoweth/Stephan 2011). However, as regards both the goals pursued and the methods deployed by resistance movements, it must be borne in mind that this is a greatly simplified description which does not fully reflect the complexity of the situation. It is possible to find examples of protest movements which have changed their goals or include within their ranks various factions with divergent agendas. Furthermore, escalation dynamics can often be observed in the willingness to use violence: movements that start out peacefully may turn to violence in response to the use of force by the state.

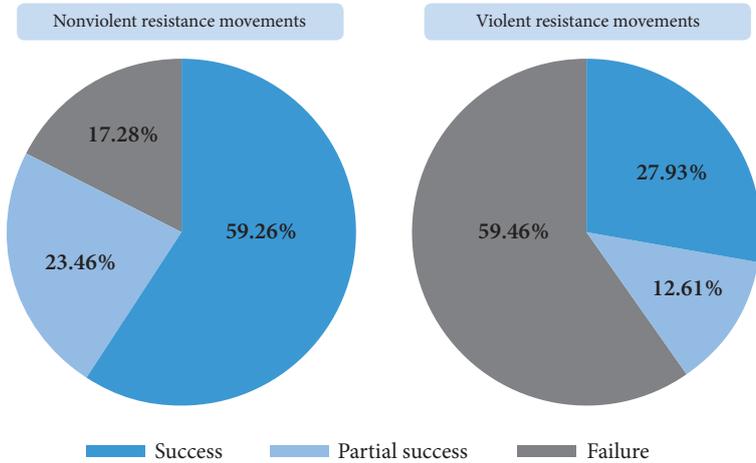
## Transnationalization and digitalization of protest and resistance movements

In an era of social media such as Facebook and Twitter, how do modern communication technologies affect the

frequency and form of protest? By the start of the 21st century, increasing transnationalization of protest move-

**Figure 3: Peaceful resistance movements achieve their goals more often than violent ones**

The outcomes of efforts by the 192 most significant resistance movements whose goal was regime change (%), 1900–2006



**Explanation:** Success = all the resistance movement’s aims were achieved. Partial success = significant concessions, but not all goals, were achieved. Failure = no change (status quo)

Source: Author’s own graphics, based on the Nonviolent and Violent Campaigns and Outcomes (NAVCO) 1.1 Data Set and Chenoweth/Stephan 2011, p. 9

ments could be observed, as protests that were initially confined to specific geographical areas spilled across national borders (Della Porta/Tarrow 2005). Two distinct forms of transnationalization can be identified: firstly, contagion effects, meaning that national protest movements inspire imitators in other countries; and secondly, online coordination of protest activities. Both forms were facilitated by advances in communication technologies.

**Contagion effects**

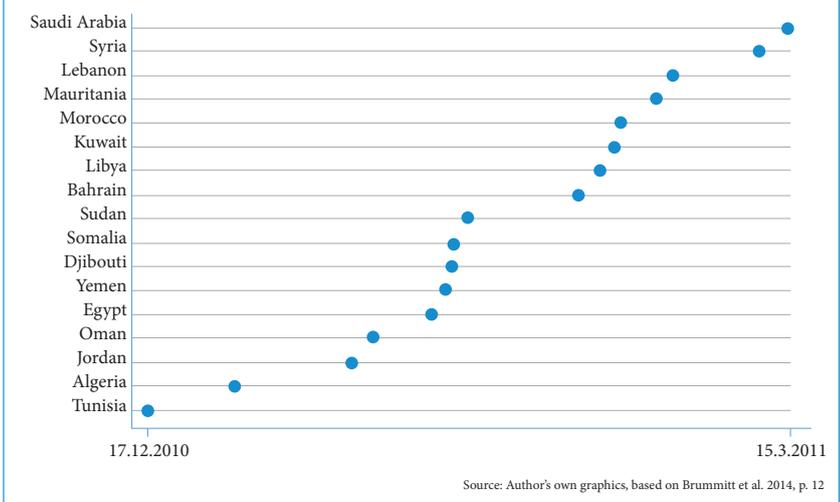
The term “contagion effects” implies that national protest movements are increasingly being communicated globally and

therefore find imitators more quickly than in the past. This generally takes place through direct global dissemination of news on the Internet and especially through the increased use of online social networks. The Arab Spring is an example of these dynamics at work [see Figure 4].

After the birth of the Tunisian protest movement on 17 December 2010, protests began in neighbouring Algeria the same month. In the four months from December 2010 to March 2011, protest movements emerged in 17 North African and Middle East countries. Researchers and journalists emphasize, in this context, that social media such as Twitter and Facebook, the video-sharing website YouTube and pan-Arab TV channels such as *Al Jazeera* and *Al Arabiya* played

**Figure 4: Rapid spread of protest activities during the Arab Spring**

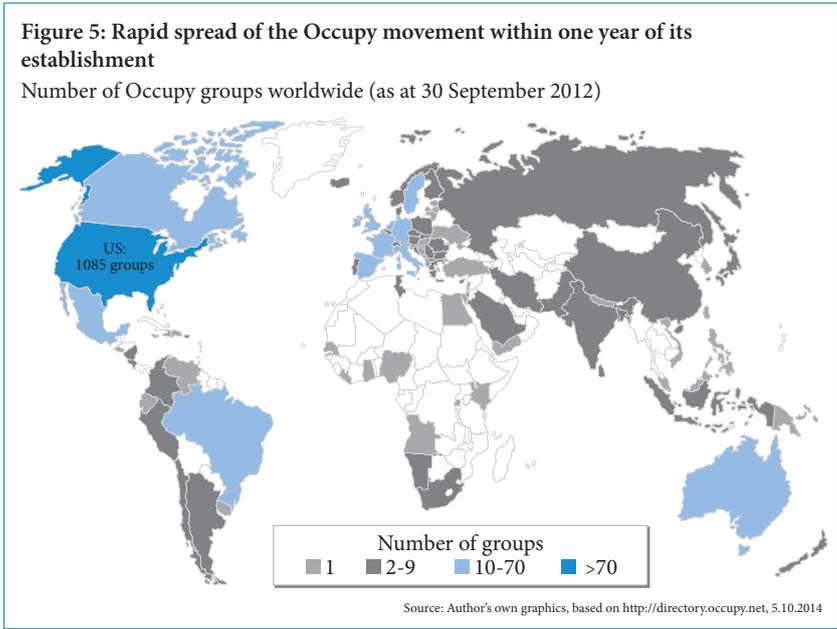
Date of the onset of protest events in the context of the Arab Spring, from 17 December 2010 to 15 March 2011



a key role in spreading the protests to other countries (ALSayyad/Guvenc 2013; Hanrath/Leggewie 2012). For example, the self-immolation of Mohamed Bouazizi – generally regarded as the event that triggered the uprising in Tunisia – found imitators in Algeria, Egypt, Mauritania and Morocco. On the very day Mohamed Bouazizi set himself alight, his relatives uploaded a video to Facebook showing his mother leading a protest march. The video was broadcast on TV by *Al Jazeera* the same evening. The international reaction began the following day, with Facebook posts and retweets of images of Bouazizi's self-immolation and the ensuing protests (ALSayyad/Guvenc 2013, p. 7f.). As a result of online and TV coverage, the protest movements gained global visibility. The effect was to encourage protesters, raising their subjective expectations of success; indeed, the success of the protest movement in Tunisia did much

to reinforce the belief that protesters are genuinely capable of toppling autocratic regimes.

The Occupy movement in the US spread with similar momentum. The protests – initially under the Occupy Wall Street banner – began on 17 September 2011 with an encampment in Zuccotti Park in New York's financial district, following a global call for action on the Internet, with organizers and participants making frequent reference to the Arab Spring uprisings and earlier protests by the 15-M movement in Spain. The Occupy movement's goals – to lessen social inequality and corporate influence in politics – were defined from the outset as global problems and were communicated globally via social networks. As a result, the movement spread very quickly, initially in the US and then to other countries [see Figure 5]. A month after the initial protests in September



2011, similar groups had formed in other cities around the world. A year later, the Occupy movement still had its strongest presence in the US, but a global Occupy network had developed across Europe, Latin America and parts of Asia.

Contagion effects could also be observed in earlier social movements, such as the peace and anti-nuclear movements, but the development and diffusion of DCTs appear to have reinforced and accelerated these dynamics. At one time, it would have taken months or years to achieve mass mobilization in several nation-states; today, it takes a matter of days.

**Coordination of global protests**

Besides reinforcing contagion effects, digital media and social networks such

as Facebook and Twitter enable protest movements to be coordinated globally, with protests on the same topic either taking place simultaneously in different countries or protest groups from different countries launching a joint campaign from one location. The protests against the World Trade Organization (WTO) meeting in Seattle in the late 1990s are generally regarded as the anti-globalization movement's first attempt to organize a transnational campaign via email. The subsequent protests during the Group of 20 (G20) summit in London in April 2009 were coordinated to a large extent via social media. Starting with blogs, Facebook pages and tweets, a network of organizations and individuals from different backgrounds very quickly mobilized and coordinated the protests (Bennett/Seegerberg 2011). The global Occupy movement has perfected

the use of digital media in its public relations, communication with members, and organization of protests. The global protests that took place in 950 cities in 80 countries on 15 October 2011 were

coordinated via various online platforms (Roth 2012, p. 37). Spanish sociologist Manuel Castells refers in this context to new forms of social movement in the Internet age (2012, p. 15).

## Conclusions and policy recommendations

Summing up, it is clear that in the context of protest and resistance movements, the global trend can be described in terms of wave dynamics, with fluctuation between periods of high and low intensity. The current frequency and intensity of protests are extraordinarily high but not unprecedented. Furthermore, advances in modern communication technologies and especially the global reach of social networks have led to the transnationalization and digitalization of protest movements. DCTs foster contagion effects and facilitate transnational coordination of protest and resistance. However, it is important to treat interpretations of global protest trends with caution, as the available data is often inaccurate and stakeholders have strategic incentives to depict protests and resistance movements in a manner which suits their specific agendas.

For policy-makers, this raises a number of problematical issues with regard to the question of how to respond to protest movements. First of all, the current intensity of protest and resist-

ance must be taken seriously. The general decline in voter turnout in many Western industrialized countries has been accompanied by a rise in protest, underlining its significance. However, due to the diversity of protest movements, described above, policy-makers should resist the temptation to adopt a standard toolkit or blueprint for their response. Policy responses to protest movements should be adapted to the specific conditions of the digital age. The increasing transnationalization of political protest, particularly via online platforms, requires a global response by policy-makers, transcending national interests. At a time of economic globalization, too, a global response to social protests against inequality and social grievances is essential. The United Nations' participatory approach in the context of the post-2015 development agenda is a step in this direction [see *The Post-2015 Consultations*] and should serve as a model, especially for international financial institutions such as the International Monetary Fund and the World Bank.

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Felix S. Bethke

Translation: Hillary Crowe

## Spotlight

### The Ambivalent Role of Middle Classes in Transformation Conflicts

Tahrir, Thaksin, Maidan: hundreds of thousands are protesting around the world. In what respect do the protests in Turkey resemble those in Thailand? Joshua Kurlantzick (2013) thinks he found a common thread connecting the dots ranging from the Philippines (2000/01), Venezuela (2001/02), the Ukraine (2004, 2013/14), Kyrgyzstan (2005, 2010), Thailand (2006, 2008, 2013/14) to Egypt (2011, 2013) and Turkey (2013) [see Table 1]: the rage of the middle classes against the corruption and abuses of power of what he dubs “elected autocrats”. While the occasions and outcomes of these protests may vary, some (but not all) of these crises seem to follow a remarkably similar script

All these mass protests were directed against properly elected governments. Despite all shortcomings of their defect democracies, the electorates made active use of their constitutional right to elect the government. Leaders such as the Bolivarian socialist Chávez, the neoliberal tycoon Thaksin, or the Islamist Erdogan have very little in common. What they have understood, however, is how to win electoral victories by catering to the hopes and demands of the emerging voters in the provinces. The majority population, until recently excluded from the provision of public goods, shows its gratitude with staunch loyalty at the voting booth.

Once in power, popular leaders quickly turn into “elected autocrats”,

threatening the opposition, silencing media, and undermining democratic institutions. From the perspective of the established elite and middle class in the respective capitals, this abuse of power and the rampant corruption pose a dangerous threat. Establishment parties, however, having failed to update their platforms to cater to the majority population, are losing one election after the other. The desperate middle class in the capital blames democracy for their situation and calls for an authoritarian strong hand to remove the government. Amidst a discourse of national crisis and moral decay, it is often the traditional elites in the military, the bureaucracy, in the judiciary and economy or at universities who more than willingly comply with this wish.

However, authoritarian interventions do not necessarily break the backbone of “elected autocrats”. With the help of their popular base, leaders such as Thaksin and Chávez managed to return to power in spite of military or judiciary coups. In Egypt and Thailand, the alliance of traditional elites, established middle class and the military responded by cracking down even harder.

How these power struggles end is of course largely determined by the local balance of power. These local differences are important but should not obscure the bigger picture such struggles have in common: the transformation conflict over the adaptation of the political and

<b>Table 1: Transformation processes with similar patterns of conflict, 2000-2014</b>		
<b>Country</b>	<b>Year</b>	<b>Government, outcome of mass protests</b>
Philippines	2000/01	Estrada, elected, ousted
Venezuela	2001/02	Chávez, elected, remained in office
Taiwan	2004, 2006	Chen, elected, remained in office, later convicted
Kyrgyzstan	2005, 2010	Akayev, elected, ousted; Bakiyev, elected, ousted
Bangladesh	2006/07	Zia, elected, remained in office
Georgia	2007	Saakashvili, elected, remained in office
Bolivia	2008	Morales, elected, remained in office
Kenya	2007/08	Kibaki, remained in office (international mediation)
Ukraine	2004, 2013/14	Yanukovych, elected, ousted
Egypt	2011, 2013	Mubarak ousted; Morsi, elected, ousted
Turkey	2013	Erdogan, elected, remained in office
Brazil	2014	Rousseff, elected, remained in office
Thailand	2006, 2008, 2013/14	Thaksin Shinawatra, elected, ousted Yingluck Shinawatra, elected, ousted
Source: Author's own compilation		

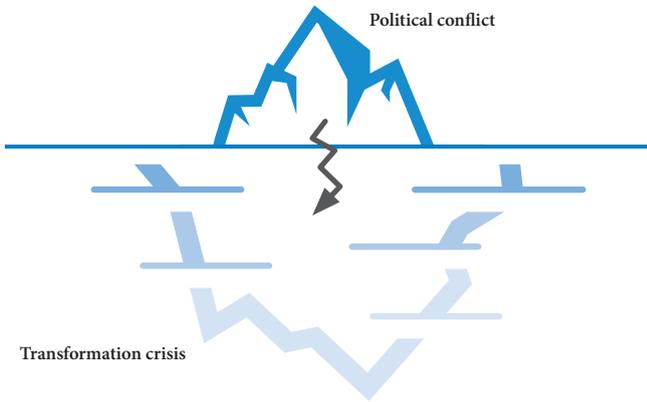
social order to a new societal reality [see Figure 1]. Socio-economic development and globalization transform societies at breakneck speed, thereby overstretching traditional political systems and eroding normative foundations. The needed “update of the operating system“, however, is not easy in a context of social conflict.

Thailand is a good example of how emerging social classes – especially the new middle classes in the provinces and the growing cosmopolitan middle classes of Bangkok that developed after thirty years of strong economic growth have terminated the social contract. The renegotiation of a new social contract, however, faces the resistance of all those who benefit from the status quo. The status quo alliance is not only composed of the old elites trying to protect their status and privilege, but all those

who feel rapid transformation turn their world upside down. In less than a generation, fundamental concepts such as family, work, or the role of men and women have changed completely. Some people happily embrace the new opportunities, while others feel that the loss of the world they were born into threatens their identities. Fear of social decline gives these social struggles a paranoid, aggressive flavour. It is not a coincidence that in times of rapid change, fascist groups are making out scapegoats for the alleged moral decline, and resort to violent tactics to restore an imagined golden past.

In this transformation conflict between the forces of change and forces of restoration, the middle classes indeed play a decisive role. As long as the established middle class sticks with the old

Figure 1: The political conflict is only the tip of the iceberg of a deeper transformation crisis



Source: Author's own graphics

elites, the status quo can be upheld. If the middle classes make common cause with emerging classes, change will be inevitable.

So it is really the attitude of the middle class which makes the difference between the protests around the globe. While the young unemployed graduates in Brazil, Israel, Spain or Greece are demanding a more inclusive political economy and more participatory political order, the established middle class suspends the electoral democracy to uphold the existing order.

Hence, it may be fruitful to further explore the motivations, frustrations and fears of the “raging middle class” in Bangkok. It is not easy to recognize middle class grievances through the noise of nationalist, sexist, violent-prone, and anti-democratic protest rhetoric. Bangkok’s middle class was horrified to find itself in a permanent minority in the new electoral democracy. The establishment felt trapped by the alliance between the “elected autocrats” and the

emerging masses. The open disregard for the rule of law and checks and balances aggravated this feeling of being left unprotected against the abuse of power. Certainly, it did not help that the prosecuted activists, silenced journalist and transferred bureaucrats were members of the established middle class.

A look through the “class” lens helps to dampen the liberal hopes in the middle class as the primary driver of democratization. On the other hand, it should not tempt us to reduce transformation conflicts into simple “class struggles”. It is true that the political economy systematically produces exclusion of the majority population. The transformation conflict, however, is not only structured around the rich versus poor cleavage. Both the status quo as well as the change alliance cut across all social strata and sectors. Most importantly, the established middle class in the capital is not the entire story. The real game changer is the emergence of a middle class in the provinces which is shifting the societal balance of power.

The conflict constellation is rather a reflection of the nature of transformation as the co-existence of rivaling political, normative, economic and social orders. Listening to the discourse helps to understand this point. In Thailand, for instance, the established Bangkokian middle class fears “to be robbed by corrupt politicians who buy the votes of the greedy poor with populist schemes”. This attitude reflects a deeper cultural paradigm shift.

Patronage practices seem to proliferate in transformation periods. Small and less developed societies organize their social life along the personal relationship between patron and client. If millions interact in a complex economy and pluralist society, however, the necessary trust can no longer be created by personal relationships. What is needed according to Max Weber is a modern state based on efficient legalistic-rationalistic institutions and the abstract rule of law. As long as these modern institutions do not function properly, a phone call to the “big man” may be the only way to solve everyday problems.

Hence despite the active use of patronage network by all members of society, patronage practices violate the middle class interest in modernization. Why particularly the middle class? While the elites benefit from the patronage system, the poor rely on it for physical survival. The middle class, on the other hand, no longer needs the patronage for survival. In fact, in the contractual culture of capitalist markets, the middle class has taken its economic fate into its own hands. Why, then many ask, are economic matters governed by contractual relationships between

equals, but the same people have little or no say in matters of the public? Hence demands for accountability, transparency, participation and responsiveness are in fact calls for the modernization of the polity. Accordingly, patronage practices are reframed. Rewarding of supporters is now demonized as “populism”, favouring of kin is scourged as nepotism, protecting of clients denounced as cronyism and the distribution of spoils outlawed as corruption. By undermining the abstract rule of law, however, the constant patronage interventions undermine the build-up of a modern state. Corruption, in particular, is the new code for the abuse of power by unaccountable elites. Hence, in its essence, the protests of the middle classes are aimed at the patronage system as the main obstacle to modernization.

Herein lies a general dilemma of societies in transition: the middle classes want a responsive and modern state for themselves, but fear that the provision of public services for all would at current tax revenue levels result in state bankruptcy. As long as the middle class feels it is being threatened and taken advantage of, however, they are not ready to bankroll the modernization with their taxes. On the other hand, the emerging majority population will challenge the status quo until it is granted equal participation in political, economic, social and cultural life. In other words, as long as the majority population is not recognized as equal citizens, they will fuel the social conflict which is threatening the middle class.

The example of Thailand shows that the so-called Middle Income Trap is effectively a political trap. Emerging

economies need to break through the glass ceiling of extractive growth by moving up the global value chain. This requires considerable investment into human resources. To finance this strategy, the tax revenue must be significantly increased. In the midst of middle class rage, this would be political suicide. In other words: as long as the social contract is not agreed upon, societies in transition cannot graduate onto the next development level.

The Middle Income Trap is a reflection of a deeper dilemma of transformation: even if an inclusive social contract with equal rights and duties would be in the enlightened interest of all classes, its conclusion is blocked by the refusal of the elites and middle classes to recognize the majority population as equal citizens. In other words: the conclusion of an inclusive social contract with universal rights for all would be easier in a political culture based on egalitarian, pluralistic and democratic norms and values. Such a modern political culture,

however, tends to emerge only if political rights and participation, economic equality and social inclusion are already in place.

This is why the transformation conflict needs to be solved by inclusive social compromises between all classes. The elites need to embrace democracy as the only game in town and compete for electoral mandates on a responsive platform. The majority population agrees to constitutional limitations of majority rule in return of full capabilities. The middle class benefits from social peace, rule of law, good governance and quality public goods in return for picking up the tax bill. Such an enlightened social compromise can only emerge if there is a clear understanding that political, social and economic development are deeply intertwined. False beliefs that you can have one without the other must give way to a holistic understanding of development. Only then, the political will to tackle the many challenges of transformation can emerge.

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Marc Saxer



# World Society

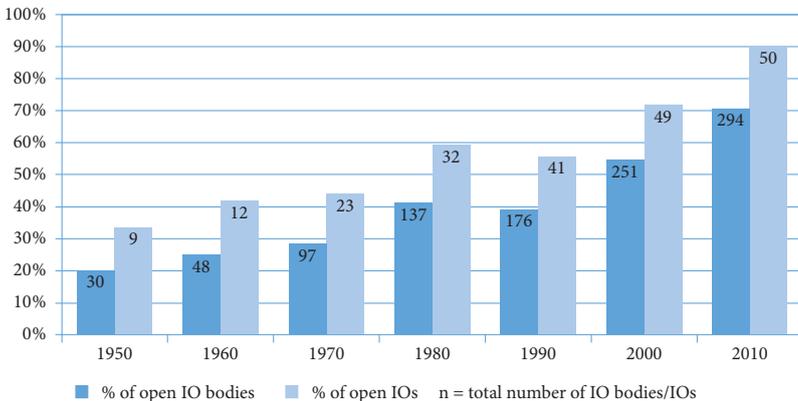


## The Post-2015 Consultations: Fig Leaf Policy or Test Bed for Innovation?

The United Nations (UN)-led global consultations on new development goals, which will replace the Millennium Development Goals (MDGs), started in 2012. In comparison with the creation of the MDGs, the road towards the post-2015 goals is much more inclusive and participatory. The consultations are part of a longer trend, in which intergovernmental organizations seek to strengthen their legitimacy in the eyes of those affected by their decisions. The post-2015 consultations have turned the spotlight on the vibrant and disparate stakeholder landscape of global development governance. Yet, actual decision-making on the new set of goals remains state-centred. The main challenge for UN member states, as they negotiate the new goals, is to do justice to the diverse input obtained through the consultations. Civil society views on their degree of impact through policy dialogues with UN bodies are quite sceptical. However, prospects for the implementation of new goals are higher if they gain broad legitimacy.

**Figure 1: More and more international organizations (IOs) and their bodies grant access to transnational actors (TNA)**

Percentage of IOs and international bodies that allow TNA access, 1950–2010



Source: Author's own graphics, based on Tallberg et al. 2013, p. 74

## A transnational turn in global governance

International organizations increasingly open up to participation by transnational actors such as civil society organizations (CSOs), companies, foundations and others, in a “transnational turn” in global governance [see Figure 1]. The access of transnational actors to international organizations grew dramatically from 1990 onwards, even though some organizations had developed access points much earlier. In comparative terms, the UN has been one of the most open organizations since the 1950s. How can this trend be explained? A recent study

of 298 organizational bodies of 50 international organizations demonstrates that the principal driver for organizations to open up has been functional demands for the resources of transnational actors. The latter help international organizations address policy problems more effectively, primarily through compliance monitoring and local implementation of their policy. Another driver has been the spread of a norm of participatory governance and domestic democracy among the member states of international organizations. The principal constraint

**Table 1: Civil society views on access to international organizations**

% of respondents	Very poor	Poor	Okay	Good	Very good
Benefits of accreditation	11	18	12	34	25
Ease of accreditation	22	10	29	29	10
Clarity of accreditation	16	12	22	39	12
Access to IOs	25	26	29	10	10
Objectivity of IOs in outreach	32	34	8	18	9
Proactivity of IOs in providing access to meetings	30	25	16	18	11
Quality of informal engagement by IOs	15	27	32	20	7
How has accessibility to the IO improved over the past five to ten years?	21	23	15	29	13

**80%** of respondents felt that CSO access to IOs was very poor, poor or okay.

**59%** of respondents felt neutral or didn't feel that CSO access to IOs had improved over the past five to ten years.

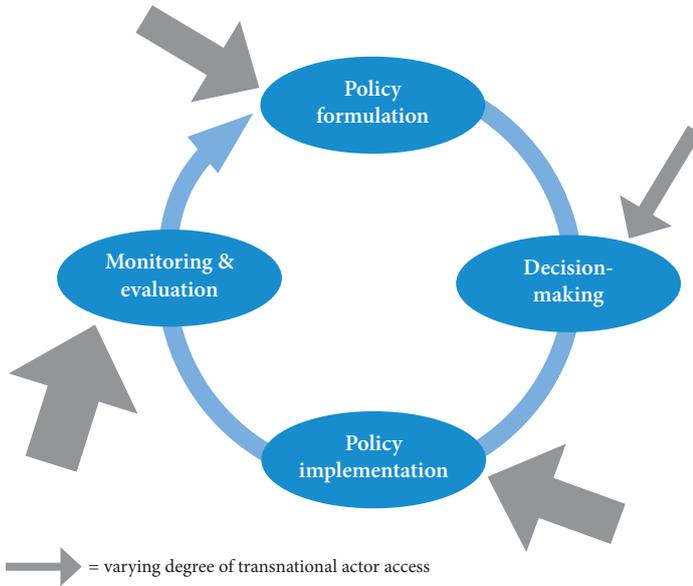
**71%** of respondents felt neutral or that IOs weren't proactive in providing ways for CSOs to attend or participate in meetings.

**71%** of respondents felt that there were benefits for CSOs to being accredited by IOs.

**51%** of respondents felt that the CSO accreditation process was clear and easily understandable.

Source: CIVICUS 2014, p. 211

Figure 2: Transnational actor access to phases of the policy cycle



Source: Author's own graphics, based on Tallberg et al 2013, p. 260

on broader access has been sovereignty costs leading to less state control (Tallberg et al. 2013, p. 137).

In the 2014 *State of Civil Society Report* published by CIVICUS, the World Alliance for Citizen Participation, CSOs, however, overwhelmingly feel that their access to UN bodies and organizations is very poor, poor or okay [see Table 1]. Besides the sometime complex administrative procedure of getting accredited, this view might also be due to differences in the level of access across issue areas as well as across policy phases. Civil society and business actors have gained most access to international organizations dealing with human rights, followed by those working with the environment and development. Intergovernmental organizations in the fields of security and finance are much

less open. The most open phases of the policy process are policy formulation and implementation/monitoring while decision-making is much less open, also in longer time perspective [see Figure 2]. Accordingly, transnational actors enjoy least access to the politically most important phase of international cooperation, which is decision-making (Tallberg et al. 2013, p. 260).

**Point of comparison: Creation of the MDGs**

The post-2015 consultations should be assessed in relation to the creation of the MDGs. Based on the Millennium Declaration adopted by the UN General Assembly (UNGA) in 2000, a UN interagency expert group created a num-

ber of quantifiable development goals, targets and indicators that were labelled the MDGs. The belief was that these goals would be considered legitimate due to their basis in the Millennium Declaration.

The MDGs as such were not the subject of formal vote by states in the UNGA, however. In the end, the MDGs drew a lot of inspiration from a tentative list of International Development Goals earlier developed by the Organisation for Economic Co-operation and

Development (OECD) and the Development Assistance Committee (DAC). The MDGs became seen by many as a “donor country” view of development. They were “hatched behind closed doors and shaped by special interests and the proclivities of particular development agencies as much as by any coherent conceptual design or consistently rigorous statistical parameters” (Darrow 2012, p. 6). The birth of the MDGs therefore created tensions between the UN and development CSOs.

## Post-2015 consultation processes

In contrast to the creation of the MDGs, both UN bodies and states as well as civil society consider broad deliberation on the new global development agenda a key determinant for the legitimacy of post-2015 goals (Darrow 2012, p. 50). The UN High-Level Panel on Global Sustainability concluded in 2012 that future goals had to be agreed upon by governments, but that their elaboration required a transparent and inclusive process based on lessons from the MDGs and on a diversity of expertise and geographic representation. Several consultation processes have therefore run in parallel since 2012.

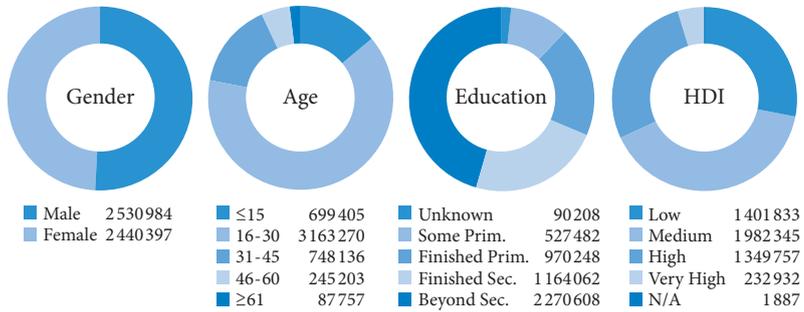
### UN-led consultations: “World We Want”

The focal point for UN stakeholder consultations has been the platform called “The World We Want 2015” (<http://www.worldwewant2015.org>). Under this heading, the UN has undertaken both

country level and thematically based consultations. UN country teams supported 88 countries to convene national consultations on the post-2015 agenda with governments, civil society, private sector, media, universities and think tanks. These national consultations were designed to make efforts to reach groups that do not generally participate in policy discussions. They used methods such as focus group discussions with vulnerable groups, roundtables with various stakeholders and online and SMS methods (<http://www.worldwewant2015.org/sitemap#national>).

Individuals are able to provide input on the World We Want platform through the global survey called MY World, developed by the UN, the Overseas Development Institute (ODI) and Ipsos MORI (a survey conducting UK company). In September 2014, five million people had responded to the survey on what issues they deemed most important for the new agenda (<http://data.myworld2015.org/>). Most votes

**Figure 3: Widespread and diverse participation in the post-2015 process**  
 The UN-civil society MyWorld survey: Who participated?



**Voters in total: 5 022 608** (as at 26 September 2014)

Source: <http://data.myworld2015.org>, 26.9.2014

have come from offline ballot methods such as face-to-face interviews in order to include communities without internet or phone access. These were conducted by approximately 500 organizations across the world, primarily from civil society but also from the UN and the business realm. In addition, about 10% of the responses were entered directly on the MyWorld website platform, and another 10% through mobile phones SMS. Interestingly, there is gender balance among the respondents, but almost 80% of the respondents were below 30 years of age [see Figure 3]. With regard to the Human Development Index (HDI), 2/3 of the respondents come from low- or medium level countries. The remaining 1/3 comes from high (or very high) HDI level countries.

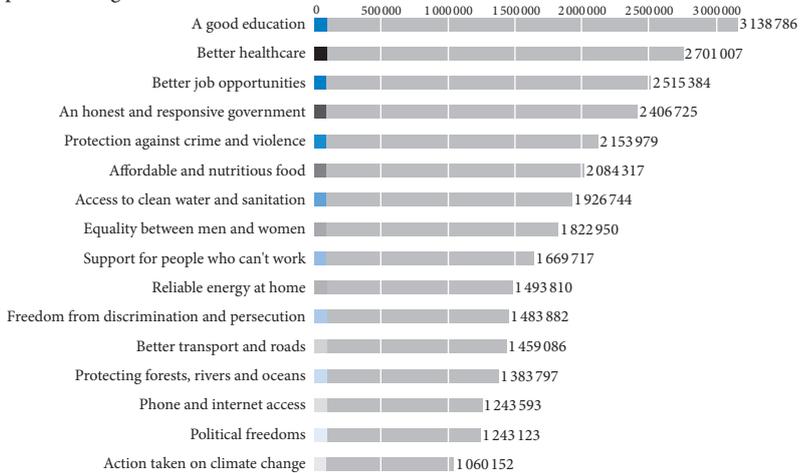
“A good education” is the top substantive priority for inclusion among new development goals, followed by “Better healthcare”, “Better job opportunities”, “An honest and responsive government”, and “Protection against crime and violence” [see Figure 4]. These concerns are

mirrored in the set of goals proposed by the Open Working Group on Sustainable Development Goals (OWG) (see below).

Eleven global thematic consultations have also been conducted between 2012 and 2013, jointly led by the relevant UN agencies and a couple of national governments. These consultations concerned inequality, health, food security, energy, governance, education, conflict, water, growth, environment, and population. A range of stakeholders participated in each consultation. The consultation on health, for example, involved input from UN member states, UN agencies, civil society, academia, the private sector, foundations and individual leaders in global health matters. It held 13 face-to-face consultations involving a total of 1569 individuals. Several of these were preceded by online surveys and other ways of outreach. More than 100 papers were submitted in response to the call for papers, from academic institutions, governments, CSOs, individuals and international agencies.

**Figure 4: Education as main priority of a new development agenda**

The UN-civil society MyWorld survey: What were the main substantive concerns for a post-2015 agenda?



**Voters in total: 5 022 608** (as at 26 September 2014)

Source: <http://data.myworld2015.org>, 26.9.2014

Each national and thematic consultation produced a final report, addressed to the High-Level Panel of Eminent Persons on the post-2015 Development Agenda. This Panel (active between July 2012 and May 2013) also held its own stakeholder meetings in London, Monrovia and Bali with contributions of about 5000 civil society organizations and 250 private stakeholders. The High-Level Panel of Eminent Persons issued its final report *A New Global Partnership: Eradicate Poverty and Transform Economies Through Sustainable Development* in May 2013. It called for transformative shifts and proposed a set of twelve new goals. In July 2013 the UN Secretary-General published his synthesis report, *A Life of Dignity for All*, based on input from the High-Level Panel report and the thematic and national consultations. Online-based delibera-

tions continue throughout 2015. In April 2014, six new thematic World We Want consultations were created on different aspects of the implementation of the post-2015 agenda, such as “Localising the Post-2015 development agenda” and “Partnerships with civil society and other actors”.

### Civil society post-2015 networks

The input provided from CSOs across the world is multifaceted and rich in scope and perspectives. The largest civil society network solely devoted to post-2015 campaigning is Beyond 2015. It was created in 2010 by UK based development CSOs Bond, the Catholic Agency For Overseas Development, and Christian Aid, in addition to Trocaire (Ireland) and *Coopération*

*Internationale pour le Développement et la Solidarité* (Belgium). Its original UK/West European bias has changed over time. In 2014 Beyond 2015 included more than 1000 civil society organizations from 132 countries. Of these, 56% are southern CSOs and 44% northern. In 2011 Beyond 2015 urged the UN to initiate and lead a dialogue on post-2015 goals. The network organizes meetings, events and lobbies the UN, the EU and individual countries to create an inclusive process. The Executive Committee of Beyond 2015 was restructured in 2012 in order to better reflect the geographic and thematic diversity of its member organizations. The Executive Committee now includes six CSOs from the Global South and six from the Global North.

Beyond 2015 seeks to create a civil society consensus on a minimum standard of procedural and substantive legitimacy for a post-2015 framework (Beyond 2015 2014). Between 2012 and 2013, financed by the Swedish government, Beyond 2015, together with the Global Call to Action Against Poverty and the International Forum of National NGO Platforms, organized national civil society deliberations in 29 countries of the South. Beyond 2015 has subsequently provided position paper input to all eleven UN thematic consultations and engaged with the Post-2015 High-Level Panel of Eminent Persons and the OWG (see below). In sum, while also organizing its own consultations, Beyond 2015 has adopted a strategy of engagement with the UN and pushed the UN to adopt participatory channels for input.

Examples of Southern-origin civil society networks actively engaged in post-2015 debate are the Third World

Network, Social Watch and Southern Voice. The Third World Network was created in 1984 in order to strengthen cooperation among development and environment civil society groups in the South. Strongly critical of economic neoliberalism, it disapproves of the “piecemeal approach” of goal setting, considering this a way for developed countries to limit their obligations to the South. The network argues that the post-2015 agenda should focus on global systemic reforms in order to alter the parameters of the international macroeconomic system and global trade policy (Third World Network 2014). The Third World Network agrees with the view of many human rights experts that development goals ought to be anchored in existing international human rights treaties (Third World Network 2014, p. 36).

Based in Uruguay, Social Watch is a global network of national coalitions of CSOs working against poverty, aiming to hold governments and the UN system accountable for their commitments to combat poverty. In line with the Third World Network, Social Watch points to the need to address structural economic issues and to employ a human rights based approach to the new set of development goals (Social Watch 2014). It proposes eight normative principles to serve as the basis for such goals, for instance solidarity, subsidiarity, peaceful dispute settlement and the “polluter pays” principle (Social Watch 2014, p. 14). Social Watch takes a critical stance towards post-2015 partnerships involving business, wishing to make business participation in UN processes more transparent and accountable (2014, p. 27).

Created in 2012, Southern Voice is a platform for southern think tanks from Africa, Latin America and South Asia created to provide for southern input on the post-2015 development agenda. The members of the networks are think tanks that have been provided grants by the Think Tank Initiative, a programme aiming to strengthen independent policy research organizations in the developing world. Southern Voice has provided input to the UN High-Level Panel of Eminent Persons and contributed to high-level events on post-2015 goals. From 2012 onwards, Southern Voice has also been conducting an initiative called the “Post-2015 Data Test” to apply a selection of possible post-2015 goals and targets to a number of countries in order to assess the adequacy of data available to measure post-2015 goals at country level.

In addition to these networks, a broad number of other northern and southern based CSOs have mobilized to influence the future global development agenda. Some have adopted a strategy of engagement with UN processes while more critically-minded CSOs have remained outside. A large CSO conference was held in Bonn in March 2013 with representatives from 200 CSOs from across the world aiming to develop joint strategies. This CSO meeting “announced the end of their honeymoon with the UN-led post-2015 process” (Behar 2014, p. 3). The concluding statement demanded that the design of the new agenda must be rooted in the existing human rights architecture, be universal, ensure accountability and be participatory (<http://icscentre.org/conferences/post-2015>).

## **Role of business in post-2015 process**

Business representatives and business associations have been included in several post-2015 deliberative settings, in contrast to what was the case in the year 2000. The High-Level Panel of Eminent Persons included two Chief Executive Officers (CEOs) among its 27 participants. This is equal to the number of civil society representatives on that panel. Among those consulted for the final report of the panel were CEOs of 250 companies in 30 countries (High-Level Panel 2013, p. 2).

The UN Global Compact, a voluntary-based corporate social responsibility (CSR) platform involving over 7000 companies, was asked by the Secretary-General to convey business perspectives on global sustainability priorities into the post-2015 process. The Global Compact has done so through several venues. In cooperation with the World Business Council for Sustainable Development, the Global Compact also provided a report to the High-Level Panel of Eminent Persons, outlining business ideas on the core of the new agenda and ways in which business can support its implementation. In addition, it provided its own report with proposals for new goals and targets to the UN Secretary-General in 2013. In preparation for this report, the Global Compact conducted its own consultations through its local networks with about 500 corporate representatives in five world regions. The report proposed a set of ten goals, headed by a goal to end poverty and increase prosperity via inclusive economic growth (Global Compact 2013).

In sum, much input from business to the UN has been channelled through the Global Compact. This has promoted representation of large businesses, certain key companies and individuals, often headquartered in Europe or North America. A recent study (Pingeot 2014) shows that certain industry sectors (e.g.

resource extraction, technology, pharmaceutical, food) and certain individual companies (e.g. Unilever, Siemens, AngloGold Ashanti, and Italian oil and gas producer ENI) are overrepresented in the many overlapping processes that allow for business input on post-2015 goals.

## Stakeholder engagement with intergovernmental post-2015 processes

### Open Working Group on Sustainable Development Goals

In January 2013 the UNGA established the OWG as an intergovernmental negotiating body [see Box]. In contrast to the World We Want consultations, the OWG identified and engaged with stakeholders through the UN “Major Groups” system. This system was established as a result of the UN Rio Earth

Summit in 1992 and identifies nine stakeholder groups: non-governmental organizations (NGOs), local authorities, science and technology, farmers, women, business and industry, workers and trade unions, indigenous peoples, children and youth. During its first phase of work, the OWG focused on stock-taking and on collecting views from member states and major groups’ stakeholders. The OWG co-chairs held

### Open Working Group on Sustainable Development Goals (OWG)

Following a decision of the United Nations Conference on Sustainable Development (Rio+20), held in Rio de Janeiro in June 2012, to launch a process to develop a set of sustainable development goals (SDGs), the OWG was established as preparatory body with 30 members, representing states from five regional groups (African, Asia-Pacific, Latin American and Caribbean, Western European and Others, and Eastern European) which were sharing seats. It was co-chaired by Hungary and Kenya. Its task was to present a proposal on sustainable development goals. The OWG held eight sessions of two to five days each during 2013 and 2014. It presented its final report to the General Assembly in July 2014, proposing 17 goals and 169 targets on a broad range of sustainable development topics. The launch of the report marks the end of the OWG (for further details see <http://sustainabledevelopment.un.org/owg.html>).

morning meetings with representatives of major groups before the start of the official intergovernmental OWG sessions. The messages of these meetings were brought into the discussions between OWG member states. Major groups' representatives were also able to make statements during official OWG meetings. Registered major groups organizations could contribute to different thematic clusters electronically by posting reports, position papers and official statements.

In comparison with the World We Want consultations, the stakeholder input provided to the OWG fed more directly into states' deliberations on proposals on goals and targets that provide a baseline for state negotiations during 2015. The UNGA decided in September 2014 that the proposal of the OWG would be the basis for integrating

SDGs into the post-2015 agenda, while recognizing that other inputs could be considered during the intergovernmental negotiation process (UNGA A/68/L.61). The OWG can be considered the most important point of access for non-governmental actors that far in the post-2015 process. This does not imply, however, that Major Groups are satisfied with the proposals of the OWG final report [see Box].

### **Intergovernmental Committee of Experts on Sustainable Development Financing**

In contrast to the creation of the MDGs, there is explicit concern in post-2015 processes on how to finance the implementation of new goals. Securing financing for post-2015 goals is central

#### **Major Groups' views on the OWG Final Report**

All Major Groups' closing statements applauded the inclusion of Major Groups in the work process of the OWG. The NGO Major Group representatives commend the process for being open and participatory for civil society. The Workers and Trade Union Major Group's statement is more critical, pointing e. g. to missing references to existing International Labour Organization norms and standards. The Indigenous Peoples Major Group is critical of the deletion of references to their group during the negotiation process, due to some member states questioning of the relevance of their inclusion. The group remains concerned that if it is not explicitly included, it will be excluded during implementation. The Farmers' Major Group expresses similar concerns. The Major Group for Children and Youth is very critical of changes and deletions made during OWG proceedings, for instance with regard to sexual and reproductive rights, definitions of peace and justice, and influence of business. The Business and Industry Major Group's closing statement is overall positive but calls for a strengthening of the primacy of the rule of law for good governance in the goals.

to their future legitimacy and political relevance. To achieve this aim the ICESDF formed a steering committee to coordinate the involvement of non-state actors in its work on this question [see Box]. This committee was composed of four representatives from “Major Groups” and four representatives from the UN’s Financing for Development Process. Multi-stakeholder dialogues with non-state speakers selected by this steering committee were held within the formal sessions of the ICESDF and available on live webcast. Statements and presentations made during the five sessions of the ICESDF were made available on its webpages, in addition to meeting summaries. Outreach meetings were held in Jakarta, Jeddah, Addis Ababa, and Helsinki, involving national policymakers, UN representatives, civil society and a few business representatives. In addition, stakeholder organizations could post contributions as part of the committee’s call for public input on different substantive themes.

### **UN General Assembly negotiations 2014-2015**

The UNGA decided in September 2013 that intergovernmental negotiations would be conducted during its 69th session (beginning in September 2014) until the formal adoption of the SDGs at the UN high-level summit in September 2015. In the lead up to this summit, the Secretary-General and the UN System will support UN member states’ negotiations. Results from consultations, key reports and other processes conducted in 2014 fed into the Secretary-General’s Synthesis Report by the end of 2014. This report will be presented to member states to set the stage for final negotiations leading up to the September 2015 summit. The final report of the OWG and the synthesis report from the Secretary-General constitute the foundation for the decision to be made at that summit.

The President of the UNGA’s 69th session (September 2014 to September

### **The Intergovernmental Committee of Experts on Sustainable Development Financing**

The Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF) consisted of 30 experts nominated by five regional groupings of UN member states. It was established by a UN General Assembly decision in 2013 and held five sessions of meetings during 2013 and 2014, concluding its work in August 2014. The Committee’s task was to present a report proposing options on effective sustainable development financing to mobilize resources for the achievement of future sustainable development goals. This report was presented to the UN General Assembly in August 2014 and constitutes one foundation for intergovernmental negotiations during 2015. The report proposes a toolkit of policy instruments for use in national sustainable development strategies (ICESDF 2014).

2015), Mr. Sam Kutesa, plans to convene three high-level thematic debates and one high-level event through the year 2015 to provide an opportunity for member states and stakeholders to deliberate on the post-2015 development agenda. These are not formal parts of the intergovernmental negotiations. The extent to which those negotiations will be transparent and open to input from non-state actors remains to be seen. A joint open letter from all Major Groups, Beyond 2015 and the Global Call to Action Against Poverty to UN member state ambassadors demands continued opportunities for non-state participation in the intergovernmental process during 2015. The letter asks for the establishment of structured modes of engagement for stakeholders in the intergovernmental

process and proposes such measures ([http://sustainabledevelopment.un.org/content/documents/3762StakeholderLetter-modalitiesforPost-2015Summit\\_Final.pdf](http://sustainabledevelopment.un.org/content/documents/3762StakeholderLetter-modalitiesforPost-2015Summit_Final.pdf)).

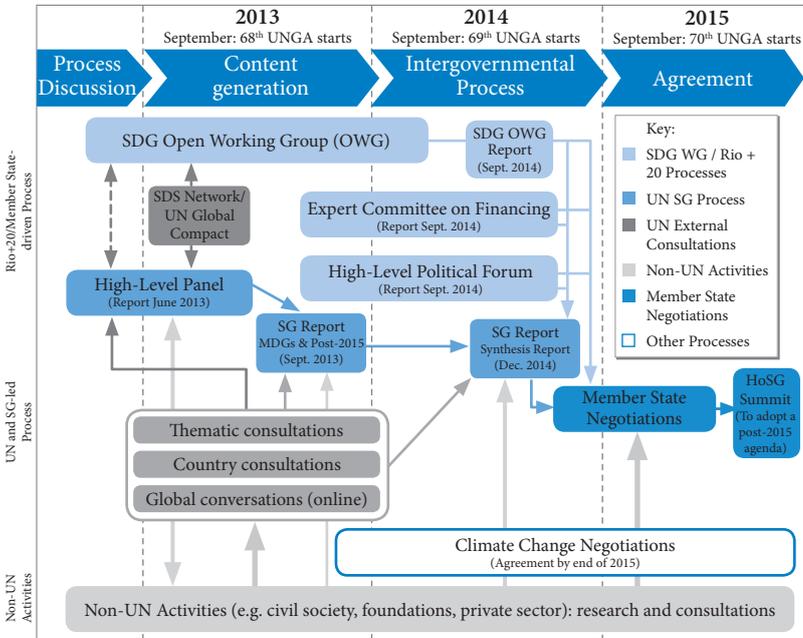
In sum, during 2014, the post-2015 process transformed from the broad consultation stage of 2012-2013 towards the intergovernmental decision-making phase [see Figure 5]. Recalling the above study by Tallberg et al. (2013), we know that the decision-making phase of the policy cycle is the less open one to transnational actor participation. During 2015, we can expect a transition, where high expectations on influence raised by the consultations will meet the interest-based politics of intergovernmental bargaining in the UNGA.

## Fig leaf policy or test bed for innovation?

The stream of reports, proposals and consultations together constituting the post-2015 process [see Figure 5] is not easy to navigate, neither for those trying to steer or influence it, nor for outside observers. If compared to the creation of the MDGs in 2000, we can in the above account discern the contours of a participatory world society in the global development realm. The post-2015 processes have mobilized civil society across the world and led to the creation of new global civil society networks. While far from perfect, the consultations have shown that it is possible to conduct wide-scale deliberations on global issues and that this broadens participation at the agenda-setting stage. The post-2015 consultations have been quite

encompassing in terms of the number and geographical reach of meetings and web-based deliberations. A variety of stakeholders has participated. Modern technologies enabling global communication on development issues have been used. The MYWorld survey has been able to include a large number of individual votes from low and middle HDI countries. The process has been transparent insofar as an unprecedented amount of material has been posted online for public access. The UN has adopted an open-ended approach to who could participate in the consultations, inviting all interested to contribute through the electronically based components of the consultations. This nascent world society is, however, quite

**Figure 5: The post-2015 development agenda originates in a broad process**  
Processes feeding into the post-2015 development agenda



**Abbreviations:**

HoSG = Heads of State and Government    SDS = Sustainable Development Solutions    UNGA = UN General Assembly  
 OWG = Open Working Group    SG = Secretary General    WG = Working Group  
 SDGs = Sustainable Development Goals

Source: <http://www.unfoundation.org/assets/pdf/post-2015-process-slide-1114.pdf>, 26.9.2014

heterogeneous. As any society, it is filled with conflicts and competing interests, manifesting that development is a highly political field characterized by power imbalances between North and South, rich and poor, men and women, within and between countries.

The post-2015 consultation process is a strategic attempt by the UN to legitimize its future set of development goals. The assumption that transnational actor participation can enhance the legitimacy of international organizations' decision-making needs to be subject to critical inquiry, however. Sheer inclu-

sion of CSOs in the agenda-setting stage does not necessarily improve international organizations' legitimacy. The above-referred 2014 *State of Civil Society Report* shows that 63% of CSO respondents felt they had very poor or poor actual impact on the policies of interstate organizations (CIVICUS 2014, p. 213). Civil society organizations from the Global North are in general disproportionately represented at the UN in comparison with such organizations from the South. For instance, a briefing prepared for an Overseas Development Institute and UN Foundation event (June

2013) found that the largest proportion of post-2015 proposals in the World We Want consultations came from global collaboration constellations or from actors based in high HDI countries, not low- or middle-income countries (Bergh and Couturier 2013) [see Figure 6]. Economically powerful actors such as transnational companies are privileged with a great deal of resources for influence. Well-organized and well-funded CSOs tend to be overrepresented whereas CSOs from developing countries tend to be underrepresented. The exclusion of those lacking internet access, as well as the short time frames of the post-2015 consultations, left a lot of agenda-setting power in the hands of those compiling the reports from the consultations. These were mainly representatives of the convening UN bodies.

In conclusion, in a politically contentious field, the post-2015 consultations have been a test bed for participatory innovation with regard to globally encompassing deliberations, if primarily of a top-down kind organized by UN bodies and certain states. However, according to critical voices the defining narrative of the post-2015 framework is pre-scripted (Behar 2014). Therefore, it remains to be seen in 2015 whether governments' political bargaining on the final set of new goals turns the consultation efforts into fig leaf policy. Returning to the drivers of the transnational turn introduced above, we have seen the influence of a norm of participatory governance in international affairs. However, sovereignty costs might still weaken this norm when push comes to shove. Decision-making remains in the hands of states. In the end, perceptions of legitimacy will

differ greatly within the broad range of stakeholders involved.

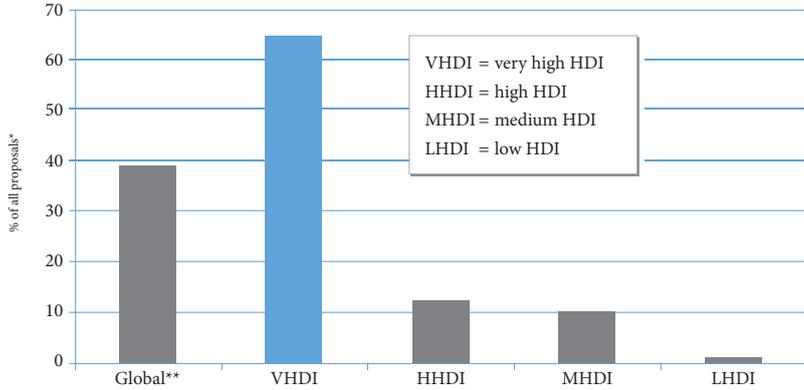
### Policy implications

The urgency of addressing development concerns across the world means that broad agreement on future development goals and their financing is pivotal. If the policies adopted by international organizations are widely perceived as legitimate, their chances of implementation are higher. The post-2015 consultations have employed means of engagement for reaching out to a global citizenry that future deliberative processes of this scale, even if rare, can draw inspiration from. Yet, a lesson for policy makers is to be more explicit about in what ways stakeholder deliberations will actually feed into formal decision-making. In addition, more active measures need to be constructed by the bodies organizing consultations to compensate for inequalities in resources among the broad range of groups with a legitimate claim to participate. Such resources can be economic, knowledge-based or technological, and relate to access to formal and informal arenas of deliberation, besides others. Differences in such resources are vast between a small civil society organization from a low-income country, compared to a large private foundation, a company or an industry branch organization. Therefore, the organizational design of consultations needs to be carefully crafted and their time span not as short as the post-2015 ones have tended to be.

During the decision-making stage, it is more effective for stakeholder groups

**Figure 6: Proposals from the Global North are disproportionately represented in the post-2015 World We Want consultation process**

All proposals put together by the Overseas Development Institute in the »Future Goals Tracker« by country of origin, in % according to human development index (HDI) ranking, as of May 2013



\* Some proposals are tagged to multiple HDI categories

\*\* Global: refers to proposals from international organizations, business associations, think tanks, the ODI etc.

Source: <http://post2015.org/2013/05/16/what-do-we-know-about-the-worlds-proposals-for-post-2015-goals-first-analysis-from-the-future-goals-tracker>, 9.11.2014

to try to influence the negotiation positions of individual states, rather than the international organization as such. Recent studies show that much civil society influence on international organizations is achieved by working with individual states rather than through direct advocacy targeting the organization (Pallas and Uhlin 2014). However, such a “state channel” is accessible only in somewhat democratic states. There must also be an alignment of interest between the state in question and the CSO, and that state must be more powerful than competing states in the international organization. Research also shows that the CSOs which exhibit most of such state contacts are the experienced, professional and resource rich ones in a country’s capital. In addition, CSOs with a moderate reformist agenda are

more likely to find powerful state allies than those with radical transformational agendas (Pallas and Uhlin 2014). For a development CSO, engaging with UN-initiated consultations therefore implies a balance between, on the one hand, adapting its agenda to the political feasibility of negotiations and, on the other, to stand for bolder visions beyond the limits of interstate politics. The possibilities for non-state actor participation during 2015, for instance through open hearings and written input to UN member states, will strongly influence the perceptions of legitimacy of post-2015 goals among development CSOs. If the influence from the consultations turns out to be negligible on the final outcome in September 2015, faith in and commitment to future UN consultation processes are in danger.

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Magdalena Bexell



## Spotlight

### Why We Should Give the Future a Seat at the Negotiating Table: Future Generations in the Post-2015 Agenda

The future generations whose resources, representation and interests were a cause for concern for the Brundtland Commission back in 1987 are now 27 years old. The International Labour Organization (ILO) describes them as the “lost generation”: youth unemployment has climbed to record highs globally, reaching as much as 60% in comparatively affluent countries such as Greece and Spain. The austerity policies adopted to shore up the conventional economic model are impacting most severely on the younger generations and less affluent social groups (Schraad-Tischler/Kroll 2014, p. 6). At the same time, environmentalism, workers’ rights and business taxation are seen as constraints on growth and competitiveness and are being called into question or given lower priority. But it is not only yesterday’s “future generations” who are suffering, squeezed out by ever more intensive competition. Further escalation of this trend will have an even greater impact on the generations born today and in

coming decades.

It’s time to end this discrimination and formally grant future generations a seat at the negotiating table. In Europe, at least, there is no likelihood of this failing for lack of public support: in 2010, around three quarters of Europeans said that European and national government institutions need more reforms to face the future. More than 70% said that these reforms should protect future generations even if that means “some” sacrifices for the present generation (Eurobarometer 2010, p. 24).

From a transition research perspective, governance innovations which take account of the rights of future generations are long overdue, since they have a role to play in overcoming some of the challenges arising in the implementation of sustainability commitments and policies. Analyses conducted by the Organisation for Economic Co-operation and Development (OECD), the EU and the United Nations (UN) between 2006 and 2011 all identify the following obstacles

#### **The Brundtland Commission Report (excerpt)**

“We borrow environmental capital from future generations with no intention or prospect of repaying. They may damn us for our spendthrift ways, but they can never collect on our debt to them. We act as we do because we can get away with it: future generations do not vote; they have no political or financial power; they cannot challenge our decisions” (World Commission on Environment and Development 1987, paragraph 25).

(OECD 2006, p. 7f.; European Commission 2009, Chapter 4; United Nations 2011, p. 4ff.):

1. Short-term business and election cycles prioritize immediate returns over long-term development. As a consequence, short-term costs are avoided and the status quo is maintained.
2. There is limited public awareness of sustainable development goals, and some policy sectors, stakeholders and departments remain almost untouched by sustainability concerns, which are often regarded as a “single issue” of interest only to environmentalists.
3. Policy integration is impeded by weak institutional coherence and a lack of accountability for long-term impacts. Conflicts of interest between economic growth and social and environmental goals are not sufficiently transparent.
4. Lack of participation by civil society poses a threat to effective democracy at a time when a shift away from traditional development pathways is needed.

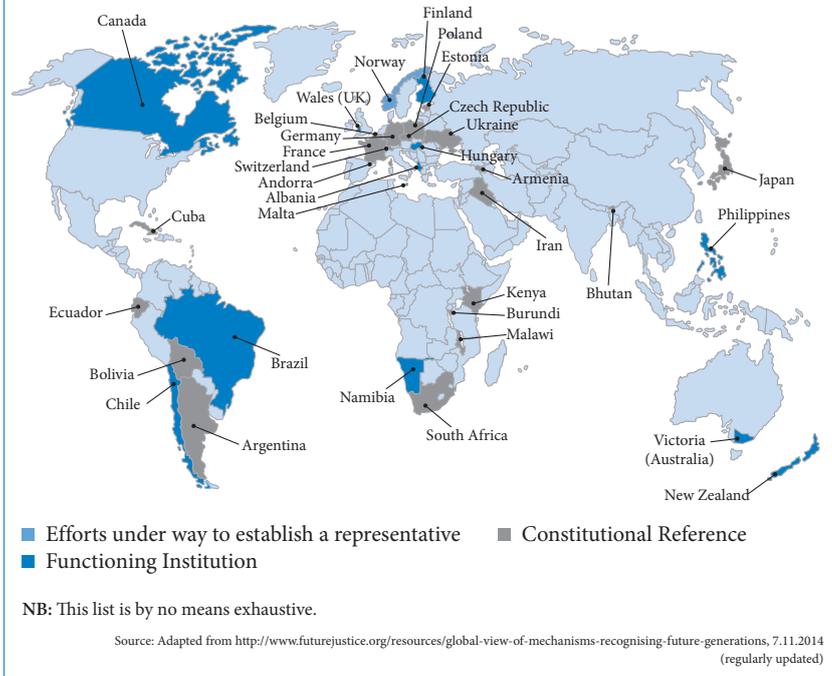
Governance innovations, in this context, are understood not only as reforms of legislation and institutional arrangements but also encompass the social, economic and cultural dimensions of decision-making. Giving future generations their own voice in the public arena and an effective role in political processes would address these problems at various levels.

## The voice of future generations in the post-2015 process

Accordingly, at the United Nations Conference on Sustainable Development (Rio+20) in 2012, a Major Group comprising various country and civil society stakeholders called for the creation of a High Commissioner for Future Generations. This proposal was subsequently watered down in the outcome document, with the UN Secretary-General merely being invited, in the first instance, to present a report on intergenerational solidarity and the needs of future generations. The report, released in 2013, supports specific representation of the interests of future generations and a focus on normative and ethical issues, rather than on purely economic cost-benefit analyses, in today’s decision-making

processes (United Nations 2013). It proposes various options for action, ranging from promoting intergenerational solidarity and future generations through the United Nations System Chief Executives Board for Coordination and its mechanisms, to addressing the issue as a recurring agenda item at the meetings of the UN High-level Political Forum – the main UN platform dealing with the post-2015 agenda – or appointing a Special Envoy. The most powerful institution would be a High Commissioner for Future Generations with a small staff and a practical mandate that would include interaction with Member States, albeit in a purely advisory capacity.

**Figure 1: Global view of mechanisms recognizing future generations**  
 Overview of countries that recognize the rights of future generations through mechanisms such as constitutional references, various institutional models and efforts under way to enshrine future generations (status: October 2014)



## The model: an Ombudsperson for Future Generations

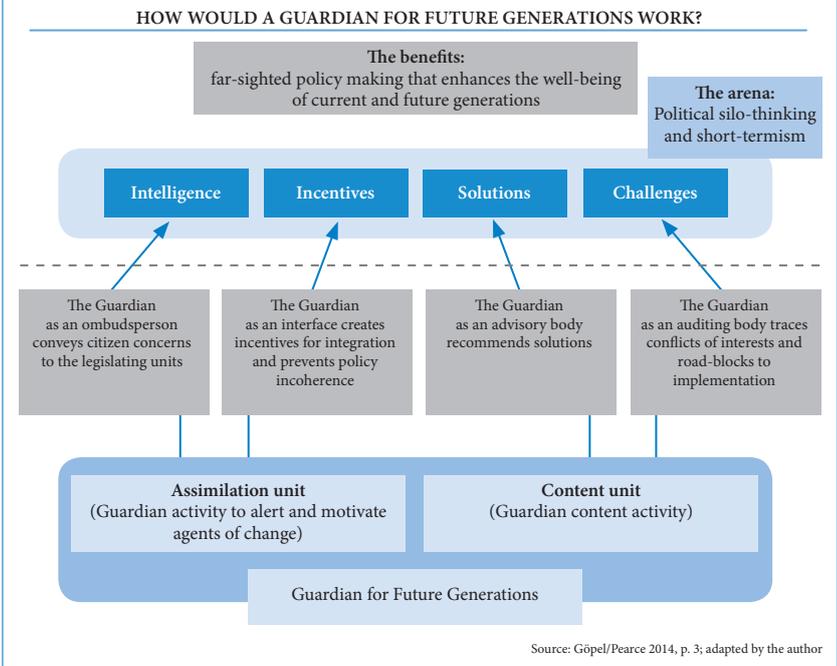
The institutions at national level which served as models for these conceptual approaches are, in some cases, highly effective and could potentially have considerable significance for the implementation of a post-2015 agenda. In terms of the institutional arrangements, the Ombudsperson model has emerged as the most viable option (World Future Council/CISDL 2009). A pro-active and preventive mandate, such as that granted to the Ombudsperson in Hungary, the Parliamentary Commissioner for the Environment in New Zealand and the

former Parliamentary Commissioner for Future Generations in Israel, would ensure that backed by relevant studies, advice and impact assessments, long-term interests are integrated into legislative processes at an early stage (Göpel 2011).

Legitimized by Parliament and with a high degree of professionalism, Ombudspersons' work cuts across party lines and election cycles and is dedicated to safeguarding good governance. To that end, Ombudspersons have direct access to a considerable body of information held by government agencies, much of

**Figure 2: New challenges require new approaches**

Possible institutional arrangements to protect future generations



which is inaccessible to civil society. Much of their work is generated by information or complaints received from the general public, thus creating democratic feedback effects between legislative institutions and the people whose lives and jobs are affected by the decisions adopted.

Ombudspersons typically have a right of veto over policy proposals until solid evidence about their impacts is avail-

able. This is far more effective than a mere right of consultation. Indeed, in Hungary's case, there is an opportunity to mount legal challenges to projects or programmes which might adversely affect the interests of future generations. Here, justice casts a long shadow: as a rule, solutions that genuinely offer future generations a role in an extended separation of powers model are adopted before cases ever come to court.

## A focus on the future: a catalyst for sustainability innovations

If the key criteria for effective formal representation of future generations are fulfilled [see Figure 2], multidimensional effects

can be expected, which would address some of the main obstacles to implementation of sustainable development strategies:

- **Economic:** Better visibility of relevant analyses will do much to raise awareness of the generally much greater long-term damage resulting from short-term cost avoidance, while highlighting the importance of the environmental and social dimensions in safeguarding future prosperity. Perceived constraints on current consumption will thus be recognized as an investment in future wellbeing.
- **Institutional:** If regulation and voluntary commitments are examined from an integrated perspective, independently of election and business cycles, in order to identify their long-term impacts, policy coherence will increase. Mediation between conflict parties can in some cases promote cross-sectoral perspectives, revealing conflicts of interest which, at present, often disappear behind hidden variables in cost-benefit analyses.
- **Sociocultural:** The explicit goal of working to improve our children's and grandchildren's lives adds a

fresh and creative dimension to the technocratic concept of "sustainable development" and offers a shared vision that can help to overcome negative attitudes or inertia. The model of sustainable development gains an active and effective voice.

Bringing future generations to the negotiating table can thus become a catalyst for action, strengthening synergies among existing institutions and initiatives and leading to what transition research calls "system innovation". This means that if the intention pursued by the system is no longer appropriate, it is not enough simply to pursue it more efficiently or rigorously; instead, what is needed is a new direction and new ways of working. Time is a fundamental dimension of the vision of sustainable development but is completely neglected in our current efforts to shape the future. It's time to free ourselves from the dictatorship of the present and test the new freedoms that a long-term perspective can offer us.

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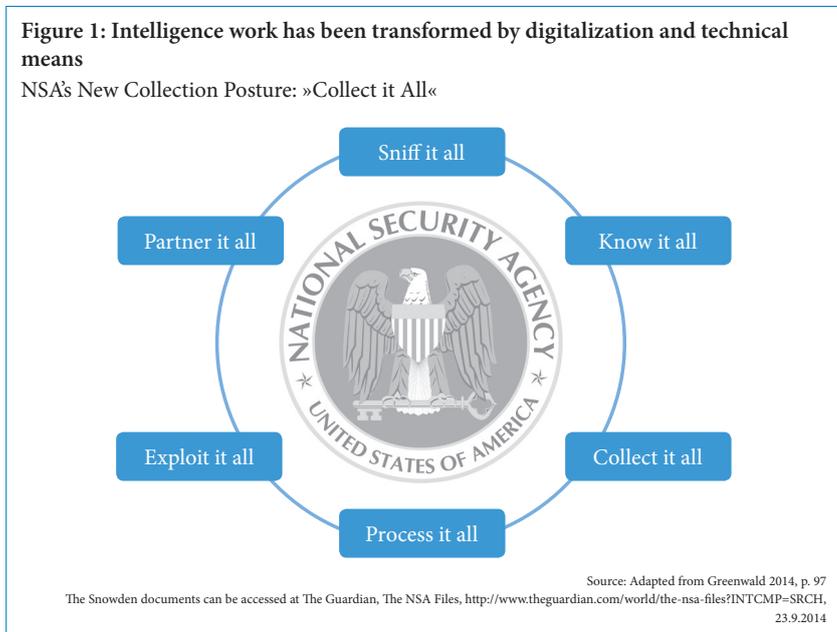
Maja Göpel

Translation: Hillary Crowe

# World Society under Surveillance: Intelligence Networks and the Threat to Privacy

Two main developments provide the context for the controversies engendered by Edward Snowden's leaking of documents of the US National Security Agency (NSA) and the British Government Communications Headquarters (GCHQ) to media outlets in the UK and the US. Digitalization and the technical means to collect, process and store data have transformed much intelligence work and new perceptions of risk, especially in the wake of 9/11, intensify demands to "collect everything" for intelligence purposes.

As a largely closed self-referential system, intelligence can be as harmful to democracy as the threats from which it purports to protect citizens. However, although mass collection potentially threatens civil liberties, public reaction is highly ambiguous. It is debatable whether global internet governance can contribute to securing citizens' privacy and freedom rights, as long as the commitment of (parts of) civil society to protect civil liberties is not echoed by nation-states.



## An intelligence revolution

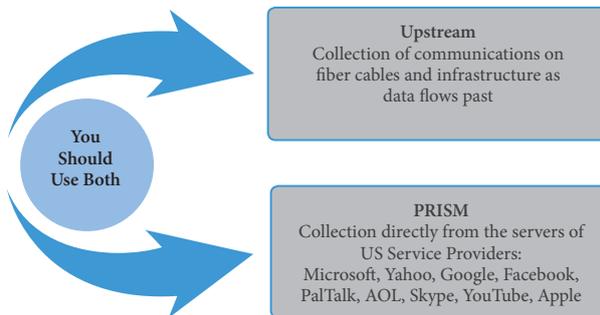
Any brief history of intelligence indicates that governments have always sought to intercept the communications of opponents, both internal and external. Intercepting cable and radio communications became ever more sophisticated in the twentieth century and then computers heralded the ability to search the data collected, for example, the Echelon system for finding “keywords” in satellite communications (Campbell 1999). But the digital era seems to have brought the possibility of “knowing everything” within reach [see Figure 1].

Yet, simultaneously, transmission by fibre optic cable and the commercial availability of encryption software such as Pretty Good Privacy challenged the ability of state agencies such as NSA and GCHQ to collect and then decrypt communications. Now, the NSA/GCHQ files have filled in much detail as to how these challenges are being met in the never-ending “arms race” between securing and intercepting communica-

tions. Both breaking into fibre optic cables (Upstream) and collecting data directly from the servers of major communications service providers (CSPs) constitute the main sources for NSA information which analysts are encouraged to use [see Figure 2]. In other cases, physical equipment bound for foreign targets is intercepted and modified with “beacons” by NSA’s Tailored Access Operations unit. The equipment is then re-packaged and sent on to its destination where it can be accessed remotely. The same result can be achieved by the online insertion of malware (Greenwald 2014, p. 116ff., 148f.).

The issue of encryption highlights one of the central paradoxes of the current situation. TOR (“the onion router”), for example, is an open source public method to protect on-line anonymity used by many companies and individuals, including dissidents in repressive regimes but also, no doubt, criminals. The US Department of Defense (DoD)

**Figure 2: Securing and intercepting information has become quite sophisticated**  
NSA: Two Types of Collection



Source: Adapted from Greenwald 2014, p.108

initially developed TOR and so far it has resisted most attempts by the NSA – also part of the DoD – to compromise its core security. But there has been much criticism of the agencies’ attack on encryption; for example, when they insert “backdoors” into commercial software to facilitate interception it makes the soft-

ware more vulnerable to other hackers and threatens its integrity for all computer users. Tim Berners-Lee, founder of the World Wide Web condemns this as appalling and foolish since it contradicts governments’ fight against cybercrime and betrays the technology industry (Pilkington 2013a).

## Intelligence networks: cooperation, trust and “spying on friends”

Since the end of the Cold War, there has been a significant growth in interdependent networks of state and corporate sectors. These develop and produce information processing hardware and software while private security companies are also increasingly involved in what was previously the full range of state intelligence roles (Priest/Arkin 2011, p. 184). This may apply especially to the USA but any country, whose intelligence “reach” exceeds its financial grasp, may resort to “outsourcing” intelligence activities. The Snowden documents indicate a variety of ways in which CSPs cooperate with state agencies, some under legal compulsion, some with financial inducement reinforcing their patriotism and, to their irritation, some completely involuntary as agencies hack into company servers or communications. Unsurprisingly, many companies have threatened to reduce their cooperation with the US Government. The German Interior Ministry has dropped its contract with Verizon as the German government tries to increase its own information security. The potential for further economic damage to some US companies is clearly considerable

while others, such as those selling specialized encrypted mobile phone services to Germany may well benefit (Harris 2014).

If the global communications infrastructure is to be subject to surveillance, then it cannot be done by a single nation, however powerful; it requires collaboration. Intelligence cooperation has developed since the early twentieth century, most rapidly between wartime allies. In the West, relatively ad hoc arrangements during two world wars were systematized at the start of the Cold War in the so called UKUSA treaty which provided for systematic cooperation for communications and security intelligence [see Box p. 74]. Then, as now, it is dominated financially by the US “hegemon” with other Anglo-Saxon countries contributing to complete global coverage. The basic documents relating to the treaty were officially published in the UK in 2010.

In addition to UKUSA there are other intelligence agreements, for example within the framework of the North Atlantic Treaty Organization (NATO) and the Signals Intelligence Seniors Europe (SSEUR) [see Figure 3]. Intelligence

### UKUSA agreement

“The 10-page, Top Secret British-U.S Communication Intelligence Agreement was signed on 5 March 1946 and committed both nations to sharing intelligence with each other, continuing a practice which had begun during the Second World War. Later referred to as the “UKUSA Agreement” the document lays out the terms of the deal which formed the basis for signals intelligence co-operation between the two countries throughout the Cold War. The agreement was later extended to cover Canada, Australia and New Zealand ...”

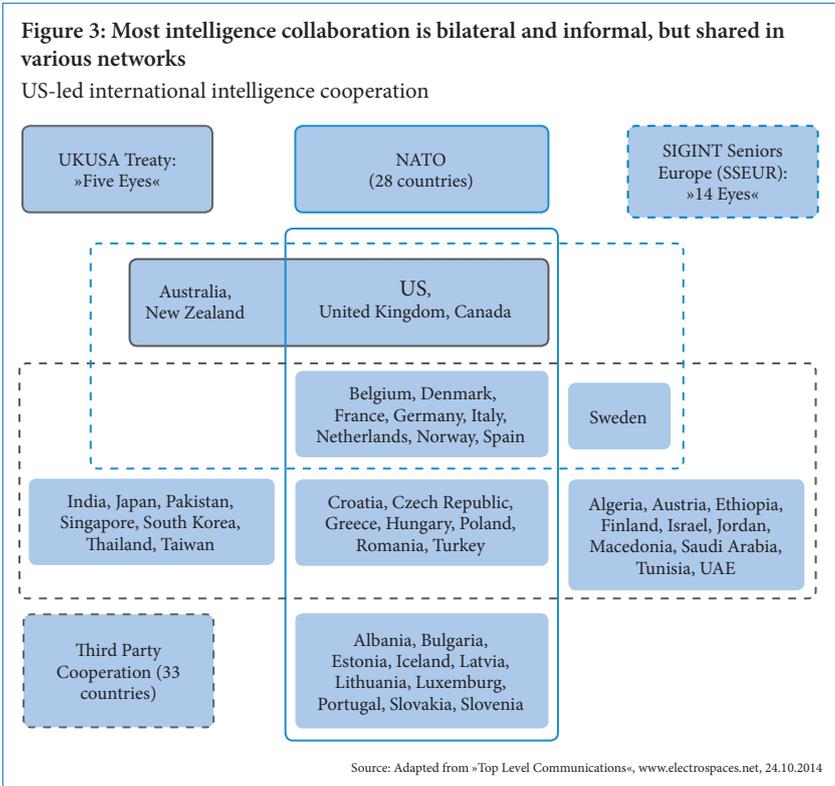
Source: <http://www.nationalarchives.gov.uk/documents/ukusa-highlights-guide.pdf>, 27.10.2014

sharing is most comprehensive between the Five Eyes and, for military matters, within NATO. SSEUR consists of the most important European contributors of signals intelligence (SIGINT) and there is an equivalent group in the East Asia/Pacific Rim region. Cooperation with “third parties” outside of these groups takes place when focused on specific operations. Most intelligence cooperation is bilateral and informal because of the importance of trust and reciprocity in safeguarding secrecy; these agreements do not provide seamless multilateral sharing of intelligence but are more in the nature of networks. The US has encouraged even more widespread collaboration since 9/11, including cooperation with former enemies who can now be enlisted in the so-called “long war” against terrorism.

Even within UKUSA there is no formal “no spying” agreement between countries but an “understanding” between long-term allies. The US will cooperate with other countries but will also spy on them if it believes it is in the US national interest to do so. The initial reports of NSA surveillance of

Germany, including the Chancellor’s phone, aroused great controversy and a further twist was given to the row when a member of Germany’s Federal Intelligence Service (Bundesnachrichtendienst, BND) was arrested on suspicion of spying for the US by selling documents to the Central Intelligence Agency (CIA) including one on the Bundestag committee investigating NSA surveillance. Needless to say, however, the BND is also in the spying business: when reports emerged in August 2014 that it had been spying on Turkey (a NATO ally) for years, the Turkish foreign ministry described this as “absolutely unacceptable” (Spiegel Staff 2014). But this did not stop the two countries simultaneously agreeing to increase intelligence cooperation, specifically against the threat of the “Islamic State” (IS).

Networks, therefore, are not simply mechanisms for cooperation; not only will states cooperate with corporations in some contexts while seeking to control or undermine them in others but countries will collaborate in some areas while competing intensely (including spying) in others (Bauman et al. 2014, p.



122). While intelligence cooperation is clearly a positive development for those countries facing genuine threats, the fact that it takes place beyond any effective oversight means that it is always prey to

the dangers of human rights abuse, as demonstrated by the whole saga of post-9/11 kidnapping and torture, described in sanitized form as “extraordinary rendition” (Sands 2008).

### Intelligence as a threat to privacy – who cares?

The Internet itself is a network of thousands of independent communications networks and the participants manifest many different interests with respect to individual privacy. For example, in order to protect their own reputations, financial and medical networks will guard their clients’ privacy but the

core business model for major CSPs and intelligence agencies is exploiting citizens’/customers’ personal information for their own purposes. In the wake of the Snowden revelations Brazil and Germany initiated a resolution at the UN that was passed in December 2013 [see Box p. 76].

### **The UN General Assembly Resolution “The right to privacy in the digital age” (UN Doc. A/68/167)**

“In the resolution, which was co-sponsored by 57 Member States, the Assembly affirmed that the rights held by people offline must also be protected online, and called upon all States to respect and protect the right to privacy in digital communication. It further called upon all States to review their procedures, practices and legislation related to communications surveillance, interception and collection of personal data, emphasizing the need for States to ensure the full and effective implementation of their obligations under international human rights law.”

Source: OHCHR 2014, para. 5

In a report dated from June 2014, the UN High Commissioner for Human Rights reiterated the requirements for state surveillance to meet the standards established under the International Covenant on Civil and Political Rights (ICCPR), that is, that surveillance be neither arbitrary nor unlawful (OHCHR 2014). Mass surveillance is arguably arbitrary and therefore there is a major contradiction between international intelligence cooperation as it has developed and the ICCPR. There is clearly concern regarding the misuse of private data by both states and companies; the rapid rise of social networks brings this into sharp relief. Attitudes as to where the line between public and private is to be drawn are changing, especially

as between generations. For example, EU citizens “own” their personal data but if they use that personal information to “buy” services such as Google or Facebook, they not only lose control over it but also provide access to the personal information of others who contact them. In defence of the intelligence agencies, some officials have argued that the corporations (Datenkraken or “data octupuses”) present the greater threat to privacy. This may sound like special pleading but a TNS poll in the UK found that 55% were “very/fairly concerned” about the activities of search engines such as Google and 60% about social media such as Facebook while 43% were equally concerned about monitoring and information collection by British

**Table 1: Global survey “Is US monitoring of ... acceptable or unacceptable?”**

Percentage	Citizens from your country	Leaders of your country	American citizens	Terrorist suspects
Acceptable	12	20	31	64
Unacceptable	81	73	62	29

Source: Pew Research 2014b

agencies, 46% by US agencies (TNS 2014). Such sentiments may well have increased as a result of Facebook's experiment in manipulating the information posted on 689,000 users' homepages to see if it could make people feel more or less positive through "emotional contagion" (Booth 2014).

Poll data suggests that, in the USA, more disapprove than approve of the scale of information collection revealed: Gallup found in the USA in June 2013 that 57% were "very or somewhat concerned" that privacy rights had been violated while 42% were "not too or at all concerned". 53% "disapproved" of the collection of telephone and internet data (37% approved) (Newport 2013). A year later Pew published the results of a massive global survey involving about 48,000 interviews in 44 countries [see Table 1].

In nearly all countries polled, majorities opposed monitoring by the US government of emails and phone calls of their foreign leaders or citizens. In contrast, unsurprisingly, Americans tend to the view that eavesdropping on foreign leaders is an acceptable practice, but they are divided over using this technique on citizens in other countries.

Certain other patterns emerge, for example, disapproval in the USA was much higher for collection of "domestic" communications than international ones but approval or disapproval did not vary greatly as between age groups. There was greater variation in attitudes to Snowden's actions, with younger people generally more supportive (Pew Research 2014a). What does emerge is a high degree of cynicism: only 1 in 5 in Canada, UK and the US believed the

information gathered would be used only for national security purposes and almost a half thought it would be used for any purpose the government chooses (Angus Reid 2013). In the UK 83% told the polling firm YouGov in July 2014 that they thought, whatever the law, the agencies probably access "almost everything" or "a lot" of information on ordinary people. Yet 64% also believed the agencies should have such extensive access without a court order (Dahlgreen 2014).

But what people tell pollsters does not necessarily inform their behaviour. The evidence as to whether people are changing their online habits as a result of the Snowden revelations is more mixed. A study of Google Trends data before and after 6 June 2013 found that searches for "private" or "troublesome" terms had fallen by a statistically significant amount, especially in Canada, UK and the US. It is noted that this fall may have been compensated by the increased use of other search engines but, if maintained, could damage Google if marketing campaigns went elsewhere (Stanganelli 2014). Yet there is no evidence that social media is being abandoned: in the year between June 2013 and 2014 Twitter's number of monthly active users increased by 24% and Facebook's by 14%. In general, this controversy raises more profound questions of political economy and peoples' subjection to power (public and private) via surveillance than simply a traditional question of the citizen's privacy rights vis-à-vis the state.

## Can new forms of global internet governance protect the privacy of individual users?

The “network of networks” that is the Internet consists of multiple layers but combines both physical and virtual properties. There is no single regime for governance of cyberspace but “there is a set of loosely coupled norms and institutions” that ranks somewhere between hierarchical integration and high fragmentation (Nye 2014, p. 7). How the Internet can be governed in the light of the Snowden revelations is a subject of many inquiries including the Bildt Commission established by the UK think tank Chatham House and the Centre for International Governance and Innovation (CIGI).

Unsurprisingly, much reaction to Snowden has criticized the US dominance of the Internet as well as NSA’s subversion thereof and some have argued for new international govern-

ance by, say, the United Nations (UN). But the fact that among the countries proposing new international multilateral governance at the United Nations Human Rights Council in September 2013 were Pakistan, Cuba, Zimbabwe, Russia, Iran and China might give us pause for thought. Since governments unilaterally and in cooperation conduct surveillance of the Internet, this would obviously not improve the situation.

The strength of the Internet and the World Wide Web is that they provide an extraordinarily rich and powerful information “commons”; yet, like all such commons, they are subject to abuse by the rich and powerful. The neo-liberal “multi-stakeholder” model can be criticized for reinforcing the dominance of major Internet corporations and enabling the wealthiest states to establish

### **NETmundial multi-stakeholder statement April 24, 2014, Sao Paulo, Brazil.**

“This is the non-binding outcome of a bottom-up, open, and participatory process involving thousands of people from governments, private sector, civil society, technical community, and academia from around the world. The NETmundial conference was the first of its kind. It hopefully contributes to the evolution of the Internet governance ecosystem...”

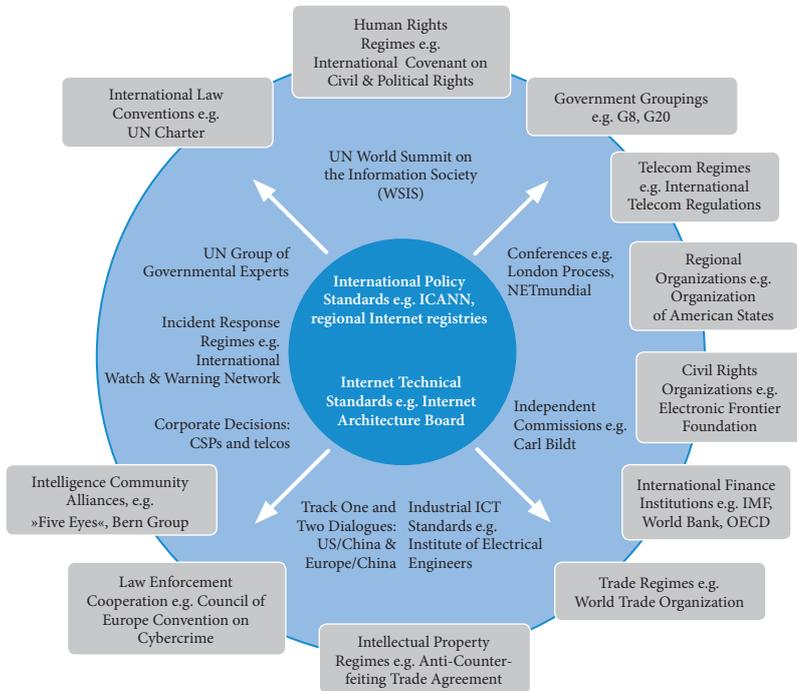
#### 1. INTERNET GOVERNANCE PRINCIPLES

NETmundial identified a set of common principles and important values that contribute for an inclusive, multi-stakeholder, effective, legitimate, and evolving Internet governance framework and recognized that the Internet is a global resource which should be managed in the public interest...”

Source: <http://netmundial.br/wp-content/uploads/2014/04/NETmundial-Multistakeholder-Document.pdf>, 17.10.2014

### Figure 4: Civil society cannot dominate the state-corporatist network in Internet Governance

The regime complex for managing global cyber activities



Source: Adapted from Nye 2014, p. 8

regulation and taxation regimes in their own interests but, given they are central to the provision of the material infrastructure of the Internet, it is hardly feasible to exclude them. Yet they should not be placed in charge; states define their security interests in realist terms and use the Internet for intelligence purposes, just as they have always exploited all other means of transnational intercourse. But if their dominance is to be restrained it can only be through initiatives such as NETmundial [see Box].

Some have warned that the Internet may be “balkanized” as a consequence

of the revelations of Snowden and others. Tim Berners-Lee has expressed his concern at the chilling effect on the use of the Net and “intercreativity” (brainstorming etc.) that would result from any fragmentation (Pilkington 2013b). In the short term governments on the wrong end of US surveillance toy with the idea of increasing their communications security by constructing new networks that do not travel through the US but, in the longer term, the economic and social cost of excluding themselves from the global web, assuming it were feasible, would almost certainly

outweigh any marginal increase in communications security. From the citizens' viewpoint, fragmentation into regional networks might mean just as many invasions of their privacy, if by a different mix of states and corporations (Bauman et al. 2014, p. 128ff.). The "information freedom" of Russian citizens will not be enhanced if the Kremlin pursues its plans to enable it to "unplug" itself from the Internet in the event of military confrontation or anti-government protests and to take control of .ru and .su domain names away from the US-based not-for-profit Internet Corporation for Assigned Names and Numbers (ICANN).

The field of international, state, corporate and civil society actors involved in establishing policy and technical standards is extremely crowded [see Figure 4]. The challenge facing those who would change internet governance from its present pseudo anarchy is that global cooperation between states and corporations will remain high in areas where they perceive a common interest, for example, the domain name system (DNS) overseen by ICANN. When their interests clash, however, there is no

regime except realist power politics between states and corporations, including the inevitable continuation of surveillance. Civil society has a key role to play in internet governance but it cannot dominate the state-corporate networks. Therefore, there is little foreseeable prospect for Internet governance providing greater privacy protection against the respective business models of states and corporations. Clearly, as Berners-Lee observes, there is a need for a new system of checks and balances to protect universality of the Web while allowing states to conduct necessary investigations (Pilkington 2013b) and civil society groups whose sole interest is in the continuation of the Internet as a global commons must play a central role in seeking to counterbalance the power of states and corporations. Yet, while states may be the main villain in the current controversies around mass surveillance, it remains the case that only democratic states have the resources and the legitimacy to protect the general public interest against private interests and uncivil society organizations (Loader/Walker 2007).

## What can be done to counter mass surveillance?

The core issue for reformers is that no one challenges the right of states to infringe on the privacy of those targeted because of proportionate suspicion that they may be involved in illegal, threatening activities, but many challenge the propriety of mass surveillance and "trawling". Nobody has yet identified a way in which states can identify those currently "unknown" without some

form of "trawling" by means of "selectors". States are unlikely to accept that there are modes of communication that should be off-limits to interception under any circumstances.

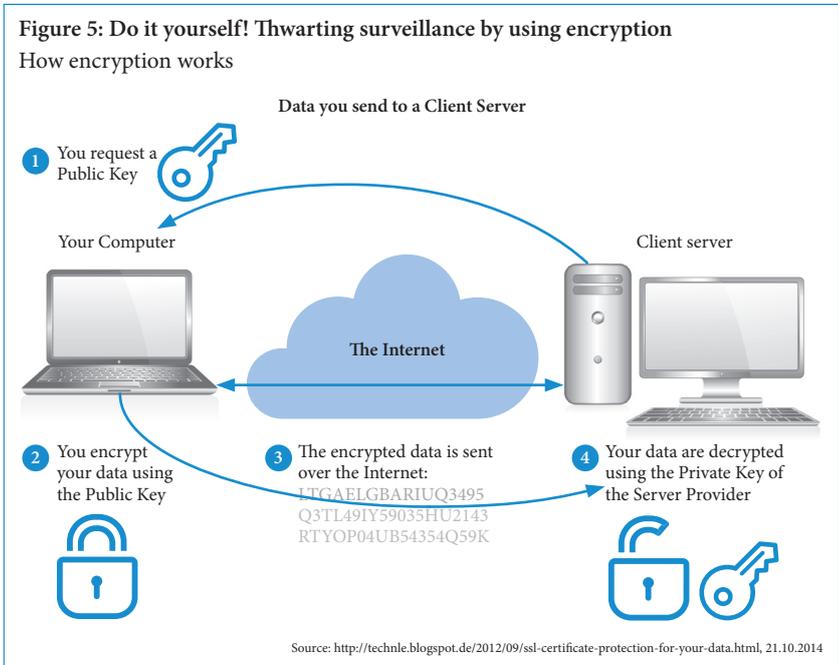
There are three main potential avenues for responding to this controversy: legal, technological and political. One avenue followed in Europe in the aftermath of the Snowden material is to

seek the same protection for EU citizens under US law as they would enjoy in Europe. A study prepared for the European Parliament's Committee on Civil Liberties, Justice and Home Affairs (Bigo et al. 2013, p. 9) noted that this would require changes to US law that were initially rejected. However, the Obama administration announced in June 2014 that legislation would be passed to grant EU citizens many of the privacy protection rights enjoyed by US citizens, including the right to seek judicial redress for intentional or wilful disclosures of protected information or failure to rectify errors in the information. This law, if passed, would apply to personal data shared with the USA for law enforcement purposes. This would be progress but there are limits to such measures; specifically, law enforcement takes place in a relatively transparent environment involving police and other officials, prosecutors and courts. As a result, people know if and when their personal data is being (ab)used and can take steps to protect themselves. But most intelligence sharing is not directly related to law enforcement; some information developed about surveillance targets may eventually lead on to the evidence gathering required for arrest and subsequent due process but much will not. People will be unaware that they are even subject to such surveillance and data protection laws will avail them nought.

Thus, the potential for legal reform is limited: international intelligence sharing is effectively beyond the reach of national laws. The basis of foreign intelligence activities is that they break other countries' laws. States with extensive intelligence "reach" such as the US and

UK ensure that intelligence law empowers as much as it inhibits. States will not volunteer to give up powers that they believe (rightly or wrongly) increase their security and will frame their law so as to "legalize" their information collection. The clash between the realist basis for state's intelligence operations and the cosmopolitan basis for the ICCPR is stark and cannot be resolved by legal means. However, pressure should be maintained to secure greater certainty and clarity in law.

In the UK, in particular, the laws governing Internet surveillance are notable for their generality and occasional obscurity. The Intelligence Services Act 1994 grants very broad powers to GCHQ to monitor communications, collect them, interfere with them and break codes in pursuit of "national security". The Regulation of Investigatory Powers Act 2000 (RIPA) supplements this with authority to take "all such conduct... as is necessary" (RIPA, p. 5) to obtain information from intercepted communications yet is, in places, a thoroughly obscure law. The Interception of Communications Commissioner (IoCC), a former senior UK judge who is charged with oversight, describes some of the provisions of RIPA as "difficult for anyone to get their head round..." and notes that "a reader's eyes glaze over before reaching the end of Section 1, that is, if the reader ever starts" (IoCC 2014, paras. 6.5.3, 6.7.2). Whether this is the result of a conscious effort to obfuscate the law in the interests of secrecy, the result of legislating in a technologically complex area or, probably, some combination of both, this is highly significant. Intelligence legislation is a necessary



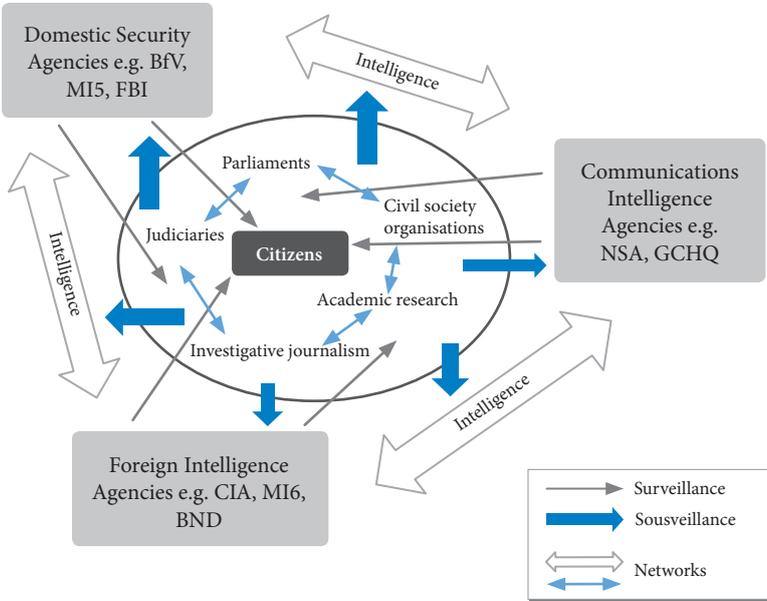
condition for democratic governance but it is not sufficient. Law's generality if not opacity with respect to covert surveillance is designed in order to secure the core of secrecy over sources and methods. This places an even greater premium on effective oversight arrangements than for any other field of government activity. In whatever redefinitions of law follow these revelations, the law must be much better explained to the public than those currently in place.

Technologically, there are steps that can be taken: Snowden himself has recommended people should use more encryption to thwart surveillance [see Figure 5] and there are campaigns such as "Reset the Net" (<https://www.resetthenet.org/>) involving both corporate and civil society organizations including Google and the Electronic Frontier

Foundation (EFF) which encourage CSPs to adopt secure socket layers and other security "best practices," including encrypted data centre links, perfect forward secrecy, and encrypted communications with other providers' e-mail services. Eight major Internet companies including Google, Microsoft, Yahoo, Twitter and Facebook have implemented or are in the process of implementing all of EFF's recommended security practices. The question will remain open as to whether this can do more than trigger the next stage in an "arms race" between citizens and state agencies. Also, there is the "equipment" dimension: how can states and companies protect themselves against the insertion of "backdoor" into their systems when they are manufactured or if intercepted between manufacturer and customer?

**Figure 6: Watching the Watchers**

Key actors in the oversight of state intelligence networks



Source: Author's own graphics

The implication of this inevitable continuation of the ancient battle between code-makers and code-breakers is that, ultimately, this problem is about politics, not technology. If, as has been argued, “what we still call national security has been colonized by a new nobility of intelligence agencies operating in an increasingly autonomous transnational arena” (Bauman et al. 2014, p. 126) then the issue is how to control and oversee intelligence networks in order to reduce that autonomy. This requires mechanisms at national and international level by which abuses of surveillance powers might be detected. Nationally, many European countries’ oversight systems are relatively new and under-resourced and it is clear that few overseers understand any more

about the complexities of communications intelligence than the citizens on whose behalf they act. The problem is one of developing structures that are sufficiently robust and expert [see Figure 6].

The problem of oversight is compounded by transnational cooperation. For example, information received by a national agency from those abroad will be denied to overseers under the “originator control” principle that it may not be disclosed without the permission of the originating agency. Also, supranational bodies such as the European Parliament and Council of Europe (CoE) can command publicity but their investigations are weakened by their lack of authority over the national agencies they need to question. This became clear during

the CoE's inquiry into rendition (Marty 2007). Even the national inquiries that took place in Canada, Germany and UK suffered from the refusal of foreign officials to cooperate and none of them enabled victims to hear the secret evidence that had caused their ordeals (Wright 2011). To the extent that this scandal was exposed it was thanks to the work of an informal oversight network of journalists, lawyers, researchers, parliamentarians and civil society organizations.

Existing links between national oversight bodies in institutions such as the biennial International Intelli-

gence Review Agency Conference are important but establishing effective transnational oversight requires more creative development of links between formal and informal bodies in order to leverage the scarce resources available to oversight. Oversight (or, in French, surveillance) is almost a misnomer for the challenge faced by democracy's need to control intelligence activities because of the built-in disadvantages suffered by overseers in the asymmetrical contest to control information. It might be more accurate to describe the objective as *sousveillance*.

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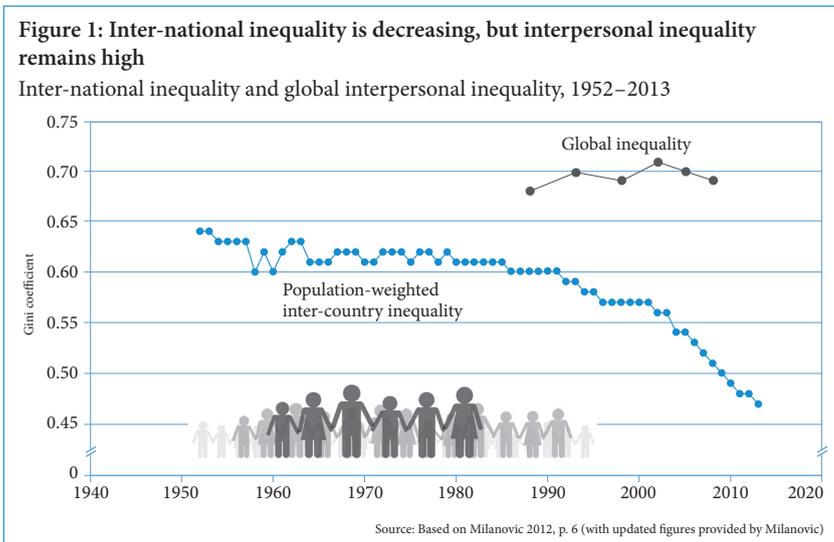
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Peter Gill

## Fragmented World Society: Inequality and Its Effects

Inequality has many dimensions and can be analyzed using various metrics and units of observation. Depending on whether market incomes, disposable incomes or the wealth of households, regions or countries are used as the unit for comparison, different trends emerge. Income inequality between nations has fallen dramatically as a result of faster growth in the poorer countries. As a consequence, the previously very high level of global interpersonal inequality has also decreased, but this has happened slowly, due to widening inequality in most societies. These developments are driven by economic globalization, technological progress and inequitable capital accumulation. They weaken governments and trade unions – the actors which exert strongest influence on the (re)distribution of national market incomes. Inequality is also reinforced by the power relations existing in many countries (rentier economies, oligarchies, etc.).

Widening inequality within countries puts growth, prosperity, and economic and political stability at risk. Although there is no direct or easily measurable correlation, inequality almost always obstructs the democratization of authoritarian societies and undermines established democracies. Wage, tax and social policies play a key role in reversing this trend.



## Dimensions and measures of global inequality

Inequality has many dimensions. This chapter focuses mainly on income and wealth. Other key dimensions, such as life expectancy, social status and rights, are only discussed peripherally. Countries and households are taken as the primary units for comparison, with groups of countries and groups of individuals, such as capital owners and employees, being the secondary focus of interest.

When using income and wealth as variables for comparison, a definition of these terms is required. With the former, a distinction is generally made between market income and disposable income. Market income is household income, such as wages and profits (in the case of

the self-employed, it is often impossible to separate the two). Disposable income is total personal income minus taxes and contributions plus any benefits received. The difference between market and disposable income is a metric of (welfare-state) redistribution in the country concerned. In relation to wealth, a distinction is made between real assets and financial assets. It is important to bear in mind that their value can fluctuate strongly and is dependent on expected returns (e.g. interest rates).

According to Milanovic (2005, p. 7ff.), when analyzing inequality in world society, a distinction should be made between three concepts of inequality in respect of income per capita:

### **Inequality: never easy to measure**

The most widely used measure of income inequality is the Gini coefficient. This is a number between 0 and 1 (although a scale of 0-100 is sometimes used), where a Gini index of 0 represents perfect equality and 1 expresses maximal inequality: only one person or entity has all the income and all others have none. Another widely used measure is the income ratio between quantiles (= a percentage of a given population). Often, the income held by the richest 20% (quintile) is compared to that held by the poorest 20%; this is known as the S80/S20 ratio.

An estimated figure can be derived by constructing the measures, to some extent, from the national accounts of the countries concerned. As a rule, however, the most important sources are household surveys or tax data. The quality of these data is problematical as they often underestimate incomes at the extreme ends of the scale. For example, the households of the super-rich are rarely surveyed, and any information they do provide (especially to the tax authorities) tends to be unreliable. There is also a lack of data on groups at the lowest end of the income scale, such as the homeless or households in the informal economy – an important sector in developing countries. This means that all the available data probably underestimate real inequality.

1. Unweighted international inequality, which takes country as the unit of observation and disregards its population. It is “unweighted” because each country – China and Luxembourg, for example – counts the same.
2. Weighted international inequality, where inequality is weighted by the population of each country, without considering “within-country” distribution.
3. “True” world income distribution, where inequality is calculated across all individuals and households in the world; here, “within-country” distribution is considered.

## Global inequality: status and trends

Growth in countries such as China and India reduces weighted international inequality, but the price often paid for this is greater within-country inequality and growing concentration of wealth. Defining trends in global inequality is therefore a complex issue, as well as being controversial due to methodological problems (Dowrick/Akmal 2005; Anand/Segal 2008).

### Income distribution: countries catch up, people fall behind

Nonetheless, based on the three concepts of global inequality, the following trend since the 1950s can be observed (Milanovic 2011) [see Figure 1]. Weighted inequality decreased until around 1990, albeit slowly, and sharply declined thereafter. The rise of China is the main driver of this trend. The change in global inequality (measured only since 1990, due to a lack of household data prior to that date) was much weaker, but a slight downward trend can nonetheless be observed since 2000. The figures for world income distribution are higher than for international inequality. Global inequality is also high compared to the

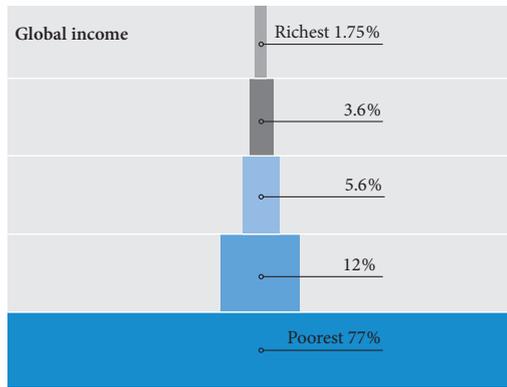
figures for national inequality, surpassing Brazil’s very high Gini coefficient of around 0.6, for example.

The use of quantile ratios instead of the Gini coefficient confirms this massive global inequality. Dauderstädt and Keltek (2011) calculate the S80/S20 ratio (richest quintile to poorest quintile) by constructing global quintiles and their income ratios on the basis of national quintiles. This produces a ratio of around 1:50. These figures are consistent with Milanovic (2011, p. 158) [see Figure 2]. The richest 20% of the world’s population thus has an income 50 times greater than the poorest 20%. At the national level, the ratios for Germany and Russia, for example, are 1:5 and 1:9 respectively.

The high level of inequality is mainly caused by the substantial differences in income per capita between countries. Even wage rates of workers doing identical jobs differ considerably between countries, and this applies even if they are measured in real terms, i.e. in product units. A study by Ashenfelter (2012, p. 36), for example, reveals that a McDonalds worker earns 3.0 Big Macs per Hour Worked (BMPH) in Japan, 2.41 in the US, 0.57 in China and 0.35 in India.

**Figure 2: The global inequality pyramid**

The richest 1.75% control 20% of global income



**Explanation:** Each block shows what percentage of people in the world is needed to generate successive 20 percents of global income.

Source: Based on Milanovic 2011, p. 158

Although high in some cases, within-country inequality is still lower than the inequality between countries, although the latter is decreasing. Compared to the contribution made by inter-national differences to global inequality, within-country inequality is less significant. This also explains the slight reduction in global inequality. Catch-up growth in many poorer countries (primarily China and India) weighs heavier than within-country inequality, which in many places is increasing.

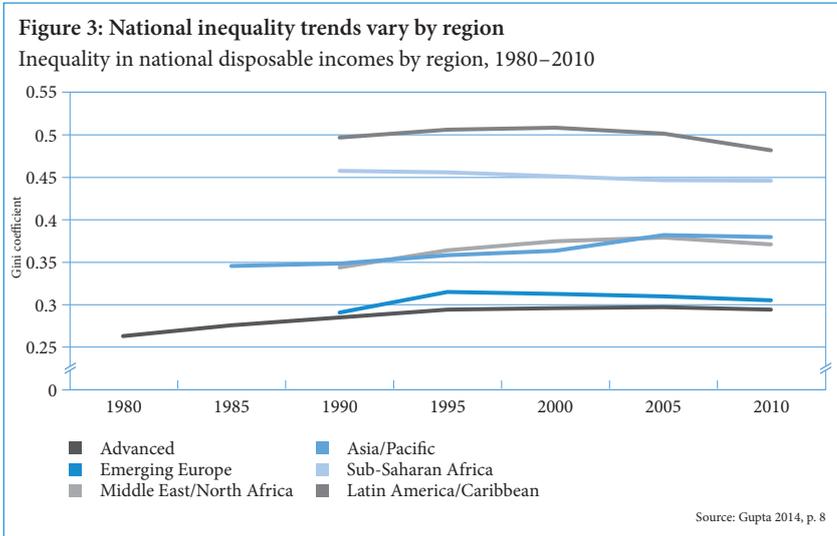
An increase in within-country inequality has been observed mainly in Asia and in the developed member countries of the Organisation for Economic Cooperation and Development (OECD). In Central and Eastern Europe, there was an initial sharp rise in inequality during the transition from a socialist planned economy to a capital market economy, but this weakened after a time. In Latin

America and Africa, by contrast, a slight decrease in inequality can be observed since 2005 [see Figure 3].

The trend in the distribution of disposable incomes camouflages a more problematical trend in the distribution of market incomes. For 29 OECD countries, the Gini coefficient averaged 0.4 for market incomes and 0.3 for disposable incomes (OECD 2011, p. 36), corresponding to a 25% decrease in equality. However, government redistribution of income is not effective everywhere. In many developing countries, taxation and inappropriate social policies do not combat but, in some cases, exacerbate inequality.

### **Wealth distribution: a concentration of riches**

The available statistics on global wealth distribution are less reliable.



The following facts can, however, be ascertained (Shorrocks et al. 2013). Wealth distribution is significantly less equitable than income distribution. Its

Gini coefficient in 2014 ranged from 0.634 in Japan to 0.719 in China, 0.802 in Switzerland and 0.897 in Russia. Wealthy countries have a disproport-

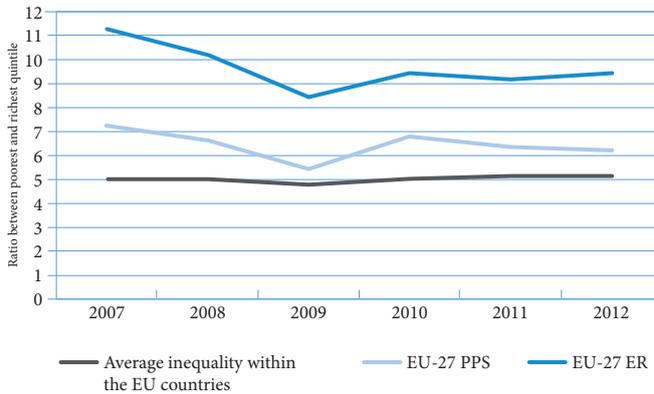
**The European Union as a model of world society**

The dynamics of inequality in world society can be observed in microcosm in the European Union, a community of 28 countries and half a billion people. Very high income differences between Member States can be observed since the 2004 and 2007 enlargements, which brought a number of Central and Eastern European countries into the EU. Measured using exchange rates, Luxembourg’s income per capita is almost 20 times higher than Bulgaria’s; if measured using purchasing power standards (PPS), it is around six times higher. Until 2009, stronger growth in the poorer Member States reduced the S80/S20 ratio (ratio of poorest to richest quintile) [see Figure 4]. The major recession in 2009 caused a setback, however, and only minor changes have been observed since then.

The income of the richest quintile among the EU countries is around nine to 10 times (measured using exchange rates) or six to seven times (PPS) higher than that of the poorest quintile. Within the Member States, the S80/S20 ratio ranges from around 1:3 (Sweden) to 1:7 (Spain). The average is 1:5, with minimal change.

**Figure 4: Inequality in the EU decreased to 2009 but has remained high since the financial crisis**

Ratio between the poorest and the richest quintile in the EU, measured using exchange rates (ER) and purchasing power standards (PPS)



Source: Based on Dauderstädt/Keltek 2014, p.2

**Table 1: Estimated international wealth distribution (selected countries), 2014**

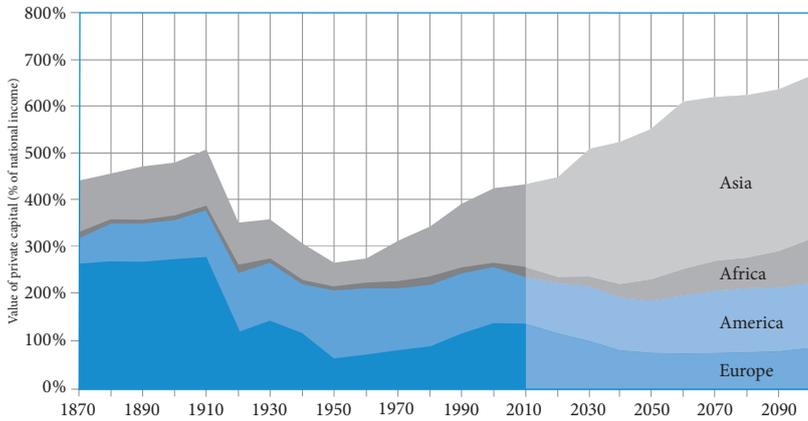
Country	Share of world's adult population (%)	Share of world wealth (%)	Share of global GDP* (%)	Gini coefficient of wealth distribution
Japan	2.24	8.8	8.05	0.634
Australia	0.36	2.7	2.08	0.64
Spain	0.80	1.9	1.90	0.671
UK	1.03	5.4	3.36	0.682
France	1.03	5.8	3.69	0.697
China	21.40	8.1	11.25	0.719
Germany	1.44	5.4	4.75	0.771
Saudi Arabia**	0.36	0.2	0.85	0.773
Switzerland	0.13	1.4	0.82	0.802
Nigeria**	1.72	0.1	0.38	0.803
India	16.50	1.4	2.58	0.814
South Africa	0.67	0.3	0.57	0.818
Brazil	2.90	1.2	3.39	0.823
USA	5.13	31.8	22.1	0.846
Russia	2.33	0.8	2.85	0.897

Sources: Shorrocks et al. 2013, Table 2.4; Shorrocks et al. 2014, Tables 2.4 and 3.1

\* Data from 2013; \*\* Uncertain data

**Figure 5: Greatest wealth growth expected in Asia**

Ratio between world capital and global income by region, 1870–2100



Source: Based on <http://piketty.pse.ens.fr/files/capital21c/en/pdf/F12.5.pdf>, 13.10.2014

tionately large share of world wealth relative to their share of the world population. This inequality is especially noticeable in the US: with an adult population share of 5.13% and 22.1% of global gross domestic product (GDP), the US has 31.8% of world wealth at its disposal. The situation is directly reversed in the poor countries: India, for example, is home to around 16.5% of the world population but is responsible for only 2.58% of global GDP and 1.4% of world wealth [see Table 1].

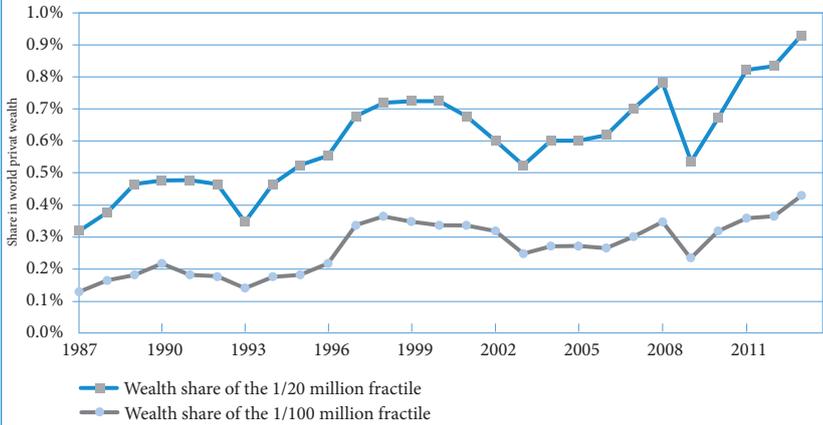
There has also been a noticeable increase in inequality in wealth distribution, especially since around 1980. Wealth as a proportion of GDP is steadily increasing. Piketty (2014) calculates that wealth will increase from a low point in 1950, when capital stock amounted to around 300% of GDP, to more than 600% (the pre-1910 level) and predicts that the major share of this growth will take place in Asia and, to a lesser extent, in Africa [see Figure 5].

However, it is not only the regional distribution of wealth that is changing. The concentration of wealth in the hands of the super-rich has been increasing since the 1980s. There has been a threefold increase in the share of world wealth owned by the richest 1/20 million fractile of the population, and the share owned by the richest 1/100 million fractile has quadrupled [see Figure 6].

As a result of strong wealth growth, more wealth is being inherited. As a consequence, the share of inherited wealth relative to the income earned from employment and capital is also rising. Inheritances already account for around 10% of national income in Germany. A rough estimate based on a wealth volume of 500% of GDP, with 2% being inherited annually, suggests that this will not be an uncommon scenario worldwide in future.

**Figure 6: Wealth is increasingly concentrated in the hands of the super-rich**

The share of top wealth fractiles in world wealth, 1987–2013

Source: Based on <http://piketty.pse.ens.fr/files/capital21c/en/pdf/F12.3.pdf>, 13.10.201

## Causes of inequality

Various factors influence the development of inequality in world society. Distribution between countries largely depends on growth in the various national economies. The example of the East Asian countries since 1950 (first Japan, then South Korea, Taiwan, Hong Kong and Singapore, and later China and other South-East Asian countries) shows that rapid catch-up growth is possible. Within the EU, too, many Central and Eastern European countries have caught up, although the substantial difference in growth between the poor and rich countries observed until around 2008 has narrowed in recent years.

Within-country distribution also remains highly significant from both an economic and a political perspective. Compared with poorer countries' growth processes, its influence on global distribution trends may be less obvious, but it has a greater impact on people as

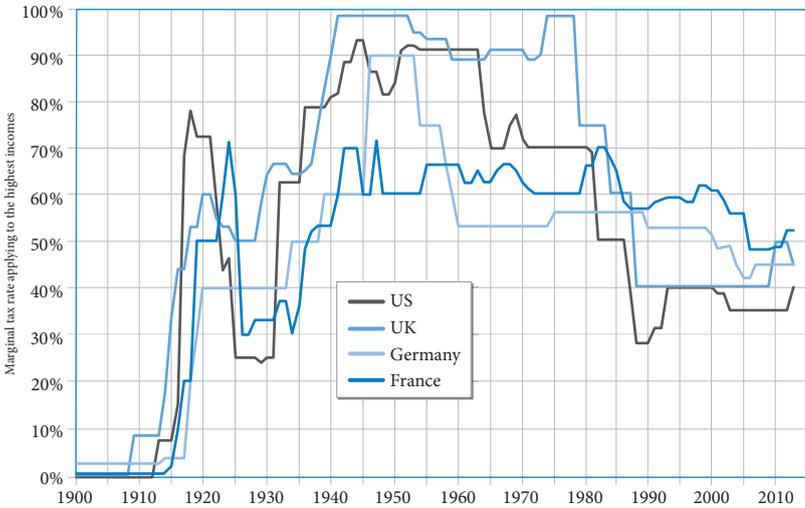
inequality is felt immediately. Widening inequality is regarded as highly problematical, particularly in many relatively affluent countries but also in China.

There are four main reasons for the widening inequality in income distribution within societies:

1. Economic globalization: liberalization and integration of national economies have triggered concentration processes, in which capital owners control transnational production networks and value chains, and individual production stages are outsourced to the most favourable locations. Wages in the production process itself – for example, in manufacturing a t-shirt or smartphone – are paid in low-wage countries and amount to a fraction (1-10%) of the costs, while incomes in other segments of the value chain such as research, design and marketing,

**Figure 7: Top income tax rates have fallen dramatically since 1980**

Top income tax rates in selected countries, 1900–2013



Source: Based on <http://piketty.pse.ens.fr/files/capital21c/en/pdf/F14.1.pdf>, 13.10.2014

but especially capital gains, remain high and continue to rise. At the same time, as a result of locational competition, less and less tax is paid on mobile sources of revenue, such as financial assets, corporate profits and the incomes of the super-rich, undermining the progressivity of the tax system [see Figure 7].

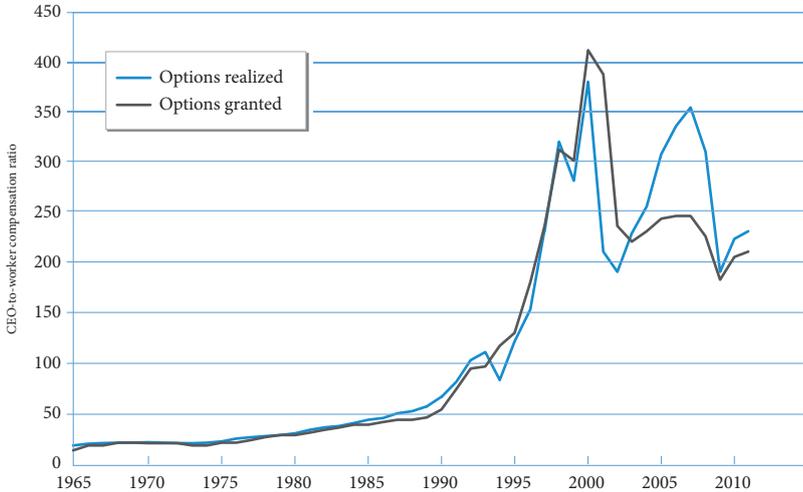
2. Technical progress: this is bound up with globalization, which it facilitates by reducing transport and communication costs. It also replaces unskilled workers (and perhaps even skilled workers in future) with machines. The digital economy allows almost unlimited sales of products for which the costs of producing an additional copy (marginal costs) are close to zero. This massively increases the marginal productivity of capital (including human capital). As a con-

sequence, winner-takes-all situations arise, with some superstars earning extremely high incomes while the rest goes away almost empty-handed. As a result of the processes described above, the wage share in national income decreases and wage dispersion increases. Top earners are no longer paid 20 times a worker’s wages but receive two hundred to four hundred times more [see Figure 8].

3. Capital accumulation: Piketty (2014) in particular has shown that capital ownership exacerbates distribution problems as the returns on invested capital are higher than the GDP growth rate. High incomes are generated primarily from capital gains and lead to wealth growth, as the rich are able to save more than the poor, and large investments generate better returns than small investments.

**Figure 8: Top salaries remain high even after the financial crisis**

CEO-to-worker compensation ratio in the USA, 1965–2011



**Explanation:** »Options realized« compensation series includes salaries, bonuses, restricted stock grants, options exercised, and long-term incentive payouts for CEOs at the top 350 firms ranked by sales.

»Options granted« compensation series includes salaries, bonuses, restricted stock grants, options granted, and long-term incentive payouts for CEOs at the top 350 firms ranked by sales.

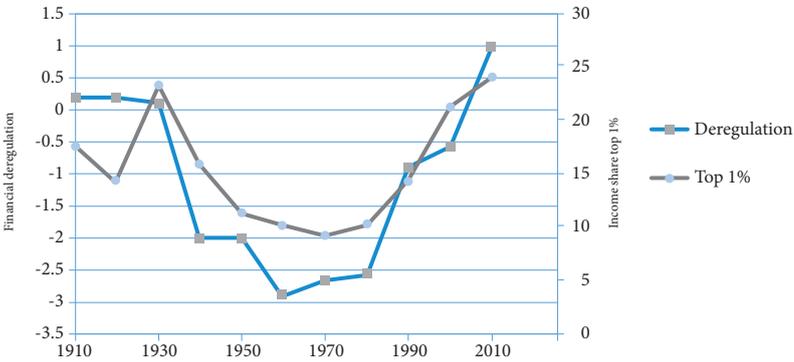
Source: <http://stateofworkingamerica.org/chart/swa-wages-table-4-43-ceo-compensation-ceo/>, 13.10.2014

Inheritance and concentrated wealth distort income distribution to an ever greater extent at the expense of low-income groups. Unless this process is halted, the value of the capital stock will rise relative to income [see Figure 5] and the share of capital gains will increase. Palma (2011) has shown that inequality is increasing, mainly as a result of growth in the share held by the wealthiest 10% at the expense of the bottom 40%, while the share of the “middle class” (= middle 50%) remains relatively constant.

4. Politics of inequality: policy-makers have often encouraged these processes and – with the exception of Latin America and especially Brazil, for example – have rarely taken suc-

cessful action to counter these trends. The rise of inequality is clearly linked to the radical shift in economic and social policy in the early 1980s (Reagan, Thatcher) [see Figure 9]. However, this was not always a deliberate policy of redistribution in favour of the rich, but was often an attempt to protect employment and sound public finances in the context of globalization and technological change, based on a misguided but dominant concept of labour market liberalization and fiscal policy reform which held that poorly paid work and low tax rates were preferable to unemployment and tax avoidance. The International Monetary Fund (IMF), the World Bank and the US, in particular, hoped to generate growth

**Figure 9: Clear correlation between highest incomes and financial deregulation**  
 Deregulation and income concentration (income share, top 1%), 1910–2010



Source: Oxfam 2014, p. 12

with their Washington Consensus – a set of policy reforms based on market liberalization and deregulation, privatization and a less significant role for the state.

While the power of the trade unions has diminished in many developed countries, state intervention in the labour market for the benefit of employers (real decreases in the minimum wage and wage replacement benefits) has shifted distribution conditions in favour of capital. Redistribution was demonized as an anti-growth reward for idleness, depriving pro-growth policies of scarce resources. Product market liberalization spelled an end for niche markets in which above-average incomes were

previously achieved, and with prices falling, there was no prospect of a return to higher real incomes.

In less developed countries, however, high inequality is often caused by other factors (Oxfam 2014). In many post-communist countries, small but politically well-connected elites have profited from the privatization of formerly state-owned or nationalized assets. In developing countries, too, natural resources and land are owned or controlled by economic elites (oligarchs). This creates rentier economies in which state revenue comes from royalties rather than from taxation. Households’ incomes depend less on market success than their position within the patronage systems funded by these rents.

## Effects of inequality

Global inequality creates incentives to exploit these income gaps. Capital investors attempt to make use of the cheap labour available in poor countries,

while the populace tries to migrate to affluent countries in order to share in their higher incomes. The differences between exchange rates and purchasing

power play a key role in this context. For an investor, it is the relationship between costs at exchange rates that counts, whereas for workers, purchasing power is the decisive factor. This means that a worker in a poor country who receives the same wage – in terms of purchasing power – as a worker in a high-wage country is very much cheaper for the employer. Conversely, a Moldovan academic can earn a higher wage as an asparagus harvester in Germany than as a university professor at home. However, the purchasing power is only higher if the income is spent in Moldova, either by the worker himself when he returns home or by his family via remittances.

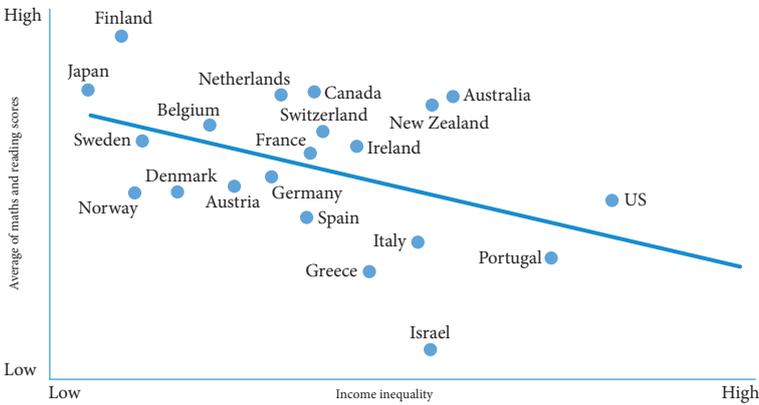
In the long term, these reactions to the global income gap will help to narrow the differences. More investment in, and migration from, poor countries are gradually driving up the currently low wages, especially if the process is accompanied by national growth. As a result, typical low-wage industries have constantly migrated (from South Korea to China, and from China to Vietnam and Bangladesh) as wage levels at their original locations have increased. Due to the global labour surplus, however, wage pressure in the poorer countries remains low overall. Foreign investment can also adversely affect income distribution. In Ireland, for example, the wage share in national income fell from 77% to 58%, while GNI was 20% below GDP, with the difference flowing to foreign investors. Above all, redistribution in favour of capital can be observed in more affluent countries.

The growing inequality within countries has worrying economic, social and political consequences.

- Economic: inequality can dampen growth, as demand weakens when poorer households lack purchasing power and high-income households save their incomes but do not invest these savings productively, partly because of poor sales prospects. In the US, inequality led to the financial market crisis when poorer households compensated for their lack of income by taking on debt. Low incomes and lack of wealth also make it impossible for families to invest in education or their own businesses, as they lack the collateral needed for access to credit. As a result, productivity and employment grow more slowly and the economy does not reach its full potential.
- Social: unequal societies tend to have higher crime rates and a higher incidence of health and education problems, for example [see Figure 10] (Wilkinson/Pickett 2009). The fact that marrying to or inheriting wealth holds out the promise of higher incomes than can be achieved through work or investment can undermine the principle and legitimacy of meritocracy (Piketty 2014, p. 267ff.).
- Political: the wealthy tend to play a dominant role even in democracies, as they are able to influence public opinion continuously through ownership of the media and intermittently through high spending on election campaigns, for example. Lobbying and networking with the executive also enable them to influence policy (Stiglitz 2012; Oxfam 2014). In authoritarian societies (often rentier economies), inequality

**Figure 10: Educational scores are lower in less equal countries**

Average maths and reading scores and inequality in selected countries



Source: <http://www.equalitytrust.org.uk/resources/spirit-level/education>, 13.10.2014

impedes the transition to democracy, as the wealthy fear that this will result in expropriation or high taxes (Boix 2003) and social groups profiting from patronage are hostile to regime change. This often coincides with a high level of political abstinence (low election turnout), especially among the poorest groups.

Conversely, (catch-up) growth leads to the emergence of larger urban middle classes with the capacity for, and a strong interest in, participation and democratization. In countries such as South Korea and Taiwan, these modernization processes have led to democracy. In the Arab world, similar developments appeared to be emerging during the Arab Spring. They ended, however, in the conflicts typical of rentier economies, which can also be observed in cases of external democratization (e.g. Iraq and Afghanistan) (Dauderstädt/Schildberg 2006).

Inequality also has security implications. The “value” of a life in a rich and a poor society – measured as the product of per capita income, using exchange rates as the conversion factor, multiplied by life expectancy – varies by a factor of 50 to 100. This can also be observed in conflict settings (Vietnam, Iraq, Israel/Palestine) in the form of the killing rate (the ratio between combat deaths of soldiers from affluent countries and casualty numbers on the “poor” side in the conflict). This is due not only to the affluent countries’ superior technology but also to their greater concern for the lives of their own troops. The amount of compensation paid for civilian deaths confirms this value ratio. Suicide attacks by the poor take this economic logic to its extreme.

## Policies to combat inequality

As global inequality can be broken down into an inter-national and a within-country component, it is useful to distinguish between policies that influence the respective components in order to reduce global inequality or curb its growth.

### Reducing inter-national inequality

Inter-national inequality can be reduced most effectively through catch-up growth in the poorer countries. As the examples of Japan and South Korea show, such growth need not be linked to strong and widening inequality within the society concerned. Once a specific per capita income has been reached, more equitable distribution should then be within reach, not least through higher social spending. But what promotes this type of growth? This has long been a highly controversial question. Conservative economists advocate for market liberalization coupled with low wages and taxes, whereas the Asian experience indicates that protected export promotion and financial repression (targeting savers and capital allocation) produce the desired results.

Economies that are dependent on resource exports can also achieve income growth if there is the right level of demand and high prices, but such economies are vulnerable and their modernization is impeded by Dutch disease (currency appreciation and no economic diversification). This effect is reinforced if the yields are appropriated by small elites and are used to fund a

luxury lifestyle or investment in other countries. Alternatively, a democratically governed sovereign wealth fund can promote investment in education and research in order to create a more enabling environment for the provision of innovative goods and services. Wealthy buyer countries can potentially increase the transparency of resource payments, thus increasing the accountability of these elites.

Supranational governance has done little to support the catch-up process. A liberal world trade regime has facilitated export-oriented strategies, but only in favour of strong supplier countries; before 1913, for example, this especially benefited Great Britain at the expense of the “Third World” (Williamson 2011), while from 1945 onwards, it favoured Germany, Japan and, later, East Asia. The strength of the supply side was largely the outcome of efforts made at the national level; however, foreign direct investment (FDI) also played a role, e.g. in Singapore, but to a lesser extent in Japan and South Korea.

Transfer payments between countries have the potential to narrow global inequality. With a quintile ratio of 50:1, the transfer of 2% of the income of the richest 20% would suffice to double the income of the poorest 20%, thereby improving the ratio from 50:1 to 25:1. This volume of transfers is conceivable within countries (e.g. between Western and Eastern Germany), but is not being achieved within the EU or, indeed, globally. The 0.7% target for official development assistance (ODA) has never been reached and is not particularly helpful.

Unconditional transfer payments to low-income households in poor countries may be a more viable approach, with fewer associated costs.

### Reducing within-country inequality

Although the share of within-country inequality is less significant for the level of global inequality than the contribution made by inter-national inequality, the worsening of within-country distribution in many countries means that policies to reverse this trend are especially important. Unlike world society, almost every country is making efforts – through taxation, transfer payments and the provision of public goods and services – to reduce inequality of market incomes and achieve more equitable distribution of disposable income. The average reduction in the OECD is more than 25% [see Table 2].

The redistribution systems clearly vary considerably in terms of their effect. South Korea and China have very low redistribution effects, whereas the Scandinavian and Central European countries have relatively high values. In order to make redistribution more effective, more progressive and efficient tax systems are required (higher taxes on capital gains, inheritance, wealth and very high incomes, and lower taxes on consumption). Tax avoidance and evasion should be curbed through international cooperation. As far as possible, all low-income groups should benefit from transfer payments. In less developed countries in particular, social insurance systems often only cover a small percentage of the population, and

the groups which tend to benefit are in many cases already relatively privileged (e.g. urban middle classes and public employees). Many systems therefore simply maintain the status quo rather than encouraging redistribution (one example is Germany's pensions and unemployment insurance system: benefits are based on the recipient's previous market income).

However, social policy is by no means (just) a burden on the economy, but is itself a driver of growth. Redistributing incomes from wealthy to poor households increases demand. Social security systems such as unemployment, pensions and health insurance automatically act as stabilizing factors during crises. Social investment in health and education increases workers' productivity and employability.

However, with appropriate policies, especially labour market and wage policy, it is possible to influence not only redistribution but also the primary distribution of market incomes. Wages must grow with productivity in order to stabilize demand. To that end, workers' rights (e.g. the right to organize and the right to strike) must be safeguarded. Trade unions play an important role in this context. If trade unions are too weak, a minimum wage can reduce inequality. Product market regulation is another entry point: in situations of monopoly rents, the abolition of market entry barriers can dry out sources of rents and boost real incomes via lower prices.

The trend towards greater inequality in most countries reduces the opportunities for political participation by the poor majority. In order to prevent social, political and economic distortions, effec-

**Table 2: Redistribution effects of taxes and spending in OECD countries, 2010–2012**

	<b>Gini coefficient: disposable income</b>	<b>Gini coefficient: market income</b>	<b>Redistribution ef- fect (% change)</b>
Norway	0.226	0.367	38.10%
Slovenia	0.238	0.350	31.86%
Iceland	0.248	0.358	29.96%
Czech Republic	0.251	0.374	32.70%
Belgium	0.256	0.408	37.20%
Finland	0.258	0.403	35.90%
Sweden	0.259	0.491	47.37%
Denmark	0.261	0.484	45.97%
Slovakia	0.263	0.383	31.54%
Netherlands	0.265	0.394	33.43%
Luxembourg	0.268	0.434	38.33%
Austria	0.274	0.423	35.07%
Hungary	0.284	0.460	30.54%
Ireland	0.284	0.428	34.52%
Germany	0.289	0.486	40.36%
Poland	0.293	0.402	27.25%
Japan	0.294	0.363	18.99%
Switzerland	0.298	0.406	26.69%
France	0.305	0.457	32.86%
Canada	0.311	0.422	26.28%
New Zealand	0.314	0.396	20.76%
Estonia	0.319	0.382	16.32%
South Korea	0.320	0.353	9.78%
Italy	0.329	0.466	29.06%
Greece	0.332	0.432	23.43%
Australia	0.333	0.433	23.22%
Spain	0.334	0.409	18.50%
United Kingdom	0.355	0.472	24.71%
Israel	0.359	0.465	22.80%
US	0.372	0.465	19.98%
Portugal	0.374	0.458	18.20%
Turkey	0.408	0.427	4.34%
Mexico	0.441	0.464	4.88%
Chile	0.471	0.485	2.96%
OECD-29	0.308	0.424	26.88%

Source: Based on Solt 2013

tive redistribution measures are essential at the national level. At the same time, by reducing inter-national inequality and strengthening their market power,

states can exert greater influence on global politics. They should use this influence to further reduce inter-national inequality.

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Translation: Hillary Crowe

## Spotlight

### Migration and Development: The Role of Temporary and Circular Migration

Until well into the 1990s, the prevailing view in development policy was that migration was harmful for the countries of origin as it led to an outflow of much-needed skills (brain drain). However, many developing and industrialized countries are now convinced that migration can make an important contribution to development. This applies

especially to temporary migration and, specifically, circular migration (Angeendt 2014). But what has prompted this reappraisal, and how realistic is it? What experience has been gained with temporary and circular migration, and what form should relevant development-oriented programmes take?

#### Migration: a changing scenario

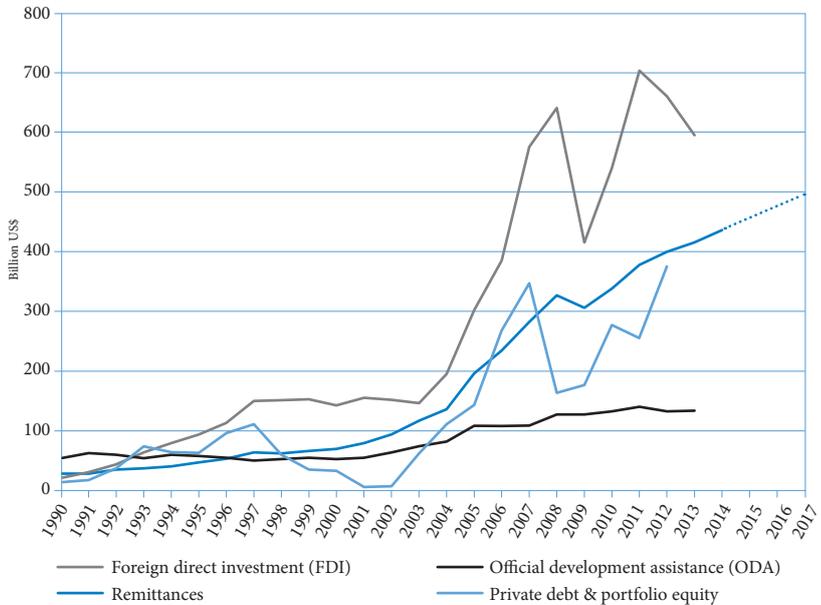
The new interest in migration and development has not come about by chance but is a response to the changing nature of global migration. Three factors are particularly significant in this context:

1. Migration is gradually evolving into mobility. The traditional concept of migration as permanent out-migration from the country of origin and immigration into the receiving country is largely outdated. Integrated markets, new communication technologies and affordable travel encourage migration within and between countries, resulting in a rise in temporary or circular migration (OECD 2013).
2. Remittances (= financial transfers) to developing countries are increasing substantially. According to the World Bank, migrants from developing countries sent more than US\$ 414 billion to their countries of origin in

2014. Remittances were three times larger than official development assistance, on an upward trend. They have proved to be crisis-resistant and are now an important income stream for some countries of origin [see Figure 1].

3. Migrant networks are expanding and becoming established. Diaspora communities play an increasingly significant role in the cooperation between the countries of origin and receiving countries and can encourage investment in the home countries, contribute to infrastructural development, promote the transfer of knowledge and technology, and facilitate foreign direct investment (IOM 2013).

Figure 1: A major contribution – remittance flows from migrants to developing countries since 1990 (estimated figures for 2014 onwards)



Source: World Bank 2014, p. 3; [http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1110315015165/Bilateral\\_Remittance\\_Matrix\\_2012.xlsx](http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1110315015165/Bilateral_Remittance_Matrix_2012.xlsx), 3.12.2014

## Reappraisals but ongoing conflicts of interests

Despite the more positive assessment of migration from a development perspective, there is still a fundamental conflict of interests between migration and development policy. The main purpose of migration policy (unlike refugee policy) is to attract people who are needed for labour market, demographic or other reasons, whereas development policy aims to reduce poverty and structural deficiencies in partner countries by building their self-help capacities.

In the international debate, however, migration is now recognized as an

important enabler of development. The facilitation of orderly, safe, regular and responsible migration and mobility of people has therefore been proposed as a sub-goal in the future global development goals (UN General Assembly 2014), and there is an emerging debate if a coherent labour migration policy could lead to a “triple win” – where migration benefits the receiving country, the sending country and the migrant alike (Angenendt/Bither/Ziebarth 2015).

## Lessons learned: opportunities and risks

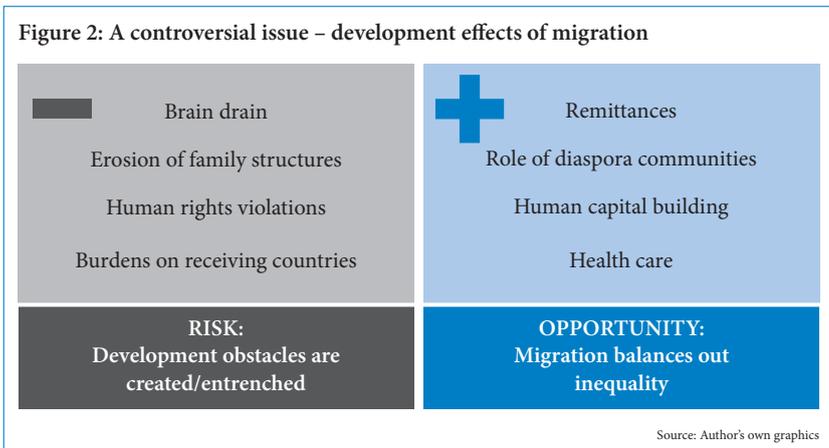
The conflict of interests between migration and development policy must be managed pragmatically. What is needed, first and foremost, is a balanced assessment of the opportunities and risks associated with migration [see Figure 2].

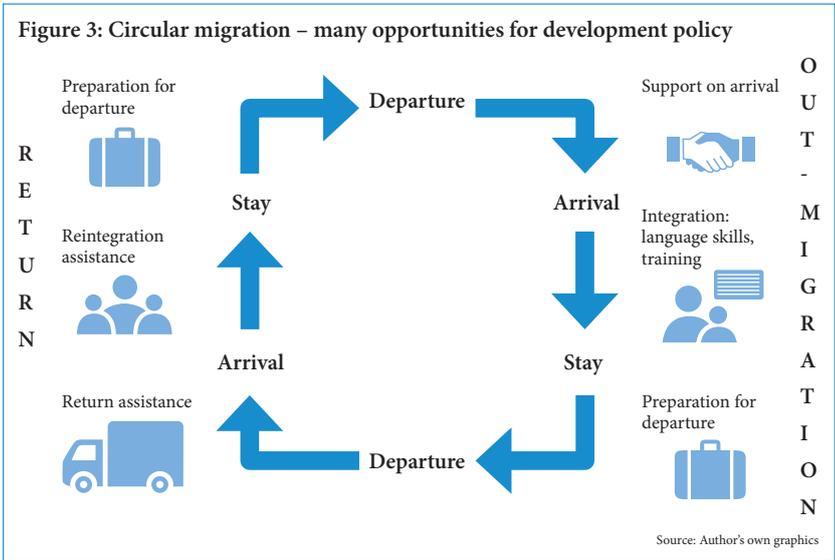
This applies primarily to the brain drain. Loss of human capital is less of a risk if young skilled workers are unlikely to find jobs in their home country and thus face the prospect of unemployment and poverty. The risk is low, too, if the countries of origin produce more skilled workers than they need, in the hope that these workers will find employment in other countries, or if short-term migration is managed through migration programmes.

In all these cases, out-migration is not intrinsically harmful; on the contrary, it can support development. However, if an analysis of conditions in the country of origin reveals a critical lack of skills, e.g. in the health sector, other countries

should refrain from actively recruiting its workers or, at the very least, should comply with rules on ethical recruitment (Angenendt/Clemens/Merda 2014).

If migration programmes are too short-term in focus, migrants cannot achieve their savings targets. Further problems arise if migrants' qualifications are not recognized at all, are only partially recognized, or if recognition is delayed, forcing migrants to work below their skill level. Many existing migration programmes do not guarantee migrants' economic and social rights adequately or at all. Labour protection is minimal and migrants find it difficult to enforce their wage claims. There are many examples of excessively expensive, frivolous and even criminal private recruitment schemes which result in migrants becoming indebted or which bind migrants to a particular employer. In such cases, the social costs may also be very high, due to the need to provide care for dependent children and elderly relatives who





have stayed behind in the home country, for example.

The European Union (EU) has been attempting to harness the development potential of migration, especially temporary and circular migration, for some time [see Figure 3]. It recommends that the Member States achieve greater coherence between migration and development policy and, to that end, adopted the Global Approach to Migration back in 2005 (European Commission 2011). Its objective is to develop a “coherent and comprehensive” migration policy, based on a balance of interests between participating states and improved coordi-

ination of labour market, security and development policy objectives.

EU Mobility Partnerships are the main policy instrument deployed for this purpose, although they have only been trialled in a few small-scale pilot projects to date. Partner countries which undertake substantial efforts to discourage irregular migration, improve border controls and combat the counterfeiting of travel documents and visas will receive support in managing migration movements and their citizens will be granted opportunities for legal labour migration to EU countries (Angeendt 2012).

## Recommendations

The development effectiveness of temporary and circular migration is of great relevance to German policy-making as well, given that Germany – like many

other industrialized countries – is about to embark on a new phase of labour recruitment. To that end, it is essential to decide how much priority should be

given to short-term movements in the migration policy context. Devising and implementing development-oriented migration programmes is undoubtedly a complex task. Based on experience to date, at least four success criteria can be identified, as follows:

Firstly, the development effects do not come about by themselves. They must be on countries' political "wish list" and must be integrated systematically and consistently into the programmes. However, this type of approach, along with systematic implementation, has often been absent in the past.

Secondly, programmes to promote temporary and circular migration will only be successful if they are based on a fair balance of interests. Sustainable impacts can only be achieved if all stakeholders – countries of origin and receiving countries, businesses and migrants themselves – are involved, and if their interests and the inequalities in their negotiating positions are taken into account. This is challenging but can be successful, as some German pilot projects initiated with North African countries have shown.

Thirdly, programmes must prioritize migrants' economic, social and political

rights. Otherwise, there is a risk that, as often still occurs in the Gulf States and other regions of the world, a discriminatory migration regime and poor working conditions become entrenched, meaning that migrants are unable to make a significant contribution to development.

Fourthly, it must be understood that the decision on whether migration is temporary, circular or permanent is ultimately a matter for migrants themselves. If they do not achieve their migration goals, they may be tempted to remain in the receiving country without a valid residence permit and to accept poor working conditions. As a general principle, temporary and circular migration programmes should be well-organized but should remain flexible. It is especially important to allow a change in status from temporary to permanent residence (under certain conditions). In practice, many receiving countries already offer this option, with longer stays resulting in more permanent residence rights. In the interests of development and for the sake of the migrants themselves, it is important to establish clarity on these options from the outset.

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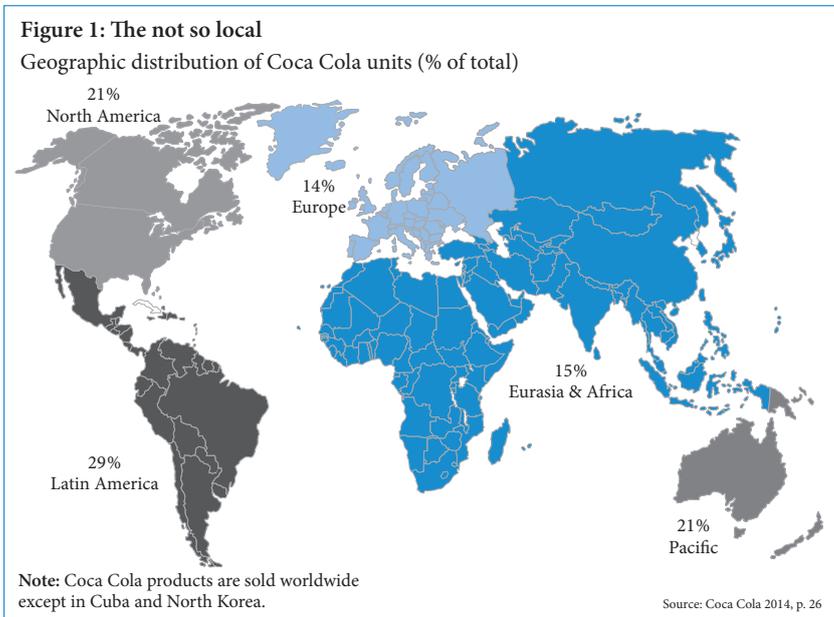
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Steffen Angenendt

Translation: Hillary Crowe

## When the Local Meets the International: From Resilience to Global Governance

It is northern Uganda and as far as you can see there is dusty scrubland. To the north are the low hills of South Sudan. The roads are dirt tracks. It would seem that we are “in the middle of nowhere”, “off the beaten track” or “off the radar”. But look a little closer and the apparently empty landscape is actually full of life. Trucks laden with oil from South Sudan are on their way to Mombasa in Kenya where the oil will be refined and then exported. Chinese engineers are working to improve the road network. The minivans that serve as taxis have foreign writing on them – in a former life they worked on the streets of Bangkok or Shanghai before being sold on through Dubai. Coca Cola is everywhere as are mobile phones. Mobile phone masts adorn many hilltops. The roadside stalls are full of brightly coloured plastic water containers and cooking utensils – all brought in from China. Most young men wear football jerseys from English Premiership teams.



## The “local” is at the centre

The scene described above in Uganda (although it could be in many other apparently “remote” places in the world) is one in which the local is actually connected with a series of international and transnational economic, cultural and political trends. In other words, the local (or what we think of as the local) is not purely local at all. Just as globalized companies have a remarkable ability to exploit markets all over the world, so too do “local communities” have abilities to connect with transnational and international trade. This has profound consequences for how we perceive “international” phenomena: the international community, global governance, and international interventions in the name of peace and order. We tend to see the international in the context of the local. So if the local is not what we assume it is, then this has significant implications for the international.

Rather than think of major powers, companies and international organizations at the centre of our “map” of local international-relations, it is useful (although sometimes challenging) to place the local at the centre [see Figure 2]. Very many people see their own world like that. In their view, the local is not on a remote periphery. Instead, it is central, with other layers of governance – such as the state or international organizations – rarely or ineffectively intruding on their lives. The relationships between the local and other levels of governance and power are thereby not always straightforward.

Donor governments, international organizations and international non-

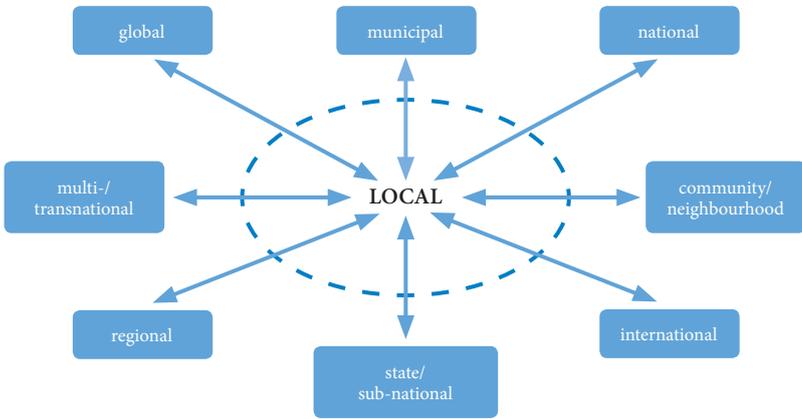
governmental organizations (INGOs) place a lot of emphasis on the local level in their overseas peacebuilding and development programmes. They emphasize the importance of local partnership, local buy-in, local ownership and local participation. The rationale behind localizing processes is that if local communities or local elites support policies and programmes (for example on democratization or human rights training) then those policies will have more chance of being accepted and successful – and hopefully sustainable, allowing international actors to withdraw. So the local level, or what international actors believe to be the local level, is a key entry and exit point for international policymakers. But we need to re-appraise our understanding of the local in order to gain an insight into contemporary global governance. At the moment, many in the policy and political worlds present limited and out-dated understandings of what constitutes the local. This misinterpretation lies at the heart of many international peacebuilding, stabilization, democratization and development policies, and explains why they often fail.

### The “rediscovery” of the local

It has become a common tendency to look upon the local dimension as part of the solution to a series of problems that have beset international policymaking in relation to development, peace and conflict. International peace-support interventions from Bosnia-Herzegovina to

**Figure 2: The »local« as the centre, not the periphery**

The intersectional and relational »local«



Source: Authors' own graphics

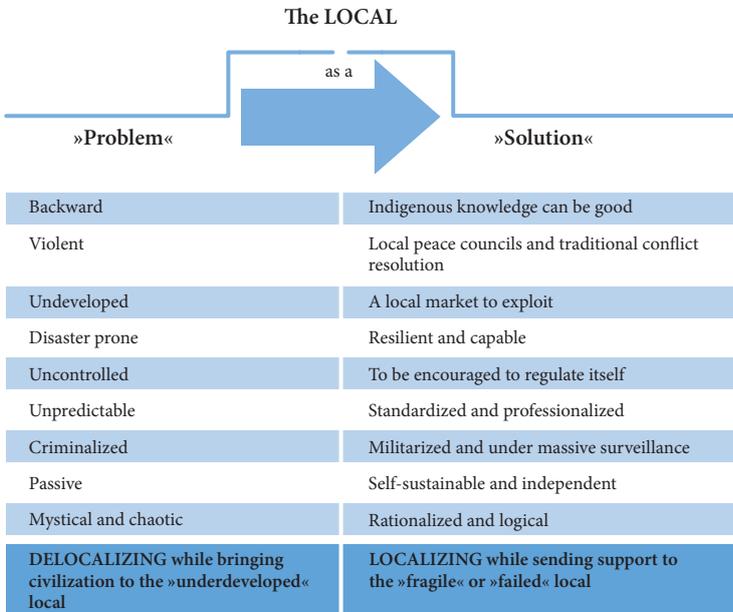
Timor-Leste and elsewhere were seen as being remote, top-down, and equipped with a superficial understanding of the needs and aspirations of local people. International involvements in societies emerging from civil war and authoritarianism seemed to be lengthy, expensive and thankless. By involving local partners, international peace-support actors could address these problems [see Box]. Internationally-driven reforms, for ex-

ample of the labour market or the size of the civil service in a particular country, could gain a local face. Local non-governmental organization (NGO) workers spoke the language and were less expensive to employ than ex-pat staff. Crucially, by mainstreaming the idea that "local was best", international actors in international financial institutions or in INGOs could convince local communities that things would be best if local

### The "rediscovery" of the local

In 1992 the United Nations (UN) published *An Agenda for Peace*. It is regarded as the seminal document in the formation of peacebuilding (United Nations 1992). Its main purpose was to redefine the role of supra-national structures – mainly the UN – to respond to violent atrocities and protect their victims. Yet the word "local" was not mentioned in the document. Since then, the word "local" has crept into the international vocabulary. The World Bank 2011 *World Development Report* and the 2011 United Nations Development Programme (UNDP)'s *Governance for Peace* documents use the word "local" 382 and 197 times respectively (UNDP 2012, World Bank 2011).

Figure 3: Transforming the local from a problem into a »solution«



Source: Authors' own graphics

people faced up to their own problems. Using the rhetoric of “resilience” and “local solutions to local problems” many international actors were able to absolve themselves of responsibility, withdraw altogether or lessen their involvement.

### The local as a problem

The notion that the local dimension provides responses to international problems is relatively new, and it rests on a vision of a compliant local level that acts in concert with the international. This “newness” of the local as a solution needs to be understood in a perspective of centuries of politics and economics, in which the local level was seen as undeveloped, uncivilized,

potentially dangerous, non-standard, and backward-looking. Historical processes of state-making, colonization, and building of empires have all involved expanding the “civilization” and taming of the local level. Far-away places have been renamed so that they are familiar sounding (for example, New England or the Philippines). Populations have been cleared (North and South America), converted to religion (South America), coerced (Herero Wars in South West Africa) and planted (North America, Tibet, Ireland). Crops, systems governance, dress and languages have all been transplanted – with profound consequences.

Over the course of thousands of years, processes of de-localization have occurred whereby local areas were tamed and brought within the governance of

municipalities, states and international bodies. The local used to be a problem that required management and control [see Figure 3].

Yet, as described above, international organizations, donor governments and INGOs now see the local level as being the key to making their peacebuilding, development and humanitarian policies work better. In this view, the local is the magic bullet that offers low-cost, sustainable “solutions” to a range of international problems. If the local can be co-opted into international campaigns (for example, EU and UNDP sponsored campaigns to enhance good governance in local government in the Middle East and North Africa, or United States Agency for International Development funded local crime prevention in Latin America) then international policy will be enacted more easily, more cheaply and perhaps more efficiently. Moreover, international actors will gain a desirable element of legitimacy.

### **What does this say about the “Global North”?**

Attempts by international actors to co-opt and instrumentalize the local level are very revealing. They tell us a lot about international organizations, donor governments, INGOs and many others engaged in peacebuilding and development programmes. Firstly, they reveal a very confused understanding of what and where the local is. The local, in this view, seems to be intact, static and waiting to be directed to help itself. This represents a vision of local entities passively waiting for salvation, enlight-

enment and assistance to come from the international level. Secondly, this view reveals a need by international organizations, donor governments and others to influence and control the development of overseas states and societies. This need to control and influence says much about the insecurity of the western states and international organizations that compromise much of the “international community”. This insecurity relates to uncontrolled immigration or the spread of narcotics or violence. But it also relates to an insecurity of mind: many western states and institutions are intolerant of alternative ways of organizing states and society (Rogers 2010). The need to influence and control reflects an attempt to shape preferred ways in which a society and economy can be organized. Recent revelations about the extent of electronic surveillance are a symptom of this [see Box p. 198 and *World Society under Surveillance*].

The lack of trust between “insiders” and “outsiders” reveals, for instance, that relatively few World Bank project managers think that their in-country government counterparts would engage in Monitoring and Evaluation if the Bank did not require it [see Figure 4]. This suggests that outsiders “know better”.

The mind set of many researchers and policymakers in the “Global North” is often patterned by a wide range of structural and proximate factors. Structural factors relate to artificial distinctions between the internal and the external, and reflect deep-seated Western-centric thinking that comes from schooling, literature and art, and ways that encourage us to see the local as peripheral and

### Surveillance and risk aversion

Revelations by whistle-blowers like Edward Snowden have shown the scale of electronic eavesdropping missions by many states. The harvesting of massive amounts of citizen and communication data has been justified on the “just in case” principle: in case citizens may be involved in potential plots (Ball 2014). The “all-included” strategy of control of private information prompted the US National Security Agency to build a 1-million-square-foot data storage centre in Bluffdale, Utah. This enormous construction, known as Mission (Massive) Data Repository (MDR) has the potential to gather a yottabyte of data that translates to around 500 quintillion pages of text. “Billions of phone calls, faxes, emails, computer-to-computer data transfers, and text messages from around the world flow through the MDR every hour. Some flow right through, some are kept briefly, and some are held forever” (Bamford 2014). It seems to capture practically all the communication destined to US citizens from overseas. The *Washington Post* reveals that more data has been gathered on innocent US citizens than purposefully on deliberated “targets” from overseas (Gellman et al. 2014). And there is much evidence that the USA is not alone in bugging its own citizens. The key point is: what does this say about our governments if they have to conduct so much surveillance on their own citizens? And if governments listen to their own citizens with virtual impunity, what is their likely attitude to the rights and privacy of people and leaders overseas?

the centre as urban, modern and in the “Global North”. Proximate factors include the impatient approach of project and deadline dominated policymaking and the need to instrumentalize the local so that it can assist in policy goals. That is, the need to transform the local into a “partner” or “co-owner” of projects that are actually designed and funded from the outside.

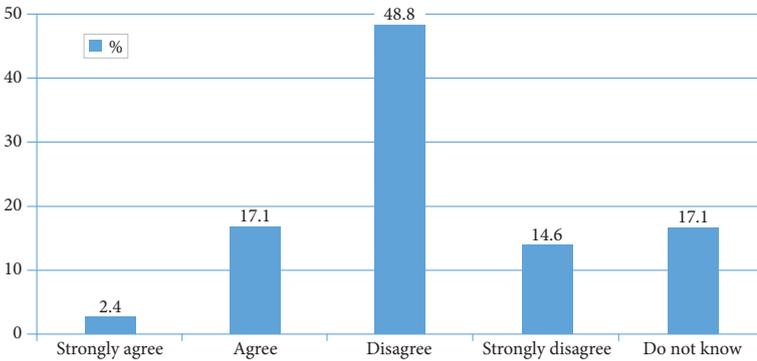
Project managers “from the outside” are likely to face many challenges if they are to familiarize themselves with their new context. Not only do they have to “get on with the job”, they also need the imagination and bravery to locate themselves in a position of co-existence, and possible cooperation. This would

oblige international actors to think about themselves on an equal par with local ones – a very significant change in the mind set of many organizations.

This entails not only a shift in attitude, but also change of a paradigm. “Local people” are not there just waiting for the aid to arrive; their daily experience of insecurity or lack of resources demands a constant attempt to live despite and within an uncertain environment. They navigate through insecure and unstable settings and they find “their way” on a daily basis. Given their creativity and necessity, they invent and forge their own forms of access to information and resources. People learn how to survive mainly through experience.

**Figure 4: The limited trust between »insiders« and »outsiders«**

Percentage of World Bank project managers who believe government counterparts would engage in monitoring and evaluation if the Bank did not require it



Source: World Bank 2013, p. 301

Top-down, international or government actors can rarely access the “hidden transcripts” or the private settings whereby individuals and communities express their aspirations and reservations (Scott 1990, p. 17ff., p. 120ff.). To identify these hidden transcripts entails observing the informal ways that local communities use for everyday governance. The local offers an insight into non-linear forms of coexistence or even compliance, away from the rigid black-and-white oppositions often seen with the lens of the outsider. On an everyday basis, local agency involves non-state and non-institutional capacities building their own practices rather than formally designed processes (Richmond 2011, p. 428).

### The non-romanticized local

International actors may be tempted to “give local people a voice” or facilitate them in expressing their aspirations and

needs. Such a position misunderstands that local actors are usually fully voiced. The problem lies with international actors who may not have the capacity to hear the local, or translate it accurately. Rather than providing aid to vulnerable groups or “capacity building” schemes for the subaltern, a shift in paradigm is required. This entails working “with” and alongside the local, and learning “from” them rather than working “for” them. This subtle relationship needs to follow a different logic than the one that dominates the working assumptions of many foreign policy oriented organizations. The local is often surprising in its diversity and versatility. It seems sensible that we view it in its own right rather than according a linear model that stretches from traditional to modern (Mac Ginty 2008, p. 149).

To work with the local in a meaningful way involves a distinctive approach from the one that dominates the operating procedures of many embassies and INGOs. We can see trends towards

bunkerization, remote management and even humanitarianism by drone (Duffield 2010, p. 10). This appears to be the antithesis of people-centric peacebuilding and development [see Box]. Carefully prepared scenarios and scripts usually do not work in real world contexts. Unintended and unanticipated outcomes are common. As a result, it seems sensible to engage with local actors from a position of humility and a recognition that situations change quite rapidly. Sometimes chaotic, open and uncontrolled non-linear situations, demand innovative and flexible forms of inquiry (Lidén et al. 2009, p. 594). Only with a humble approach, representing a respectful attitude, may we be allowed to gain trust worth enough to get a status of a partial “insider”.

## The hybrid local

So what are the key trends that we should keep in mind when analyzing the relationship between the local and international levels, and all in between? And, in particular, how can we examine the connections between systems of global governance and the local dimension? Let us identify two trends that will support us with this endeavour.

The first trend is the very fast pace of change that means that “the local” is not static. We might think of the local as a backwater that is waiting to be changed by international and transnational intervention and encouragement. Nothing could be further from the truth. The local level in many societies is characterized by fast adaptation to changing cir-

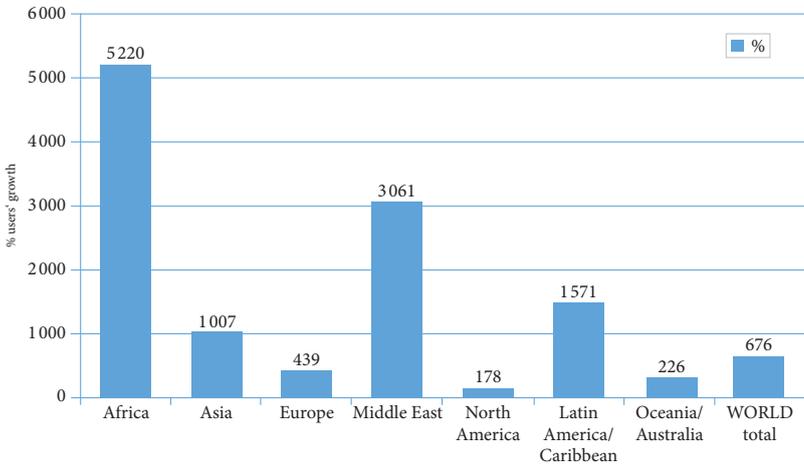
### The Everyday Peace Indicators project

The Everyday Peace Indicators project is an attempt to find out how local communities conceive of peace and safety in their own lives in four sub-Saharan countries (Everyday Peace Indicators 2014). Rather than outside academics developing a set of indicators from the comfort of their seminar rooms, the project team began by asking local communities to identify their own indicators. These indicators would then form the basis of a survey. The indicators identified by local communities in South Sudan, Zimbabwe, South Africa and Uganda were quite different from the standard indicators used by the World Bank, the UNDP and others to gauge peace and security.

Local communities identified indicators like the barking of dogs at night (a sign of prowlers) or the ability to go outside at night to use the toilet (again a sign of night time security). The picture that emerged was that communities had their own ways of identifying insecurity. These “ways of knowing” were not immediately visible to outsiders – despite the very many information-gathering techniques that outsiders have at their disposal (national statistics, reporting mechanisms, desk officers etc.). The key point is that outsiders should be cautious about imposing their methodologies and narratives on other peoples.

**Figure 5: The hyper-connected local: Internet**

Internet users' growth by region, 2000–2014

Source: Authors' own graphics, based on <http://www.internetworldstats.com/stats.htm>, 17.10.2014

cumstances, and by individuals, families, communities and local leaders creating and undertaking initiatives. Whether it is climate change, conflict, new market opportunities or the opportunities made available by technology, individuals and communities often adapt. The speed of urbanization or the adoption of mobile phones on the planet is startling, with most of the growth in places that we might think of as green and sleepy [see Box]. The “Global South” is ever more connected; for example, as of 1st July 2013, most Internet users on the planet (over 58%) were located in Asia and Africa (Internet Live Stats 2013). Moreover, Internet users in Africa alone have exponentially increased between 2000 and 2014 by 5,220%, followed by Middle East (3,061%) and Latin America and the Caribbean (1,571%) [see Figure 5]. This notion of the local as connected, modern and undergoing continuous change has implications for ideas of

global governance that are predicated on a neat, often top-down, linear relationship between the international, the regional, the national, the municipal and the local.

So rather than the neat transmission of ideas, people and capital from the top down, or indeed, from the bottom up, we should think of a more messy state of affairs. Ideas, initiatives, pressures and opportunities come from all levels. They interact, conflict, hybridize, coalesce and face constant change (Mac Ginty 2010).

The second trend is that international structures and systems are experiencing unusual levels of volatility. Of course, the international “order” has always been full of disorder and is prone to shocks. But a number of meta-trends are coming together to mean that established ways of managing conflict and threats are in jeopardy. Here it is worth noting the crisis of access that many traditional intervening parties have in

### The hyper-connected local: Urbanization

In 2014, more people live in the cities (54%) than outside of them (United Nations 2014, p. 7). Of the world's 28 megacities (with a population of 10 million or more), 22 are located in the "Global South" (United Nations 2014, p. 13ff.). Among the 42 most urbanized countries and areas, 28 of them are in the "Global South" (United Nations 2014, p. 3).

Africa and Asia are not only the regions with the fastest urbanization, but by 2050 they are expected to be home of the majority of world's urban population, namely 21% and 52%, respectively (United Nations 2014, p. 11).

Latin America and the Caribbean (80%) is more urbanized than Europe, which has an equal proportion of urbanized population to Central America (73%) (United Nations 2014, p. 8). Less than 10% of the European urban population live in megacities; the lowest proportion of all the continents except Oceania (0%). Africa has more inhabitants in megacities and medium-sized urban agglomerations than Europe. Most of European urban population live in "small" cities below 500,000 inhabitants (United Nations 2014, p. 14).

conflict zones, the deliberate undercutting of the United Nations by leading member states, the continuing eastward shift of capital and economic power away from the "Global North", the failure to correct the basic contradictions in the global economic system following the 2007 crash, and the assertiveness of China and Russia. We do not have space to detail each of these trends, and many others that are occurring simultaneously. But if we look at them cumulatively we can see that some of the contours that had been used to manage international crises are changing. International humanitarian systems remain unable to help the most vulnerable.

In arguably the largest political and military crises facing the planet in 2013-14 (Democratic Republic of Congo, Gaza-Israel, Iraq, Syria and Ukraine), international humanitarian and military actors had very few ways of accessing

the conflict zones. Not only could they not provide assistance or security, but their information systems were revealed to be shoddy. To put it simply: key members of the self-styled "international community" did not know what was happening, and had few levers at their disposal with which to effect change. To take another example: the claiming and counter-claiming of island territories, mineral rights and air-space in the South China Sea. The world's primary security organ (the UN Security Council), and the leading states who see themselves as the world's police (the USA and its allies) have been unable to prevent a ramping up of tensions and a regional arms race. In short, many contemporary systems of global governance seem unable to deliver basic aims such as stability or the protection of civilians.

If we put these two trends together (a fast changing local and inadequate

systems of global governance), we are reminded that the connections between the local and international dimensions are extremely complex and in state of flux. Both levels, and all of those in between, are experiencing shocks and grappling to come to terms with changing circumstances.

As we have seen, many international actors (international organizations, donor governments, INGOs and others) have “rediscovered” the local as a way of helping them deal with changing cir-

cumstances. Partnership with local actors (communities, NGOs, military) was seen as a way of better delivering peacebuilding, humanitarian and development assistance. Looking at the crises of 2013-14, it is not entirely clear that the “local turn” in international affairs has delivered the capacity to deal with the multi-faceted crises the world faces. Nevertheless we have seen the continued popularity of the notion of resilience, or the idea that communities often have the capacities to deal with their own problems.

## Resilience

At first glance, the concept of resilience is very attractive. It is packed with common sense: if people can be encouraged to use their own resources to deal with problems then these approaches are likely to be culturally appropriate, sustainable and low-cost. The idea of local solutions to local problems recasts the inhabitants of war and disaster-affected societies away from being victims and beneficiaries into being pro-active and empowered people. International organizations and bilateral donors have flocked to the resilience agenda. It has become a catch-all buzzword to replace or chime with a number of other terms such as early-warning, community development, local participation and local ownership [see Box p. 204].

There are, however, a number of potential pitfalls connected with the resilience agenda. The first is that it risks shifting the responsibility for problems onto local communities and, simultaneously, absolves international actors from such a burden. It risks becoming a

process of absolution whereby international actors can say “local communities are resilient and hence do not require our support”. This might suit the ears of many in the “Global North”, who perceive international peace-support and development programmes as a never-ending drain on resources. Yet such a mind-set is potentially destructive. The transnational nature of the planet means that apparently “far away” places and conflicts are actually connected to the “Global North” through myriad networks of trade, finance, politics and culture.

A second potential pitfall arising from international actors over-enthusiastically pushing the resilience agenda is that it is based on false motivations. Rather than seeing resilience as part of a true partnership relationship, it has been instrumentalized as a thin veneer. Behind this facade are power relations, in which international actors still design, direct and fund the vast majority of peace and development interventions. A thorough

## Resilience

Originally used in engineering, the term resilience is particularly popular in studies of health, climate change and natural disasters. International organizations and INGOs use the term increasingly in relation to post-conflict societies. David Chandler understands resilience as “the capacity to positively or successfully adapt to external problems or threats” (2012, p. 217) at the community or individual level. At the heart of the concept is the empowered resilient subject who is equipped with agency. This is opposed to the view of the 1990s and before, in which individuals tended to be seen as passive victims and aid recipients.

Resilience has become a buzz-word for international organizations. Among 76 World Bank documents that contain “resilience” in their titles, the earliest, on social resilience in Haiti, are dated from 2006 and 2007. This trend of international organizations focusing on resilience is continuing. The UNDP’s 2014 *Human Development Report* [see next Box] – a landmark document in the development sector – crowns this trend: *Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience* (UNDP 2014, World Bank 2014).

reflection over the resilience agenda would require a two-way relationship between the local and the international (and all levels in between). It would involve international actors looking at their values and operating procedures and considering how “they” could be made resilient. It would involve frank discussions between all sides, with much listening. Instead, in very many cases, the resilience agenda has become something that is “done to” states and societies in the “Global South”. It has become part of a good governance, or good enough governance, agenda whereby western actors seek to “reform” the way in which other states and societies are organized.

The third potential pitfall of the resilience agenda is that it plugs in, a little too neatly, into the neo-liberal agenda of saving money and reducing state

functions to guaranteeing the smooth running of the economy. Economizing is a good idea and few would argue in favour of lavish spending in development or peacebuilding. But the rhetoric of resilience, and communities helping themselves, has been seized upon by individuals, states and organizations that simply do not want to spend more resources. Resilience offers an optimistic story to tell: self-reliance, hard work, and sustainability. But often this positive image carries a camouflage for the idea that rich states and organizations are lacking responsibility to help poor communities.

The resilience agenda in peacebuilding and development is important because it suggests a recalibration of global governance. Systems of global governance – how the planet organizes and secures itself – have always been

shaped by wider processes of politics, economics and cultures. These systems are undergoing immense change. Under the cover of the resilience agenda, we can see some international organizations and some bilateral donors withdrawing from their responsibilities. Interventions become more selective or might be characterized by a lowering of expectations about what they can actually achieve.

## Policy options

It is an uncomfortable task to suggest concrete steps given the complexities of the relationships between the local and the international. The following are not instruction-oriented prescriptions. Rather they are suggestions about how we might be able to re-orientate “our” thinking in order to have a fuller understanding of how “the local” and “the international” relate to one another. Crucially, the list of suggestions is not something for “others” to do. It is comprised of issues that we (in the “Global North”) have a responsibility to confront.

Thus, for example, the United States and its allies decided in September 2014 that they would launch airstrikes on the Islamic State (IS) organization. This move was not accompanied by statements on how they would assist – in practical ways involving food and shelter – the millions living under and escaping IS control.

- To adopt an agenda of respect, engagement and humility in dealings with the local. Many in the academic and policy communities in the “Global North” would benefit from greater self-awareness in their praxis. Despite our titles and qualifications, we are rarely “experts” on other peoples’ circumstances, experiences and aspirations and should avoid the temptation to think that we are.
- To learn from the local by listening and observing at the local everyday level. The learning process requires careful listening and an open mind.

### The Human Development Report 2014

*The Human Development Report 2014 Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience* uses the language of peoples’ capabilities, potential, empowerment, social and local agency. Despite this apparently local orientation, the document remains rooted in a global rather than a local worldview. It uses the language of universalism and remains wedded to top-down directed policies. It sees resilience operating within parameters set down by globally designed policies, rather than peoples’ capabilities. In this view, people need to be enabled by (supra-) national forces in order to become resilient (UNDP 2014).

- To try to adjust to the local time even if it seems improbable. Here we do not mean adjusting your watch or smartphone to Geneva plus or minus 7 hours. Instead, we mean gauging the rhythm of a society, its pace of life and speed of change. Crucially, as outsiders we need to move beyond seeing “our” world in the “Global North” as “modern” and other places as “catching up”. Societies in the “Global South” are modern, but in different ways to what we might regard as modern.
  - To avoid romanticization of the local. We might be tempted to see the local as good, authentic and ecologically harmonious. Similarly, we may be willing to think that all things international are imposed and alien. On the contrary, a more rigorous perspective is called for. A power analysis of both levels, and all those in between, will reveal that drivers for socially positive (and negative) outcomes are present at all levels of society.
  - Rather than assuming that solutions usually come from the top, it is prudent to prepare for the unforeseen, especially as local actors may wish to delay, interpret or mimic inputs from western policymakers and donors. Efforts towards 100% predictability are often senseless and time-consuming. The best-prepared teams are those who know they will face surprises. Given the complexity, it is desirable and rational to expect the unexpected.
  - Instead of searching for “universal” ways to resolve a problem, it is worth accepting the hidden, spiritual, non-obvious, traditional and informal nature of local dynamics. This might appear to be challenging advice for those used to “modern” and “rational” ways of analysis. But why should we expect other societies to conform to our ways of thinking?
- The essential message from these policy options is to seek to recalibrate how we think about the local and its connections with global systems of governance. There is a tendency in large parts of the academic and policy worlds to think in quite static and linear ways – with a hierarchy of power of institutions stretching from the international downwards to the regional, national, the municipal and the local. Such straight-line thinking that begins with the international does not seem to conform to the ground reality of how many people see the world. As we suggested above there is an alternative way of thinking which begins, rather than ends, with the local. To put the local in the centre requires a respectful and innovative approach of learning with and working alongside the local peoples. To gain an insight into the local demands the “creativity [that] moves beyond what exists toward something new and unexpected while rising from and speaking to the everyday” (Lederach 2005, p. 38).

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Roger Mac Ginty, Malgorzata Polanska

## Spotlight

### Cultures of Humanitarianism

Humanitarian engagement to help the victims of wars and other disasters would be impossible without our innate ability to empathize with strangers. Contrary to a deep-seated and negative preconception about ourselves, *Homo sapiens* is a highly social and ultra-cooperative animal (Tomasello 2014). However, for this positive attribute to have a broader political effect, it must be organized in accordance with cultural traditions and codes of conduct, such as the Christian ethic of love and its equivalents in other faiths, philosophies and worldviews. It was partly due to the influence of these traditions that standards of international law were

established after the Second World War, in the form of the Geneva Conventions, whose purpose is to afford protection to wounded combatants and prisoners of war, civilian persons in time of war, and victims of civil wars. Since then, humanitarianism has diversified into many distinct forms of engagement.

As a starting point, humanitarianism can be categorized according to four criteria. Humanitarian aid may be organized by 1) governmental or non-governmental agencies, which may be 2) Western or non-Western, 3) secular or faith-based, and 4) address the needs of populations in their own neighbourhoods or in distant countries.

### Crises and the humanitarian response

Today, we are seeing humanitarian disasters and crises occurring ever more frequently, with lasting effects, in some cases worsening over time. The protracted nature of humanitarian emergencies is evident from the media, particularly in relation to the Syrian refugee crisis, and is underpinned by some alarming statistics. By the end of 2013, more than 51 million individuals were forcibly displaced worldwide as a result of persecution, generalised violence or human rights violations (UNHCR 2014, p. 2). Other figures, such as those from the United Nations Office for Disaster Risk Reduction, point to a gradual increase in disasters resulting from global climate change. The ques-

tion of who is affected by “natural” and “technological” disasters is answered by statisticians working on the EM-DAT International Disaster Database, who have shown that it is not only the Global South that is highly vulnerable to disasters but populations all over the world, although some societies are obviously better able to protect themselves than others. The global humanitarian response is far from adequate: there is currently an annual funding deficit of around US\$ 4.6 billion in unmet needs (GHA 2014, p. 4).

The continuous rise in the frequency of natural disasters is not matched by a similarly unbroken upward trajectory in modern Western humanitarianism. On

the contrary, faced with the task of managing a multitude of crises, it appears to be reaching its limits. This applies both to classic humanitarianism, which is based on the principles established by the International Committee of the Red Cross, and to the new humanitarianism of organizations such as Médecins Sans Frontières/Doctors Without Borders (MSF). This new humanitarianism is notable for its reconceptualization of the humanitarian ideal: rather than simply attempting to safeguard the survival of

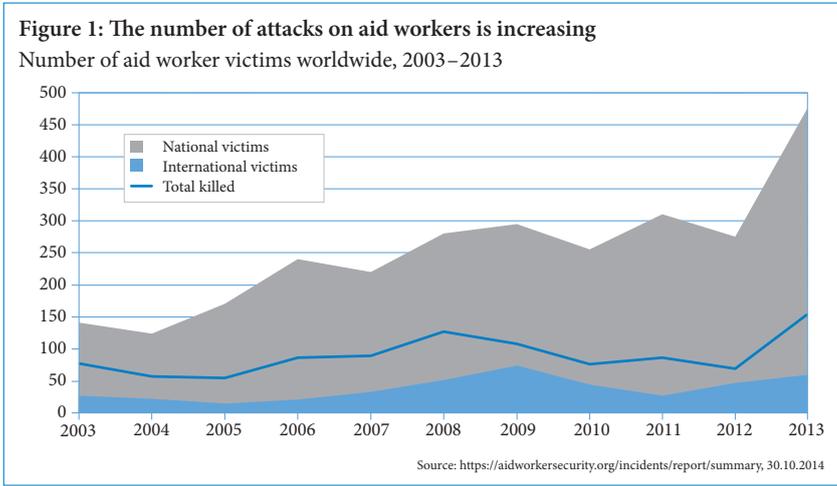
people in need, it goes further and embraces an active commitment to legally enforceable universal human rights. Silent action to assist victims of violence has given way to a policy of bearing witness (*témoignage*) in which emergency aid is accompanied by a willingness to speak out publicly against those responsible for abuses. However, like classic humanitarianism and its fundamental principles, the precepts underlying this approach have come under ever more intensive pressure.

## Developments in humanitarian aid

Two key factors are responsible for this. Firstly, there is the increasing role of non-Western donor countries, which adhere to a different concept of humanitarian engagement and in some cases are unmoved by or even hostile to the idea of universal human rights (Hopgood 2013). India, for example, objected to the UN Secretary-General's call for relief organizations to be granted better access to disaster-affected populations. For the Indian government, the army is the main legitimate humanitarian actor, with assistance to be provided in accordance with the needs defined by the affected governments, whose sovereignty is regarded as sacrosanct (Meier/Murthy 2011, p. 8; p. 13ff.). Another example is Turkey, which has evolved into the world's fourth largest humanitarian donor in recent years, with a clear focus on Somalia and Syria (Binder 2014, p. 1). Besides the Turkish Red Crescent, which has a good reputation, privately funded conservative and faith-based non-governmental organizations (NGOs)

play a major role. However, they have an "ambiguous reputation" (Binder 2014, p. 8), not least because their principles are regarded as incompatible with impartiality and neutrality, which are fundamental principles in both classic and new humanitarianism.

And secondly, the emergence worldwide of militias and tyrannical governments with no respect for the law of war or human rights is another factor bringing Western humanitarianism's zealous adherence to ethical maxims to a premature end. This development is exemplified by the murder of five MSF aid workers by the Taliban in a roadside attack in north-west Afghanistan on 2 June 2004, prompting MSF and, later, other organizations to suspend their activities in Afghanistan. Islamist militias, especially in Syria and Iraq, are notorious for their extreme brutality towards aid workers and other civilians, as they demonstrated with the beheading of British aid volunteer Alan Henning in October 2014. Another



typical, albeit less extreme, example is the expulsion of all foreign NGO workers by the government of South Sudan, a predominantly Christian country, in September 2014. Such scenarios fit into the broader picture of increasingly chaotic conflicts in some parts of the world, with aid agencies being denied access to victims and aid workers being targeted in organized attacks and kidnappings (Humanitarian Outcomes 2014; Fast 2014) [see Figure 1]. This in turn is conducive to the routine involvement of military forces in humanitarian efforts; however, the militarization of humanitarian engagement has proved problematic (Weiss 2014). Another outcome is the involvement of private security companies, which – despite their equally ambiguous reputation – have shown themselves capable of successfully deploying humanitarian rhetoric (Joachim/Schneiker 2012).

Although most of the violence against aid workers has occurred in Islamic countries, the crisis facing Western

humanitarianism does not sit easily with “clash of civilisations” theories. At their core, the conflicts are not cultural or religious but political. Although showing a “Western” face is dangerous in some parts of the world, many of the aid workers who have fallen victim to targeted Islamist violence were themselves Muslims. Neither does the spectacular growth of a new and expanding Christian humanitarianism, mainly in the US, automatically worsen conflicts (Barnett/Stein 2012, p. 5). In some cases, Western NGOs have merely been compelled to engage in more intensive cooperation with local aid organizations, which see this as an opportunity to counter the perceived paternalism of the West and enhance their own reputation and technical know-how at the same time.

## Cooperative humanitarianism

There are some encouraging examples of direct transcultural cooperation between humanitarian actors on the basis of equality. Back in the 1990s, devout Muslims in Yemen decided to support MSF, recognizing that it had mounted a more effective response to a flood disaster than their own charitable organizations. After the Indian Ocean tsunami in 2004, the Christian network World Vision joined with the Indonesian organization Muhammadiyah to rebuild schools and hospitals. Two years later, a partnership developed between American Methodists, represented by the traditional United Methodist Committee on Relief, and Muslim Aid, resulting in the two organizations' joint engagement in Sri Lanka.

These examples illustrate the potential for a new, genuinely global, cooperative humanitarianism. And gratifyingly, there is evidence of people all over the world being willing to help others. This is apparent from the World Giving Index, which looks at three aspects of giving behaviour – donating money to charity, volunteering, and helping a stranger – across a range of countries. The US, Canada, Australia and the United Kingdom regularly top the list of most generous countries, but a more complex picture emerges if other forms of generosity are considered or the analysis is based on the percentage of the national adult population donating money to charity [see Table 1]. In Thailand, Indonesia and Myanmar, a

**Table 1: A willingness to help – widespread in rich and poor countries**  
Top 10 countries by participation in donating money, 2012

Country	Ranking	People donating money %
Myanmar	1	85
United Kingdom	2	76
Malta	3	72
Ireland	4	70
Thailand		
Netherlands	6	69
Canada	7	68
Australia	8	67
New Zealand		
Hong Kong	10	63
Iceland		
Indonesia		

Source: CAF 2013, p. 18

much higher percentage of the population responds to charitable appeals than in many Western countries, although the sums donated are relatively small. In

other words, the ethical commitment to humanitarianism is alive and well over the world – in North and South and in rich and poor societies alike.

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Translation: Hillary Crowe



# **World Economy and Sustainability**

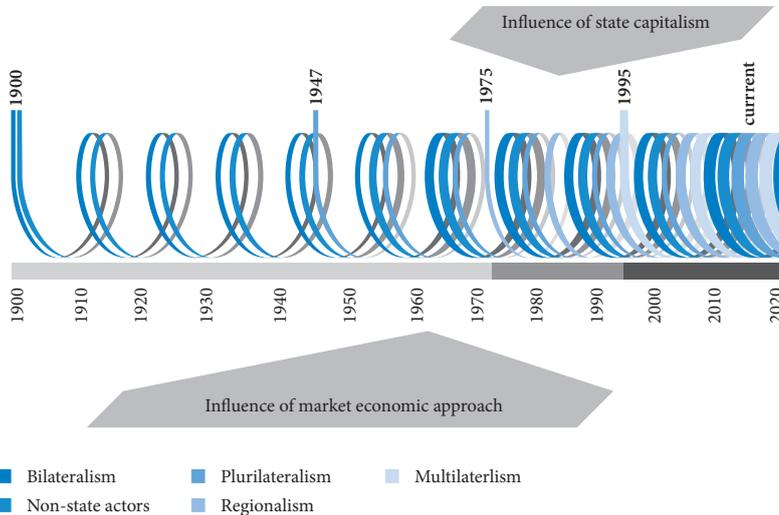


# The Changed Landscape of Global Trade: Between Global Multilateralism, Plurilateralism, and Regionalism

Extraordinarily rapid political, economic, and security changes have produced irreversible transformations in global trade. Most prominent are the decline of the transatlantic disposed global economic architecture, the rise of the BRICS forum of emerging economies, and the associated increase in South-South trade. A world governance order is unfolding where multilateralism, regionalism, bilateralism, and preferential plurilateralism co-exist. This architecture is driven by tension between state capitalist and market economic orientations, which while promoting trade with each other, reflect different, at times contrasting, economic preferences and strategies. The upshot is the formation of diverse and multiple trade groupings of different size and goals rather than bolstering and expanding the scope of the global collaborative multilateral trade system. In the process, the pluralist inter-governmental trade regime creates gaps which attract enhanced participation of non-state actors and the carving out of larger parallel private, and joint public-private, trade regimes.

Figure 1: The global trade quintuple helix

The core helix showing the evolving complexity as each new coil drops into the helix



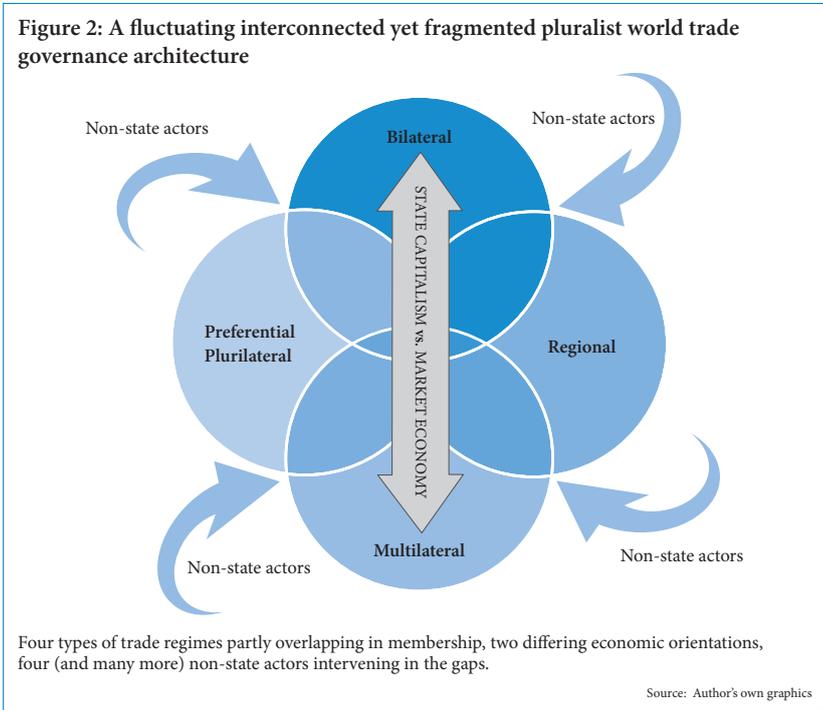
**Explanation:** The years indicate the beginning of each coil; regionalism (except for European) picked up sparsely in the mid-1970s. The widening of the coils represents the densifying of the regimes, represented also in the gray shaded but darkening underline.

Source: Author's own graphics, Design: Keith Martin, KPU

## World trade governance in flux

When contemplating whether and how to extend a trade offer to planet Earth, an observer from planet Mars would be faced with a baffling choice. What the Martian will see is a state of the art “treasure hunt-3D-interactive-map” portraying a labyrinth traversing a multi-layered, multidimensional, and multi-factorial fluctuating geometry formed by states racing to join multiple alliances, and non-state actors rushing to claim stakes in territories yet undiscovered. Such fragmented yet interconnected, pluralist global economic landscape turns any appraisal for the next 10-15 years into a long-term projection [see Figure 2].

The post-WWII market economic principles underlying the 1990s multilateralism and early 21st century adjustments are currently being challenged. The very success of the global trade model founded in economic freedom – the World Trade Organisation’s (WTO) “governance apogee” – contains also the seeds of its own transformation. Propelling world economic interconnectedness and globalization, it now demands adjustment to the new circumstances it helped to create. And while “governance of the world trading system is in limbo” (Baldwin et al. 2013, p. 8), two main trends emerge: One concerning the *designers* of world trade governance;



the other – the *design* of these arrangements. Jointly they reform the global trade regime as in a consolidating multi-pronged helix comprising of five coils made of global multilateral, regional,

bilateral, and preferential plurilateral inter-governmental, interlaced with transnational, trade rules devised by non-state actors.

## Designers of global trade governance

The new global trade designers are the most powerful economies, along with middle powers and developing countries, and frequently, non-state actors.

### Leadership in the post-US economic era

A post-US hegemonic global system is now in place. Two political and economic salient states – the US (in decline and abdicating responsibility for a rule-based global economy) and China (in ascendance and solidifying) mediate a fluid and asymmetric multi-polar architecture. Each leads a group of states: The developed G7 (Canada, France, Germany, Italy, Japan, United Kingdom, US, including the EU), Australia and New Zealand, and the most powerful emerging economies featuring the BRICS – Brazil, Russia, India, China and South Africa, respectively. Both groups' members defy a fixed hierarchy for they are capable of simultaneously exerting influence globally and regionally. In 2013, China became the biggest trader in the world with imports and exports totalling US\$ 4160 billion, surpassing the US total imports and exports (in 11 months in 2013) of US\$ 3570 billion; China's trade surplus expanded by 12.8% while the US's increased by 5.2%, yet

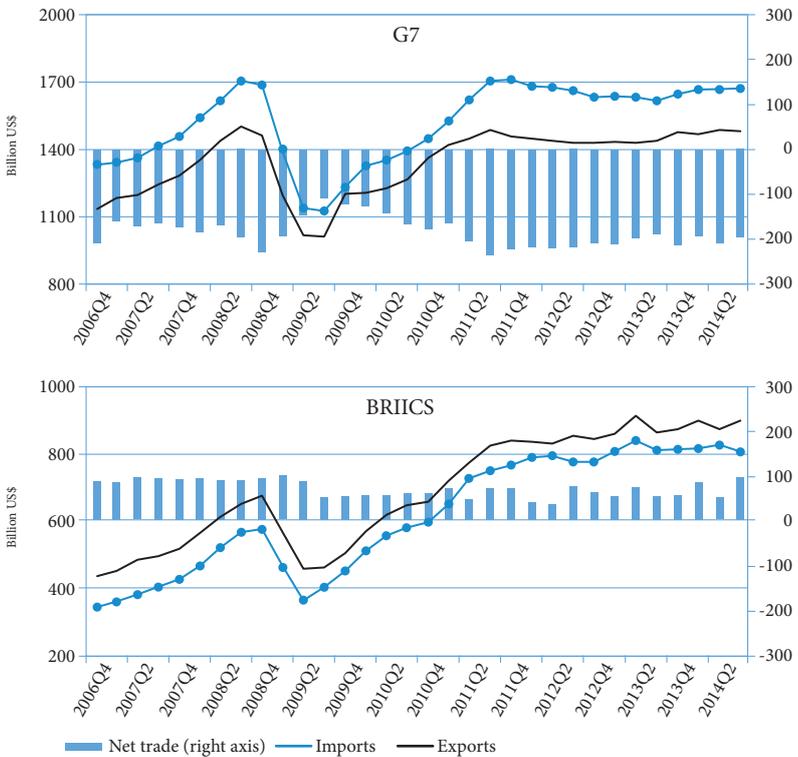
China's trade in services remained at less than a half of the US\$ 1070 billion (Anderlini/Hornby 2014). G7 total exports in the three first quarters of 2014 were US\$ 4438.6 billion and imports US\$ 5038.1 billion compared with the BRICS (Indonesia included) exports at US\$ 2721.5 billion and imports at US\$ 2447.3 billion (OECD 2014) [see also Figure 3].

Statistical data exhibit the structural change [see Figure 4]: From a formerly dominant intra-developed countries' trade an almost equal exchange in trade between developed and emerging/developing economies, and intra-emerging/developing trade is gaining steam. Combined, the share of the emerging/developing countries' trade in total world trade may soon exceed that of intra-developed countries', signalling a resetting of patterns of economic influence both globally and regionally.

Since investment (trade's twin sibling) is essential to foreign trade oriented economic production, the groupings' attraction of foreign direct investment (FDI), and capability to invest within and outside the group, is telling of their economic clout. In 2012-2013, the US ranked at the top of the twenty FDI host economies with an FDI inflow of US\$ 188 billion, immediately followed by China in second place with a US\$ 124 billion inflow, and if Hong Kong's fourth

**Figure 3: The narrowing of the gap between G7 and BRIICS (Brazil, Russia, India, Indonesia, China, South Africa) merchandise trade**

Seasonally adjusted data at current prices and exchange rates



Source: OECD 2014, p. 1

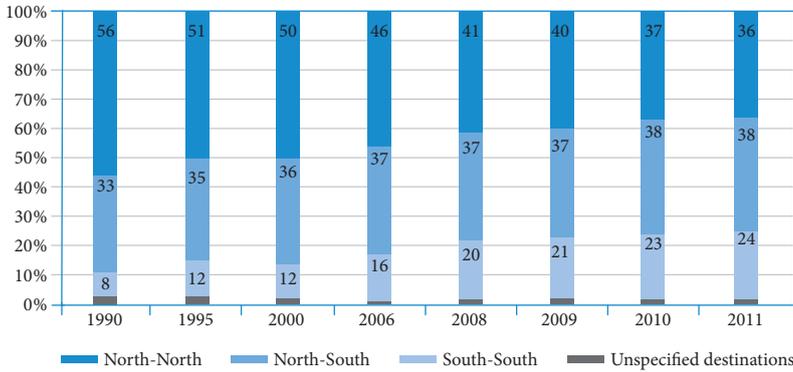
rank in FDI inflow of US\$ 77 billion is added, then China ranks first with US\$ 201 billion. The BRICS leader is trailed by two group members – Russia and Brazil – at the third and fifth global ranking, respectively. Canada and Australia precede the EU members at the seventh and eighth, the United Kingdom and Germany at the eleventh and fifteenth place, respectively (UNCTAD 2014, p. 4). In the FDI outflow statistics, the US again, ranks first with US\$ 338 billion while China is third with a US\$ 101 FDI outflow but US\$ 193

billion if Hong Kong is added, which bumps it to second on the scale. Russia is fourth, Brazil does not make it to the top twenty exporters of FDI, Germany ranks seventh, and the UK seventeenth (UNCTAD 2014, p. 5).

Additional economic power constellations consist of a mix of these groups' members in other fora, most importantly the G20 (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, UK, US, and the EU), fol-

**Figure 4: Share of »South-South« trade steadily growing**

Shares of »North-North«, »North-South«, and »South-South« trade in world merchandise exports, 1990–2011



Note: South includes Central and Eastern Europe before 2000, equal to 1.6% of world trade in 1995.

Source: WTO 2013, p. 65

lowed by the N-11 (Bangladesh, Egypt, Indonesia, Iran, South Korea, Mexico, Nigeria, Pakistan, the Philippines, Turkey and Vietnam), trailed by economic powerhouses in different sub-regional contexts. While the developed economies are politically and economically largely homogenous, the BRICS and the N-11 groups are heterogeneous.

**State capitalism and market economy as shaping global trade**

Propelled by the wave of globalization (1945 and onwards) marked by unequal distribution of economic, political, and social benefits, economic growth has fuelled discontent targeting the trade regime’s neo-liberal underpinnings epitomized by the General Agreement on Tariffs and Trade (GATT) and the WTO. Founded on the promise of a more prosperous world for all, paradoxically,

the WTO has proven dysfunctional in advancing its development agenda, letting itself be politically instrumentalized and turning indifferent to the pursuit of collective goals and values. This observation is critical because it suggests that the permeation of liberal economic ideas into non-developed economies has remained limited and developed countries’ commitment to them reserved. It paints a picture of an overall binary divided world economy, clustering around two different national economic models – the market economic (US) and the state capitalist (China). Although co-existing in a single global economic space, they do not always share the pursuit of the same global goals. While the market economic model encourages free competition in the process of economic production, allowing corrective government intervention only, state capitalism assigns a more dominant role for government in shaping the economy. Com-

<b>Table 1: FDI inflows in developing economies has surpassed FDI inflows in developed economies</b>						
Region	FDI inflows in billions US\$ (%)			FDI outflows in billions US\$ (%)		
	2011	2012	2013	2011	2012	2013
<b>World</b>	<b>1700</b> <b>(100)</b>	<b>1330</b> <b>(100)</b>	<b>1452</b> <b>(100)</b>	<b>1712</b> <b>(100)</b>	<b>1347</b> <b>(100)</b>	<b>1411</b> <b>(100)</b>
<b>Developed economies</b>	<b>880</b> <b>(51.8)</b>	<b>517</b> <b>(38.8)</b>	<b>566</b> <b>(39.0)</b>	<b>1216</b> <b>(71.0)</b>	<b>853</b> <b>(63.3)</b>	<b>857</b> <b>(60.8)</b>
European Union	490 (28.8)	216 (16.2)	246 (17.0)	585 (34.2)	238 (17.7)	250 (17.8)
North America	263 (15.5)	204 (15.3)	250 (17.2)	439 (25.6)	422 (31.4)	381 (27.0)
<b>Developing economies</b>	<b>725</b> <b>(42.6)</b>	<b>729</b> <b>(54.8)</b>	<b>778</b> <b>(53.6)</b>	<b>423</b> <b>(24.7)</b>	<b>440</b> <b>(32.7)</b>	<b>454</b> <b>(32.2)</b>
Africa	48 (2.8)	55 (4.1)	57 (3.9)	7 (0.4)	12 (0.9)	12 (0.9)
Asia	431 (25.3)	415 (31.2)	426 (29.4)	304 (17.8)	302 (22.4)	326 (23.1)
East and South-East Asia	333 (19.6)	334 (25.1)	347 (23.9)	270 (15.8)	274 (20.3)	293 (20.7)
South Asia	44 (2.6)	32 (2.4)	36 (2.4)	13 (0.8)	9 (0.7)	2 (0.2)
West Asia	53 (3.1)	48 (3.6)	44 (3.0)	22 (1.3)	19 (1.4)	31 (2.2)
Latin America and the Caribbean	244 (14.3)	256 (19.2)	292 (20.1)	111 (6.5)	124 (9.2)	115 (8.1)
Oceania	2 (0.1)	3 (0.2)	3 (0.2)	1 (0.1)	2 (0.1)	1 (0.1)
<b>Transition economies</b>	<b>95</b> <b>(5.6)</b>	<b>84</b> <b>(6.3)</b>	<b>108</b> <b>(7.4)</b>	<b>73</b> <b>(4.3)</b>	<b>54</b> <b>(4.0)</b>	<b>99</b> <b>(7.0)</b>
<b>Structurally weak, vulnerable and small economies</b>	<b>58</b> <b>(3.4)</b>	<b>58</b> <b>(4.4)</b>	<b>57</b> <b>(3.9)</b>	<b>12</b> <b>(0.7)</b>	<b>10</b> <b>(0.7)</b>	<b>9</b> <b>(0.7)</b>
LDCs	22 (1.3)	24 (1.8)	28 (1.9)	4 (0.3)	4 (0.3)	5 (0.3)
LLDCs	36 (2.1)	34 (2.5)	30 (2.0)	6 (0.4)	3 (0.2)	4 (0.3)
SIDS	6 (0.4)	7 (0.5)	6 (0.4)	2 (0.1)	2 (0.2)	1 (0.1)

Source: UNCTAD 2014, p. 3 (modified)

mentary on current state capitalism is divided. Some perceive it as intrinsic to political “neo-statism”, a system charged with ensuring that wealth creation does not interfere with and threaten the political power of ruling elites whereas others consider it a provisional phase only. To them, government ownership of companies or exercise of corporate control of companies through selective government intervention by financing and privileging of certain industries, products, and private companies (via ear-marked support, tax breaks, direct subsidies, cheap credit, protection against import competition, conditioning of foreign investment on transfer of technology demands and export performance, and monetary policies including control on capital flow) represents a specific variation of capitalism, which some call “heterodox economics” (Trubek 2012, p. 2). From that point of view, it is necessary to propel an economy out of its “emerging” or “developing” phase onto a developed, even leadership, level on the global scene. If Singapore was

the “canary in the mine” of new state capitalism, China has become its pivotal example, while other large (and small) economies, e.g. India and Brazil, found a middle way of a less interventionist and “authoritarian” variety.

What does this imply for global trade governance? Choosing between state capitalism and market economy affects a country’s preference of trade standards and trade choices by groups of like-minded states. This, in turn, may relax long-standing fundamental liberal trade principles which stand to undergo further modifications in the larger trade agreements (Bolívar 2013) [see Box].

The difference between market economic and state capitalist approaches introduces asymmetry also within the international investment regime [see Box p. 224]. Between the years 2003 and 2010, state-backed companies represented 80% of the value of the Chinese stock market, and 62% of Russia’s, and a third of the world’s emerging economies’ FDI (The Economist 2012). Countries formerly chiefly FDI destinations are now

### **State capitalism is eroding the hegemony of the (neo-)liberal international trade regime**

Seeking to turn Embraer, its aircraft manufacturer, into a national industrial success symbol and world leader in the global regional jet market, the government of Brazil not only subsidized financing for sales of Embraer’s planes by Brazilian companies (customary practice in this industry) but also organizations that offered financing for Embraer’s sales. Although the dispute proceedings for a violation of WTO’s law on subsidies resulted in Brazil’s amendments to its subsidy policy, Brazil safeguarded part of its subsidy program by transferring aircraft financing provisions to another regime – the Organisation for Economic Co-operation and Development (OECD), thus circumventing and circumscribing the WTO’s authority in the airplane trade (Trubek 2012, p. 9).

assertive outward investors seeking to protect their companies when engaging in FDI. However, when a state capitalist government puts on the investor hat, it practically privileges its state-backed or owned firms (i.e. themselves) from rules designed to accommodate investment by the *private* (shareholder owned) not public (citizens' owned) sector. This asymmetry may entail adjustments also in the investment regime.

### **The non-state actor as trade shaper**

Multiple competing and asymmetric trade arrangements have created gaps, while new modes of economic production have opened up spaces, both attracting and boosting the participation of non-state actors in the shaping of trade governance. For long, multinational corporations (MNCs) have been shaping global trade via intra-company commerce and concentration of means of production. About 40% of the control

over the economic value of MNCs in the world is held by 147 MNCs in a complex ownership web with almost full self-control (Vitali et al 2011, p. 4). 80% of the total control over other firms via a web of direct and indirect ownership extending across many countries is held by only 0.61% of the shareholders meaning that "the top ranked actors hold control ten times bigger than what could be expected based on their wealth" (Vitali et al 2011, p. 4).

In addition to concentration of means of production, companies have benefited from inter-connectedness spurred by globalization, and assisted by technological progress they were instigated to transform the patterns of economic production. In the manufacturing sector, but also in other export products which rely on manufactured products, the incorporation of trade in parts carried out through global production networks has altered traditional trade patterns and is re-defining trade between countries of origin and countries of destination. In

### **The Investment Paradox: state capitalist and market economic asymmetry**

Canada, a resource rich country, has been eyed by emerging economies' hungry for energy sources. With the conclusion of investment deals with China National Offshore Oil Corporation and Malaysia's Petronas, both state-controlled corporations, the magnitude of investment in the oil-and-gas sector has reached unprecedented levels. This has triggered concerns that large-scale controlling transactions by foreign state-owned companies might in short time move business in this sector away from a free, over to foreign government controlled, markets, incompatible with Canada's interests and economic orientation.

Sensitized to the incongruence between state capitalism and market economy, Canada revised its foreign investment policy requirements regarding appropriations by state-owned firms in the energy sector, making the above deals the last of their kind and an exception rather than rule (Huffpost Alberta 2012).

addition, both intra- and inter-company trade have seen a shift from isolation competition to collaborative innovation described as “peer production” and constituting “sharing economies”. Production therefore depends on transnational supply chains, a practice which stands to unleash adjustments in basic trade assumptions.

In fact, traditional foreign trade statistics are telling us only that part of the story that records the physical movement of products between directly trading countries. The conventional bilateral import-export measurement ignores the fact that contemporary trade represents an international flow of values requiring a “trade in value-added approach” adjustment (Inomata 2013, p. 36). In comparison to business, governments (and inter-governmental

organisations), albeit cognisant of the impact of this development, have yet to revise trade governance rules accordingly. Meanwhile, business is developing its own governance tools either separately or jointly with government, adopting standards, technical regulations, quality and safety guidelines, and compliance requirements, all of which are bound to influence future global and other trade arrangements. These instruments may reflect general common interests shared by companies from various economic sectors or issue-based specific interests of a specific sector or industry. In addition, non-governmental organizations (NGOs), which have joined the fore, introduced public good and global commons considerations into the international trade regime equation.

## The design of global trade governance

The post-WWII war trade architecture was designed to withstand the inter-war and pre-WWI pitfalls. It is currently being overtaken by a new historical moment witnessing the transformation of trade governance in its unfolding, spanning a truly global world. Consequently, a relatively uniform international trade regime is shaping as a multi-pronged governance helix.

### Two global economic governance platforms for a multipolar world

Two different conceptualizations of a global trade regime are currently co-existing in the pluralist space of global

trade. One is the familiar WTO trade and (post) Washington Consensus based system supplemented by the Bretton Woods institutions. It is aimed to bestow a measure of stability requisite for the growth of and the protection against arbitrariness in the global economy as it constantly adjusts to changing circumstances.

Next to the WTO model, a “new generation” (Kolsky Lewis 2013, p. 1) of trade agreements is emerging. These are negotiated by various groups of WTO members featuring different geographical compositions, gradually painting a picture of a pluralist “multi-hub” (Burke-White 2014, p. 5) trade order comprising of multiple flexible issue-

specific sub-regimes and reflecting a combination of economic and political asymmetric power re-distributions in a multipolar world. Public (inter-national) and private and public (trans-national) trade and trade-related regimes co-habit the system. They are global, regional, non-regional, and bilateral, multilateral and preferential plurilateral (“meta”) arrangements.

The global primacy of the US and China is circumscribed by contesting leaderships in issue-specific and geographic sub-systems. Consequently, global and multilateral regime building is compromised by particularized rule preferences of sub-systems which may, depending on issues at stake, employ their comparative advantage to effect rule revisions in the multilateral system or induce fragmentation within a previously relatively coherent and consistent order.

### Widening of governance gaps

Five factors account for the widening of governance gaps. Gaps arise where state capitalism and market economic orientations are in disagreement, for instance, concerning patents and copyrights or product and production related safety standards. Accordingly, the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights and the Agreement on the Application of Sanitary and Phytosanitary Measures are relatively limited. Second, gaps are spanning where new trade sectors have emerged and old ones have further developed (e.g. in information technology regarding intellectual property

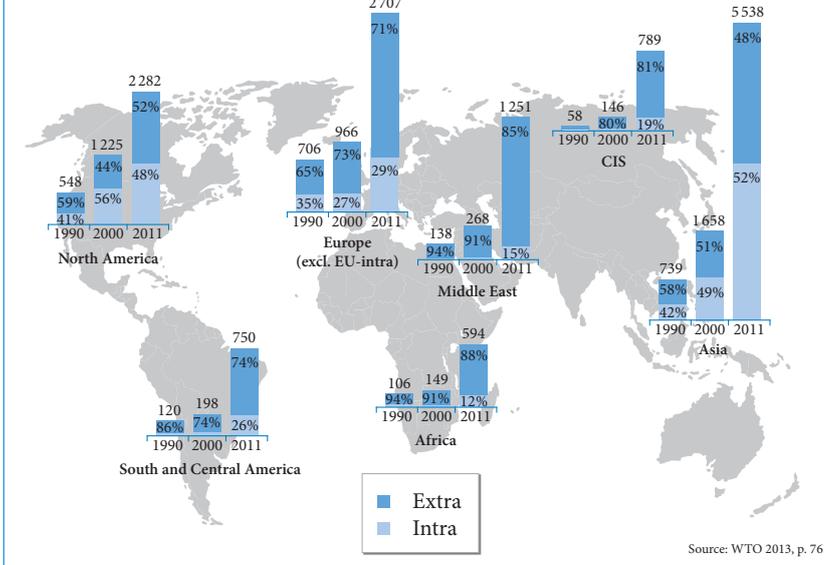
rights, online commerce, unregulated primary (natural) resources). Third, new economic production practices (global supply chains and production networks) culminating into manufactured goods and services responding to new needs require corresponding rules, as, fourth, does FDI, which causes capital accumulation to affect states’ comparative advantage. Finally, “trade plus” issues (e.g. labour standards, environmental protection), which permeate trade relations and patterns invite another layer of regulations. All these push the envelope rendering previous arrangements partly outdated and stimulate public and private rule making and institution building. Impatient, risk-averse business voluntarily resorts to privately regulated regime building as a means of infusing certainty in commercial activity as governments – at the national and international levels – scramble to catch up and take back the reins.

### Trade governance as a multi-pronged helix

Trade governance will take the shape of a densifying multi-pronged helix [see Figure 1]. Currently, five coils are discernible of which four represent inter-national arrangements – global multilateral, regional, bilateral, and preferential plurilateral, interlaced by a fifth coil of trans-national trade rules of non-state actors.

*The global multilateral coil* consists of the WTO trade regime equipped with the most authoritative dispute settlement mechanism available but suffering from weakening trade “legislative”

**Figure 5: Intra- and extra-regional trade has increased dramatically**  
 Intra-regional and extra-regional merchandise exports of WTO regions, 1990–2011  
 (US\$ billion and percentage)



Source: WTO 2013, p. 76

capacity (Gal-Or 2014) and procrastination in the development of a global FDI regime. Arguably, still “the only organization that can take a comprehensive view of the increasing complexities of the evolving economic engagements between countries” (Dhar 2013, p. 121), reaching the requisite consensus and translating it into binding rules appears increasingly unlikely. The faltering Doha round, attributed largely to India’s rejection of the trade facilitation agreement conceived in the 2013 “Bali Deal”, serves to reinforce the sombre view that at least for the foreseeable future, a shift away from the global multilateral process is inevitable.

The organization’s ultimate strength lies in its Dispute Settlement Body with a 90% success rate of compliance with arbitral awards (Bolívar 2013, p. 163)

and participation by all countries – developed, emerging, and developing. The importance of the mechanism should not be belittled: It encourages cooperation and discourages disruptive unilateral action and trade wars; it operates as a negotiating tool serving disputing parties, including third parties; and consequently, offers a forum also for the articulation of new trade rules.

*The regional, bilateral, and plurilateral coils* represent a heterogeneous collection of trade regimes, which are difficult to disentangle. They evolve at a much faster rate than the global multilateral counterparts. Where bilateral trade agreements (BTAs) are concluded between geographical contiguous or close countries, they are considered regional, currently representing 81% out of 241 regional agreements (Acharya 2013,

p. 157). Both intra- and extra-regional trade has increased dramatically over the past ten years [see Figure 5].

BTAs tend to be detailed and tailor-cut to suit the needs of the smallest number of parties thus allowing for both wide and deep trade liberalization. They can also take the “hybrid” form of an agreement between state and regional trade organization consequently resembling both a BTA and a plurilateral arrangement. For instance, Japan has a bilateral agreement with the Association of Southeast-Asian Nations (ASEAN) next to separate ones with individual ASEAN members. The bilateral EU-Turkey agreement is a customs union between a single state and an economic union. Similarly, the Transatlantic Trade and Investment Partnership (TTIP) currently negotiated between the US and the EU is a state-region forum. The EU is seeking region-to-region trade agreements in various regions in the world, e.g. with South America’s Mercosur. When pursued by developed economies, they endeavour to uphold traditional liberal trade principles in a transforming multipolar economic order and maintain leverage in the steering of associated adjustments. However, should the EU-China BTA, which has been under negotiations since 2012, materialize, it will be an agreement between the world’s largest developed (market economic) and largest developing (state capitalist) economies likely to herald a novel approach to trade liberalization and investment protection.

Medium to small regional arrangements include, for instance, the North American Free Trade Agreement (NAFTA) between Canada, Mexico and the

US; the Economic Community of West African States (ECOWAS) founded in 1975 counting fifteen members (Benin, Burkina Faso, Cape Verde, Cote d’Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo); and the recently established Eurasian Economic Union of Russia, Belarus, and Kazakhstan.

The plurilateral (often labelled “meta”) regime springs of a similar dynamic, representing a concerted effort by several governments seeking either a regional or non-regional specific trade forum, and negotiated in concurrent bilateral rounds (hence preferential) addressing both trade and investment. Favoured by Asian and BRICS, but also other emerging and developing, countries they exemplify the alternative to WTO’s global multilateralism, a challenge to the (neo-) liberal foundations of the WTO and Bretton Woods regimes.

Prominent are the following evolving groupings: The Regional Comprehensive Economic Partnership (RCEP) between the group of ten members of ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and other Asian, South-Asian, and Australasian states – Australia, China, India, Japan, New Zealand, and South Korea, most of which are already bound by existing BTAs; the Trans-Pacific Partnership (TPP) specific to the Pacific Rim region yet featuring diverse geographic sub-regions and countries including Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam, all already parties to existing bilateral and plurilateral trade agree-

ments. Unlike the RCEP and the various EU trade agreements currently negotiated, the TPP seeks to include trade issues beyond those covered by the WTO. In Africa, the Tripartite Free Trade Agreement (TFTA) is being negotiated between three sub-regional trading blocs – the Common Market for Eastern and Southern Africa (COMESA), the East

African Community (ECA), and the Southern African Community (SADC).

All these international, in themselves heterogeneous, trade arrangements can be imagined as four intertwined coils portraying an extremely dynamic, flexible, fragmented, and segmented pluralist global trade landscape. Whether this mix will eventually evolve into a refined

## **Transnational tools of non-state actors informing and shaping the global trade regime**

### **International Chamber of Commerce**

Among the most prominent and long-time (since 1919) general business advocacy group is the International Chamber of Commerce, which provides an authoritative arbitration and alternative dispute settlement service. It comprises of 12 policy commissions in various economic sectors that draft private sector transnational trade, investment, finance or commercial relations rules, and establish mechanisms and standards used in business transactions across the world (<http://www.iccwbo.org/about-icc/>).

### **International Council on Mining and Metals (ICMM)**

The ICMM comprises of 22 mining and metals companies and 32 national and regional mining associations and global commodity associations. Among its programs, the Material Stewardship program ensures appropriate extraction and use of minerals and metals through guiding principles developed by the Council, for instance, the ICMM's Assurance Procedure relating to its Sustainable Development Framework, which includes a Good Practice Guidance pertaining to the implementation of the Framework by the organisation's member companies (<http://www.icmm.com/document/584>).

### **Investor-State Arbitration**

Investor-state arbitration was introduced into many BTAs containing investment provisions following pressure from lawyers leery of litigation in unfriendly national courts. The practice proliferated following the North America Free Trade Agreement's (NAFTA) (in)famous Chapter 11 on investment (<https://www.nafta-sec-alena.org/Default.aspx?tabid=93&language=en-US#Chapter11>).

set of globally harmonized rules and standards, and if so, whether it will be effectuated via a multilateral process, remains to be seen. To be sure, while the GATT/WTO regime has always tolerated the co-existence of a sub-set of trade regimes, a dramatically more complex global environment, unlike anything previously known, is unfolding. The WTO's most recent findings that only 16% of the world's merchandise trade was seeking the preferential treatment and 84% of world merchandise continue to be traded on a non-discriminatory most-favoured-nation (a basic WTO principle) basis (WTO 2011, p. 7) may prove to be skewed. Once global supply chain and global production network data are incorporated into the measurement formulae, the effects of trade agreements may paint a different picture.

*The transnational coil of non-state actors* is woven by various general and issue specific private sector coils consisting of independent "self-help" production and commercial, and code of conduct, rules. Trade and investment in the information technology sector are largely *terra incognita*. For instance, various aspects and stages of e-commerce payment transactions and

money transfers in different uses (online vending and purchasing, auctioning, fee charges, currency conversion) have remained unregulated. These include determination of where funds are located in the sequence from the beginning to completion of an electronic transaction, who is responsible for what in the various stages of the process, and so on. So far, business has been ahead of government in regulating its turf and weaving a transnational governance regime.

While non-state actors have long played a pivotal role in shaping the global trade regime, their impact will increase for they have proven to be faster than governments to anticipate or react to changing circumstances. They thus play an important role in complementing inter-state (inter-national) governance by creating a trans-national trade regime.

In summary, both public international and private transnational coils are held together in a mutually negotiated spiral of trade rule-making and institution-building; they are constantly adjusting to a dynamic economic environment, navigating among a myriad of constellations delineated by state capitalism and market economic parameters.

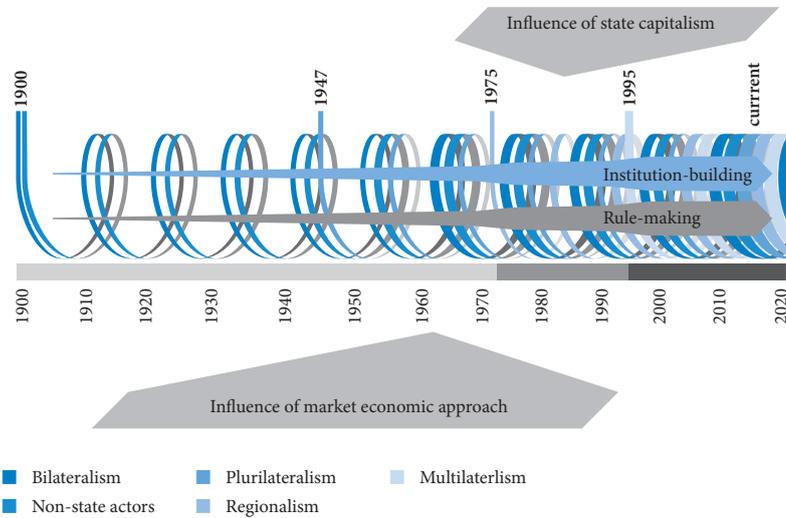
## Policy implications and recommendations

"Despite some common trends and broad insights [...], no comprehensive picture emerges regarding economic activity and global trade patterns in the decades ahead [...]" (WTO 2013, p. 94). While this confirms that future developments are increasingly difficult to project, some general contours are

nevertheless detectable. Basically, rather than a uniform set of rules applicable to all trade issues and sectors, the pluralist world trade governance architecture offers governments a growing selection of trade standards to choose from.

At the *national* level, governments are facing a more complex, often contradic-

Figure 6: Rule-making and institution-building in a pluralist global trade system



**Explanation:** The years indicate the beginning of each coil; regionalism (except for European) picked up sparsely in the mid-1970s. The widening of the coils represents the densifying of the regimes, represented also in the gray shaded but darkening underline.

Source: Author's own graphics, Design: Keith Martin, KPU

tory and dynamic economic environment presenting both familiar and unfamiliar choices. The familiar choices are dictated by (a) economic sector determinants, (b) short versus long term obligations and (c) deep versus wide commitments. In the new pluralist economic geometry governments cannot afford not to juggle trade “forum-shopping” opportunities. Accordingly, market economy oriented governments should (a) seek short-term, less restrictive and economic issue specific bilateral and plurilateral trade agreements; (b) reserve multilateral commitments to trade’s lowest common denominator; and (c) continue to pursue long-term comprehensive (multi-sectoral) bilateral and regional trade pacts with economically like-minded countries.

The difference separating the state capitalist and market economic orientations will transform the global trade (and investment) regime. Therefore, with regard to the unfamiliar choices, governments are advised to (a) determine to what extent they are willing and able to strike compromises that may mitigate the liberal (not neo-liberal) economic foundations interlacing with their socio-political fabric; (b) improve their understandings of state capitalism as it develops and its implications with regards to the economic stability of the global trade regime, overall global prosperity and distribution of wealth, environmental impact and their own national economic well-being; and (c) consider which non-state actors are most suitable to partner with.

At the *international* level, two trends are unfolding simultaneously with regard to the existing and new (and future) rules and institutions. As pressure is building to transform the *extant* global multilateral liberal trade architecture “from within” via WTO dispute resolution, modification of voting and procedure, investment rules and expansion to trade-related disciplines, market economy oriented governments will have to be attentive to trends, objectives, nuances, inter-connections and expected implications of WTO and global finance and monetary mechanisms’ *intra-institutional* affairs.

In parallel, as new trade rules and institutions are established – bilateral, regional and plurilateral, and issue specific – market economic countries are advised to embrace the ensuing fragmentation for (a) it may offer more opportunities to all – developed, emerging and developing economies; and (b) it could be seized to take leadership in the shaping of these regimes; and (c) participation rather than abstention will benefit global trade stability. Because the cost of such wide participation will be exorbitant, yet the engagement necessary, like-minded governments may wish to share the burden by dividing amongst themselves the labour of

acquiring expertise in these endeavours, even co-negotiate them.

At the *transnational* level, the non-state actors will continue to lead the way by introducing certain adjustments to the trade regime ahead of governments and inter-governmental organizations. Due to its subject expertise and because it devises strategies to position itself advantageously in anticipation of subsequent government and inter-state legislation, governments should listen attentively to the non-state actors (business and civil society) in all their engagements and as they make the above choices.

The coil metaphor illustrates the argument that the multiple and diverse developments are likely to stimulate efforts by all affected states, regardless of their economic power, to devise mechanisms of coherence to streamline a globally collaborative trade governance in order to mitigate undesired by-products flowing from misaligned global structures and procedures. Therefore, from a global trade perspective, until the fog clears, WTO rules and standards and the WTO trade dispute settlement mechanism, will serve as a compass indicating where distinct trade arrangements overlap, indispensable as a safeguard against harmful governance fissures.

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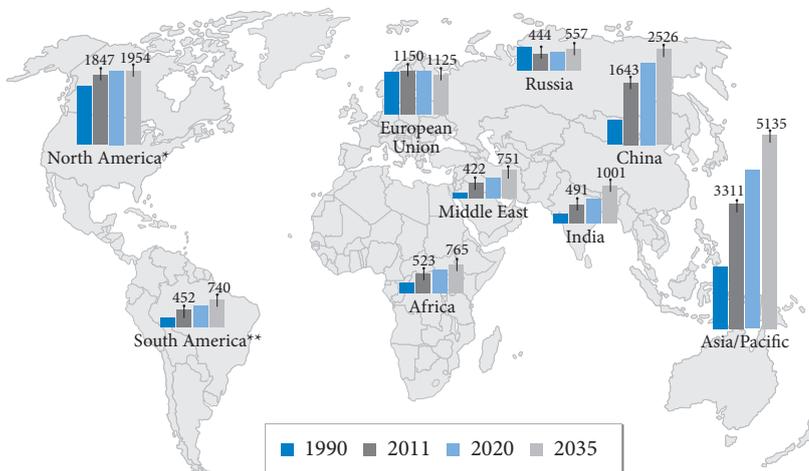
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Noemi Gal-Or

# Global Energy Markets in Transition: Implications for Geopolitics, Economy and Environment

While energy demand is stagnating in the member countries of the Organisation for Economic Co-operation and Development (OECD), high demand growth is expected in the rest of the world, particularly in the Asia-Pacific region and the Middle East. This rapid shift in the energy markets has profound implications. Unless a decisive energy policy course is set, the energy mix will continue to be dominated by fossil fuels in the future, particularly given that technological innovations are expanding the resource base of (unconventional) oil and gas. At the same time, there is a growing need for restructuring energy systems in response to climate change, with the aim of boosting energy saving, energy efficiency and the use of renewables. However, national interests vary, reflecting countries' different circumstances and making it much more difficult to adopt an integrated global approach to managing the triple challenges of energy security, environmental and climate compatibility (sustainability), and economic efficiency.

Figure 1: Highest future energy demand growth expected in the Asia-Pacific region  
Energy demand by region, including China and India (in Mtoe)



\*North America includes all OECD countries, also Chile

\*\*without Chile

Source: IEA 2013, p. 580ff.

## Structural developments in the international energy markets

The global energy markets are evolving very rapidly and there are high levels of uncertainty about their future development. Which trends dominate the energy markets and reinforce these uncertainties?

On the supply side, fracking (hydraulic fracturing) has revolutionized oil and gas production. Due to the resulting boom in unconventional oil and gas production, the US had become the world's largest energy producer by mid-2013. Between 2005 and 2012, US gas production grew by one quarter. The US extracted 687 billion cubic metres of natural gas in 2013, overtaking Russia (BP 2014, p. 22). This trend in the production of natural gas in the North American Free Trade Agreement (NAFTA) region as a whole (United States, Canada and Mexico) is expected to increase continuously until 2035, at an

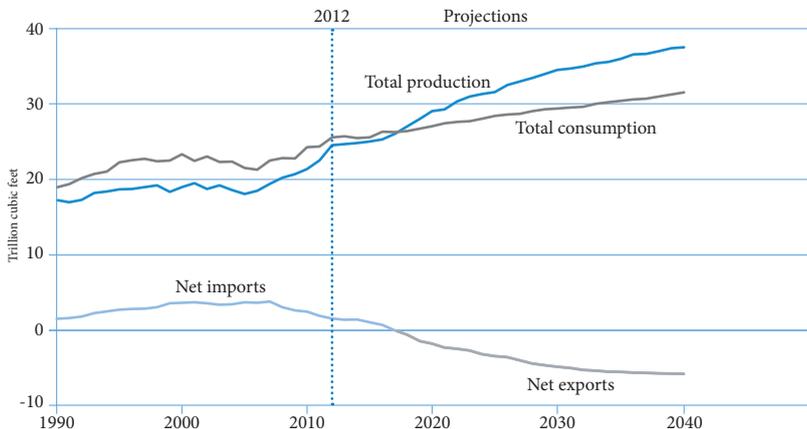
annual rate of 1.1% [see Figure 2] (IEA 2013, p. 109). Total natural gas imports into the US have fallen correspondingly.

Overall, US oil production increased by 50% during the past three years, reaching 12.62 million barrels per day (bpd) (crude oil and liquids) in 2013. Total US production is expected to grow to 14.60 million barrels in 2019 and then level out [see Figure 3].

The US shale revolution was achieved by the combination of fracking and horizontal drilling, which applies liquids and chemicals to release unconventional gas and oil deposits (i.e. those trapped in rock formations), which are otherwise unexploitable. This development began less than 10 years ago, driven by high gas and oil prices on the world markets. Continuous improvements in the technology have been leading to falling costs, efficiency gains and rising recovery rates.

**Figure 2: Natural gas production in the US has risen more strongly than consumption**

Total US natural gas production, consumption and net imports/exports, 1990–2040



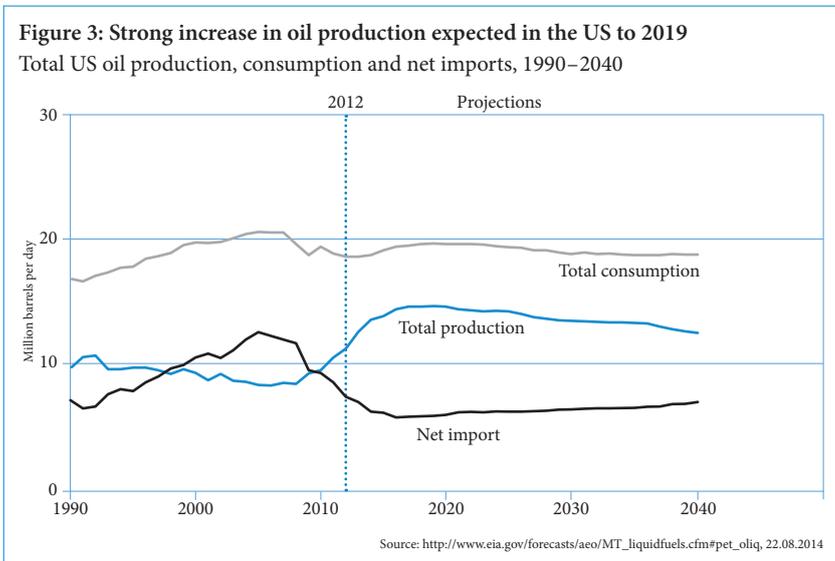
Source: [http://www.eia.gov/forecasts/aeo/MT\\_naturalgas.cfm#natgas\\_prices?src=Natural-b5](http://www.eia.gov/forecasts/aeo/MT_naturalgas.cfm#natgas_prices?src=Natural-b5), 22.08.2014.

Future shale oil and gas production trends elsewhere are difficult to predict; nonetheless, China, Australia, Argentina and Russia can be expected to follow in introducing fracking (Dröge/Westphal 2013).

Energy demand is also extremely dynamic and is a crucial determinant of future energy systems. Primary energy consumption will increase by an estimated 37% between 2013 and 2035 (BP 2015a, p. 11). Since the start of the 2000s, the centre of gravity of global energy demand growth has shifted towards China and India [see Figure 1]. Global oil consumption has been rising steadily and has reached a new record high of more than 91 million bpd in 2013 (BP 2014, p. 9). This trend will continue, with highest future demand growth likely to occur in the Asia-Pacific region, averaging 2.5% p.a. (BP 2015a, p. 11). Shifts in the supply-demand ratio will occur in the Middle East as well: Middle East

energy production is expected to expand by 32% by 2035 (compared with 2013), whereas consumption will grow by 69% (BP 2015e). With these expected growth rates, power demand will double within ten years. If demand is not met by other fuels, the share of oil and gas production available for export will steadily decline.

Unlike the global oil market, natural gas markets are regionally segmented because transport is largely pipeline-bound. The main regional gas markets are North America (Canada, US and Mexico), the European/Asian continental market, and the Asia-Pacific region. The gas market in South America is still underdeveloped. Due to the growing share of liquefied natural gas (LNG), which can be transported by sea, more flexible and global trade flows are now emerging. LNG accounted for around 31% of all natural gas traded internationally in 2013 (BP 2014, p. 28). Significant US exports will impact on gas price



formation in the US and in the importing regions and reduce price differences to some extent, as was apparent in 2013 and 2014. Due to the US shale gas boom, the price difference has been substantial: in 2012, gas prices in Europe were three to four times higher, and in Japan a staggering eight times higher, than gas prices in the US.

Looking at the main world regions, it is clear that major domestic energy resources will make the Americas (North and South America) self-sufficient. The most dynamic developments can be observed in the Asia-Pacific region on both the demand and the supply side: around 70% of the terminals for LNG exports planned until 2020 are being built in this region, e.g. in Australia. Demand

for oil and gas in Europe, by contrast, is levelling out or even stagnating. A modern energy supply is critical in offering the African continent a development perspective, but no corresponding expansion can be observed yet. The main focus of the energy trade is thus shifting towards the Asia-Pacific, which is particularly evident from oil trade movements [see Figure 4]. Maritime trade is likely to increase dynamically. Besides oil, more LNG and coal are being transported by sea. And finally, with the expansion of major “electricity highways” connecting favourable sites for renewable energy generation with main centres of consumption, also transnationally, new networks will be created. A new world map for energy is thus being drawn.

## Changes in the energy world and new geopolitical implications

In 2010, the International Energy Agency (IEA) underlined the unprecedented uncertainty facing the energy markets, with political and geopolitical factors being identified as major sources of uncertainty about the future energy supply. Which key actors are influencing this development? And what are the geopolitical implications?

The United States will not only remain the largest energy consumer (alongside China), but is now also a leading oil and gas producer and intends to increase its energy exports. This means that for the first time major suppliers such as Russia and Saudi Arabia will have to hold their ground against the United States in all markets. The necessary refiguring of trade relations will take place in a geopolitical

context characterized by the erosion of multilateralism and the emergence of multipolarity. Developments in the energy world amplify geopolitical processes that are already under way, especially the shift of US strategic and economic interests to the Pacific. However, also Russia is increasingly shifting its focus towards Asia, partly as a consequence of Asia's booming demand but also accelerated by the conflicts with the West.

The shale revolution provides the United States with access to an energy supply that is stable, reliable, affordable and, in the case of natural gas, also relatively clean. This reduces the US's vulnerability to energy crises and expands its strategic options, also in relation to energy-rich states. Economi-



Other major energy consumers, such as Europe, China, India, Japan and South Korea, however, find themselves confronted with growing import dependency [see Figure 5]. This exposes them to greater risks of supply interruptions, because the more they have to import from abroad, the stronger their dependency on secure trade routes and shipping (Westphal et al. 2014, p. 12).

Transatlantic relations are also affected by the US's new status in the energy trade. In any event, the US can be expected to demand greater responsibility and burden-sharing by its European and Pacific partners in matters relating to free trade, transport and stabilization of oil prices. In the past, the task of safeguarding these objectives, *inter alia* by means of a military presence or engagement, focused primarily on the Persian Gulf, but if there is increasing energy self-sufficiency, the US may well progressively dispense with this role or at least make it less of a priority (Westphal et al. 2014, p. 14ff.).

In the oil and gas markets of a changing energy world, Europe will operate from a position characterized by declining relative market share and stagnating demand. Europe therefore has no option but to compete for new sources of supply with countries such as China and India, which hold out the promise of growing markets. This will impede diversification of the EU's suppliers, so its Member States will largely be reliant on existing suppliers and geographical proximity to trading partners.

At a time when the European Union needs to pool its forces in the global market, European energy policy fragmentation is, instead, intensifying. It is

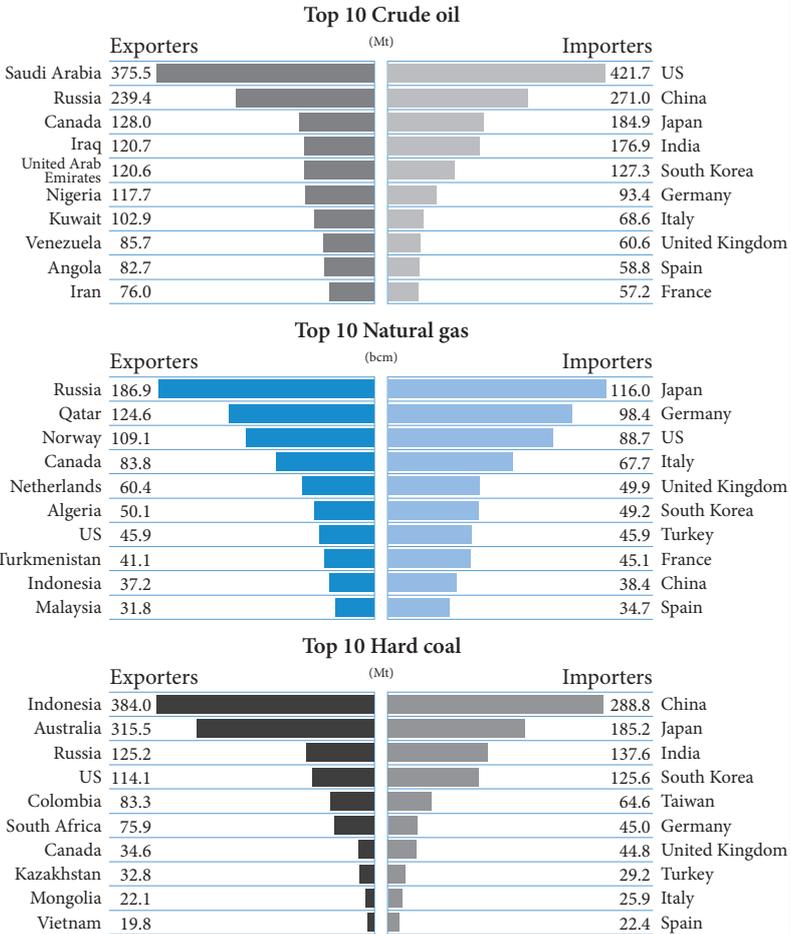
by no means certain that internal energy market integration will continue to advance. The Climate and Energy Policy Framework adopted in late October 2014 potentially signifies not only a trend towards renationalization of energy policy but also scales down the EU's climate and energy transition ambitions compared with the climate and energy targets set for 2020 (Fischer 2014).

The emerging powers Brazil, India, China and South Africa (BICS) will also influence developments in the energy markets. China and India alone will account for half of the growth in world energy demand until 2035 [see Figure 1]. Demand in China is levelling out to some extent, but is continuing to increase in India: energy consumption here will grow by a projected 128% (BP 2015d) – outstripping that of China (+60%) and Brazil (+72%) (BP 2015c, 2015b). Due to its size, China will exert major influence on the fossil fuel markets: it already burns 50% of the world's coal (BP 2014, p. 33). Mexico, Indonesia, Nigeria and Turkey (MINT) are also gaining in importance as producer and transit countries.

Despite the fracking revolution, the strategic ellipse – comprising Russia, the Caspian Sea Basin with Central Asia, and the Gulf states – will continue to be crucial for the global energy supply, with more than 70% of the world's conventional oil and gas reserves located there. The conventional producer countries' traditional policy of creating prosperity and maintaining dominance is being challenged by the new developments in the energy markets. The massive fall in oil prices since summer 2014, which followed a long period of stable high prices, is also symptomatic of a struggle

Figure 5: High import dependency of major energy consumers

Top 10 importers and exporters: oil, gas and coal



Source: [http://www.bgr.bund.de/DE/Themen/Energie/Downloads/Tabellen\\_Energiestudie\\_2013.xlsx?\\_\\_blob=publicationFile&v=4](http://www.bgr.bund.de/DE/Themen/Energie/Downloads/Tabellen_Energiestudie_2013.xlsx?__blob=publicationFile&v=4), tables 11, 12, 18, 19, 25 and 26, 8.10.2014

for market share [see Figure 6].

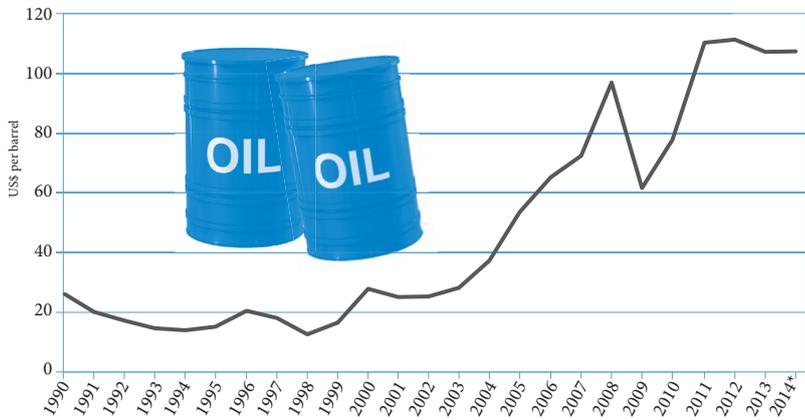
The fracking revolution is impacting on countries which are already in a precarious situation due to the fraught relationship between Saudi Arabia and Iran and the political upheavals in the Arab world since 2011. This is coupled with their own soaring domestic demand

(Westphal 2012; Westphal et al. 2014).

Russia's future production is also uncertain. As a consequence of the reciprocal sanctions imposed by Russia and the EU in response to the annexation of Crimea and the escalating conflict in Eastern Ukraine, the Russian economy has been heading for crisis since late 2014. The

**Figure 6: Oil price still high despite recent decline**

Crude oil (Brent) – price trend, 1990–2014\*



\*The figure for 2014 includes the first three quarters of the year.

Source: [http://www.bp.com/content/dam/bp/excel/Energy-Economics/statistical-review-2014/BP-Statistical\\_Review\\_of\\_world\\_energy\\_2014\\_workbook.xlsx](http://www.bp.com/content/dam/bp/excel/Energy-Economics/statistical-review-2014/BP-Statistical_Review_of_world_energy_2014_workbook.xlsx), 21.09.2014

geopolitical risks are thus increasing, especially in the key countries of Saudi Arabia, Russia and Iraq. However, the energy dependency of the members of the Organization of the Petroleum Exporting Countries (OPEC) will increase again after 2020. According to the IEA, the OPEC share in global oil production will (have to) increase from its current 42% to around 50% by 2035 in order to meet projected demand.

By contrast, a less significant geopolitical role is played by the developing countries in Latin America, Africa and Asia. As many as 1.3 billion people – around 30% of the population – in these countries still do not have access to

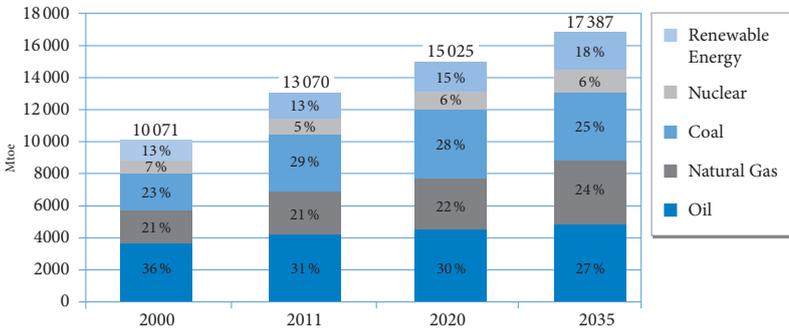
electricity, and the figure is increasing (REN21 2014, p. 17). More than 2.6 billion people rely on traditional biomass (fuelwood and charcoal) for cooking and heating (REN21 2014, p. 17). These fuels dominate the energy mix, followed by oil and coal. At the same time, sub-Saharan Africa accounted for almost 30% of global oil and gas discoveries made over the last five years. This region is rich in energy resources, but still very poor in energy supply. There are substantial barriers holding back rapid exploitation of resources, and utilizing them for inclusive growth while avoiding the “resource curse” remains a major challenge for these countries (IEA 2014, p. 29).

## Trends in the energy mix – more diversity, less security

The industrialized countries’ energy systems were based for a very long time on coal and then oil; indeed, oil prices

still serve as the lead currency for the other fuels. The key question is whether the energy mix will remain unchanged

**Figure 7: Only minor changes in global primary energy demand expected to 2035**  
 Projection: global primary energy demand according to the IEA's New Policies Scenario



Note: The percentages are rounded.

Source: IEA 2013, p. 58

in future or whether energy system restructuring will take place.

Economic, technological and geopolitical imponderables make it difficult to predict how national energy systems will develop. Furthermore, environmental and event-related risks may lead to a shift in acceptance of certain technologies. Oil currently dominates the global energy mix, accounting for 31.4%, followed by coal (29%), natural gas (21.3%), biofuels and waste (10%), nuclear (4.8%) and hydro (2.4%). In 2012, around 1% came from other renewable energy sources [see Figure 7].

Oil's dominant position is projected to weaken to some extent; however, the international consumption structure will continue to be determined by fossil fuels – oil, gas and coal – over the longer term. In the first decade of the 2000s, the finite nature of fossil fuels (peak oil) was a dominant issue on the agenda. Indeed, in some regions, the peak of conventional oil production has already been reached, or will soon be, but new unconventional resource discoveries and innovations in extraction technol-

ogy put a question mark over the peak oil hypothesis [see Figure 8].

However, unconventional oil deposits tend to be located in climatically less favourable and geographically inaccessible regions, and their extraction requires the use of complex technologies, resulting in higher infrastructure costs.

The development of the individual components of the energy mix varies in terms of its dynamics. For gas, the IEA predicted a “golden age” (IEA 2011) which, its projections suggested, would be driven by booming demand in many regions. To meet this growth in demand, annual (un)conventional gas production would have to increase by around three times the current annual production of Russia (IEA 2011, p. 13).

Hard coal and lignite covered almost half the increase in global energy demand during the past decade. Coal production will increase in future, mainly in non-OECD countries. India, Indonesia and China account for 90% of the growth in coal production (IEA 2013, p. 139). Demand for coal appears to be unbroken, but varies significantly

by region. Besides price, climate and environmental regulations, such as those aiming to curb local pollution, are key factors determining its share of the energy mix.

Worldwide, there are 437 nuclear power plants in operation, with a total capacity of 394 gigawatts (GW). More than 80% of them are located in OECD countries, 11% in Eastern Europe, Russia and Eurasia, and 8% in emerging countries (IEA 2013, p. 186). At present, 73 reactors are under construction (and have been for some time, in some cases), 80% of them outside the OECD. The risks associated with nuclear energy, such as final storage, and non-proliferation issues continue to pose a particular energy and security policy challenge at both the national and the international level.

According to IEA forecasts, the share of renewables in global primary energy use will rise to 18% in 2035, from 13% in 2011 [see Figure 7] (IEA 2013, p. 197). This seemingly very modest growth conceals more significant changes in renewables use; with a shift away from traditional biomass in developing countries towards a modern renewable energy supply (e.g. decentralized power generation). In 2013, renewables accounted for more than 56% of net additions to global power capacity and more than one fifth of global electricity production (REN21 2014). China, the US, Brazil and Canada are the top countries for total installed renewable power capacity, and in 2013, China's new renewable power capacity surpassed new fossil fuel and nuclear capacity for the first time (REN21 2014). The IEA expects renewables to become the

second most important global electricity source, after coal.

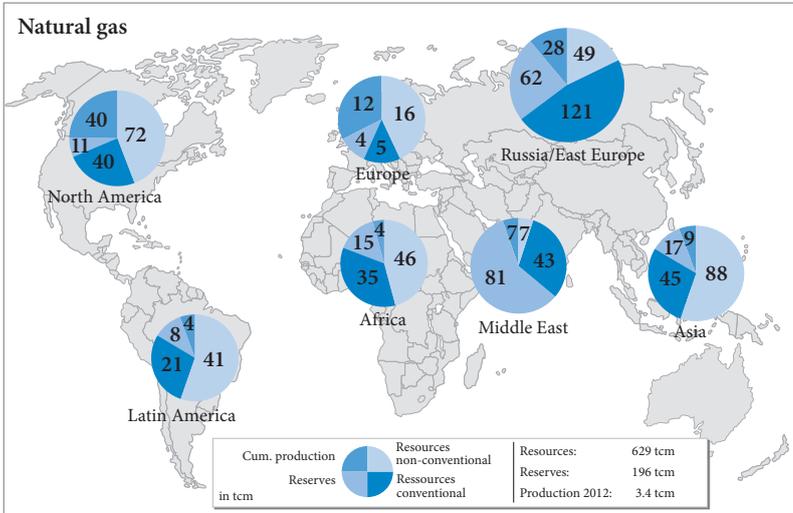
Due to their low operating costs, renewable energies are becoming increasingly competitive, as fuel costs are close to zero. However, the initial investment costs are relatively high, which means that many sites depend on subsidies. These amounted to US\$ 101 billion worldwide in 2012, compared with US\$ 544 billion for fossil fuels (IEA 2013, p. 93f.). Worldwide, 144 countries are now promoting the increased deployment of renewable energy technologies with policy targets and/or support schemes (REN21 2014).

Electricity demand will be a main driver of the future energy mix, and is rising twice as fast as total energy consumption. Its climate and environmental impacts will thus depend on fuel switch effects. For example, if gas and/or renewables replace coal for electricity generation, emissions per unit generated will decrease. In the mobility and transport sector, too, oil could lose ground to gas and/or electromobility. In industry, not least petrochemicals, natural gas is increasingly favoured for process heat and feedstock. These substitution effects also have impacts on price trends, but these are hard to predict.

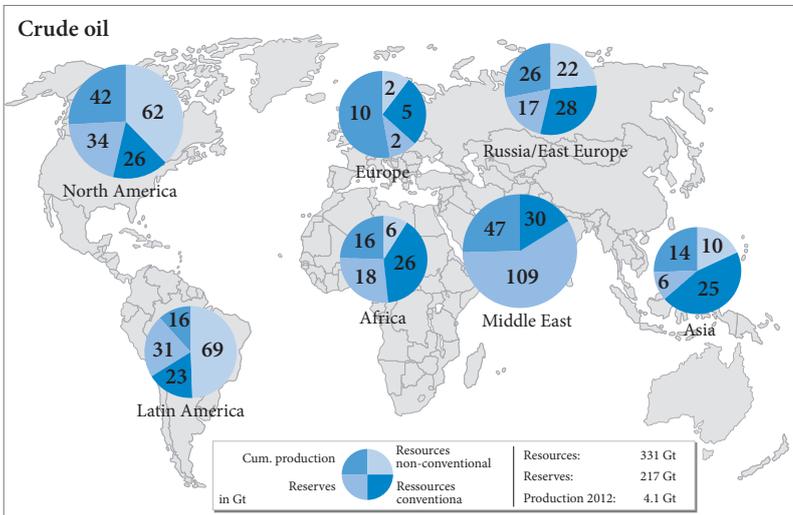
There is also a lack of clarity on the role of national and international climate and environmental policy measures in relation to energy consumption and the energy mix. It is obvious that today's global energy system is unsustainable from an environmental, climate and supply security perspective. Measures to limit the use of fossil fuels and promote renewables are therefore a

**Figure 8: Unexpectedly high levels of unconventional gas and crude oil resources are available for production**

Gas and crude oil: reserves, resources and production to date



Source: [http://www.bgr.bund.de/DE/Themen/Energie/Bilder/Energiestudie2013/Ene\\_Gesamtpot\\_Erdgas2013\\_g.html?sessionid=D8DC17ED49C46406A08BD181A4C2508F1\\_cid284?nn, 8.10.2014](http://www.bgr.bund.de/DE/Themen/Energie/Bilder/Energiestudie2013/Ene_Gesamtpot_Erdgas2013_g.html?sessionid=D8DC17ED49C46406A08BD181A4C2508F1_cid284?nn, 8.10.2014)



Source: [http://www.bgr.bund.de/DE/Themen/Energie/Bilder/Energiestudie2013/Ene\\_Gesamtpot\\_Erdoeel2013\\_g.html?nn=1542234, 8.10.2014](http://www.bgr.bund.de/DE/Themen/Energie/Bilder/Energiestudie2013/Ene_Gesamtpot_Erdoeel2013_g.html?nn=1542234, 8.10.2014)

NB: Reserves are proven volumes of energy commodities in the Earth's crust that are economically exploitable at today's prices and using today's technology. Resources are proven amounts of energy resources which cannot currently be exploited for technical and/or economic reasons, as well as unproven but geologically possible energy resources which may be exploitable in future.

key factor in shaping the future energy supply. The much-needed global energy transition towards a high share of renewables and more energy efficiency will depend on this policy approach. Climate policy measures would undoubtedly have an effect through a shift from “dirty” coal to “clean” natural gas. However, fracking, which releases large amounts of harmful methane, would entail higher costs. Conversely, innovation is also one of the drivers: progress on electricity storage technology and carbon capture and storage (CCS), for

example, has the potential to revolutionize the energy world.

The current trends would result in oil, gas and coal dominating the global energy mix in 2035, with these fossil fuels converging on a market share of 26-28% each (BP 2015a, p. 15), complemented by the range of renewable energy sources. However, this ratio may well vary significantly by region. There are thus signs of growing heterogeneity of the energy world. In the post-oil-and-gas era, there will no longer be a predominance of a single fuel.

## The strategic energy policy triangle as a political vision?

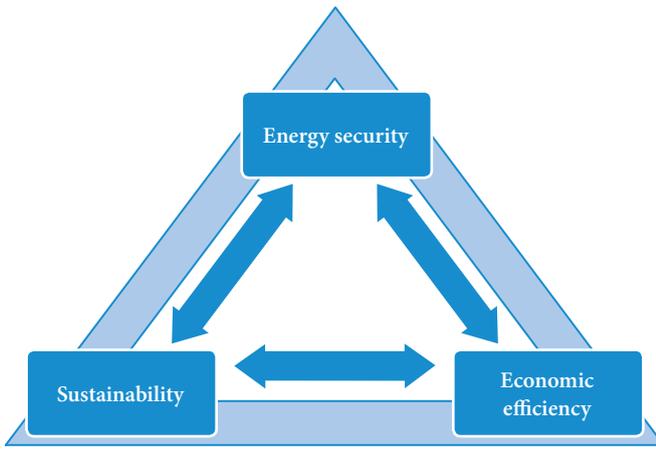
Energy supply policies at the global and national levels involve a process of prioritization, focusing on three dimensions – energy security, economic efficiency, and sustainability – which together form the strategic energy policy triangle [see Figure 9]. In Germany and the EU, this triangle gives rise to a normative paradigm which holds that an uninterrupted energy supply must be safeguarded as sustainably as possible at reasonable prices (Westphal 2014). However, this is not yet the global paradigm. The changing or asymmetric weighting of these goals by governments, businesses and consumers can create dilemmas. For example, conflicts can arise between the goals of (long-term) environmentally compatible energy generation and (short-term) supply security and low prices.

Generally, the term “energy security” is defined as a situation in which consumers’ energy needs are met without interruption now and in future

(CONSENTEC/EWI/IAEW 2008, p. 2). Environmental and climate compatibility in the energy policy context means internalizing the external costs of energy production and consumption, setting appropriate political incentives and thus safeguarding sustainability for present and future generations alike. The goal of “appropriate and reasonable prices” can be defined in terms of cost efficiency, affordability or competitiveness. However, energy prices also depend on the relative costs of other production factors or private consumption expenditure, and on prices in other countries.

The process of prioritizing these goals is influenced by global energy sector trends or global governance initiatives, and by national political agendas, which are interrelated with competition and ownership structures, social and distribution policy and the state’s macroeconomic role (Westphal 2014). This creates immense challenges for international energy policy. The EU-28 is

Figure 9: The strategic energy policy triangle



Source: Authors' own graphics

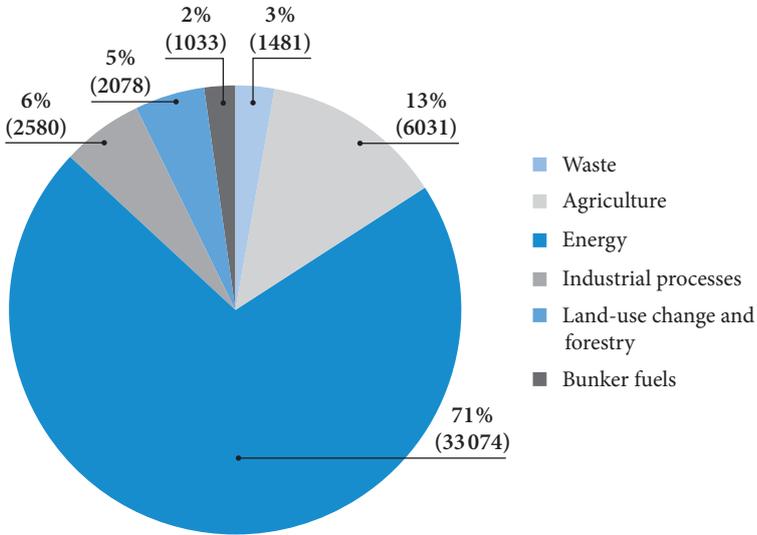
just one example of how widely national energy policy priorities can diverge.

Climate policy is frequently referenced as a framework for a global energy strategy. Climate policy goals can set the direction for the development of the energy mix and for investment priorities. However, an agreement on climate goals beyond the Kyoto Protocol (1997), whose commitment period expires in 2020, is by no means certain to produce a single global framework. Instead, every State Party to the United Nations Framework Convention on Climate Change (UNFCCC) will determine its own contributions based on national interests. The baseline years for the mitigation goals, targets (absolute/relative) and target years will vary, and implementation of mitigation measures will be a matter for the States Parties themselves. It is uncertain whether, for example, international emissions trading can be established on a new footing or whether it will ultimately be up to

individual governments to reach the goals with their own array of regulations, prohibitions or price incentives.

The EU has already agreed to continue with carbon emissions pricing after 2020, as the Emissions Trading System (ETS) will be the main European instrument to achieve emissions reduction targets by 2030 (European Council 2014). However, for a “globalization” of this approach, many more countries would have to introduce such a system or, alternatively, impose taxes on emissions. Especially in a globalized economy, emissions pricing creates an important incentive for businesses and consumers to adapt their behaviour and identify cost-efficient solutions. The more global the effect of emissions pricing, the fewer efforts to sidestep it, e.g. through relocation of enterprises, will be made. The energy sector accounts for more than 70% of CO<sub>2</sub> emissions and is therefore key to meeting climate goals [see Figure 10].

**Figure 10: Energy sector by far the largest CO<sub>2</sub> emitter**  
Global greenhouse gas emissions by sector, 2011 (Mt CO<sub>2</sub>e)



Source : <http://cait2.wri.org>, 29.4.2014

## Global energy dilemmas and “non-governance” at the international level?

The three major global challenges – energy security, climate protection, and access to a modern and affordable energy supply – remain largely unaddressed at the international level. What are the reasons for this, given that the existing energy system is clearly unsustainable, both from an energy security and an environmental/climate perspective?

The governance deficit can be explained in terms of “global energy dilemmas” (Bradshaw 2010, 2014). On the one hand, the various countries operate from very different starting positions in terms of their resource endowments, economic development, international trade relations, and climatic conditions. Their exposure to risks and opportuni-

ties, their historical responsibility and their future development pathways all vary. On the other hand, the energy world is becoming increasingly fragmented as countries rely on different energy mixes and have reached different stages of energy intensity, especially in the OECD region and the BRICS. As a result, neither the EU nor the international community has so far adopted an integrated approach to managing the three challenges.

Within the G8 (Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the US), international initiatives were launched between 2005 and 2010 in an effort to address the challenges of energy security and environmental

compatibility on a joint basis, and from 2007, this was widened to include the Outreach countries (O5) Brazil, China, India, Mexico and South Africa in the Heiligendamm process. However, with the founding of the G20 (Argentina, Australia, Brazil, Canada, China, EU, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom and the US), much of the momentum was lost and now seems to have faded into the distance with Russia's exclusion from the G8.

There are a number of institutions which promote international exchange on energy policy initiatives and programmes or which focus more specifically on the energy supply [see Table 1].

Global energy governance is fragmented between producer and consumer countries and the fuels that are the main focus of interest for the respective institutions. The majority of OECD countries are consumers, although the US will catch up with the largest producers in future. OPEC and the Gas Exporting Countries Forum (GECF) represent the interests of several large traditional producer countries. The International Energy Forum (IEF) fosters greater

mutual understanding, awareness and knowledge generation and is the facilitator of open, informed and continuing global energy dialogue.

The most comprehensive institutional frameworks are, currently, UN-Energy and the Sustainable Energy for All (UN SE4All) initiative. The newest multilateral organization is the International Renewable Energy Agency (IRENA), established in 2009, which focuses on enabling policies and fostering global cooperation on the renewables expansion. Although energy does not feature in the Millennium Development Goals (MDGs) adopted in 2000, access to affordable and sustainable energy will form part of the Sustainable Development Goals (SDGs) to be adopted in 2015. Thus, although various energy policy targets exist at the global level, there is still no shared vision on the priorities or direction of energy governance. Although the United Nations provides a framework for the charting of a global energy pathway through its climate policy and global sustainable development governance reform, progress will be limited unless the major energy consumers and producers drive the process at the national level.

## Outlook

The increasingly fragmented and diverse energy world amplifies the contours of a polycentric or multipolar world. This coincides with growing trends towards regionalization and exclusive trade agreements [see *The Changed Landscape of Global Trade*]. The international climate regime, too, moves in the direc-

tion of national declarations of intent rather than towards a legally binding regime. For the majority of countries, however, the long-term objectives set by climate policy may provide a framework for energy decisions and investment. Energy security and competitiveness tend to focus on the short term and are

<b>Table 1: The key institutions in international energy and climate governance</b>			
<b>Focus</b>	<b>Mandate</b>	<b>Forum</b>	<b>Year of inception</b>
<b>Multilateral</b> (open for all)	Comprehensive	UN-Energy	2004
		UN SE4All	2012
	Specific	International Atomic Energy Agency (IAEA)	1957
		International Energy Forum (IEF)	1991
		United Nations Framework Convention on Climate Change (UNFCCC)	1994
		International Renewable Energy Agency (IRENA)	2009
<b>Plurilateral</b> (restricted membership)	Comprehensive	Group of Eight/Seven (G8/7)	1975
		G8 + Outreach Five (O5)	2007
		G20	2009
		Major Economies Forum (MEF) on Energy and Climate	2009
	Specific	Organization of the Petroleum Exporting Countries (OPEC)	1960
		International Energy Agency (IEA)	1974
		Gas Exporting Countries Forum (GECF)	2001
		International Partnership for Energy Efficiency Cooperation (IPEEC)	2009
		Clean Energy Ministerial	2009
		Renewables Club	2013
<b>Europe: regional</b>	Comprehensive	Energy Charter Treaty (ECT)	1998
		Energy Community	2006

\*Not all EU countries are members of the IEA.  
\*\*China has Observer status in the Energy Charter Conference.  
Source: Lesage et al. 2010, updated and adapted

thus important criteria for sustainable development along this pathway. But with the exception of the climate and sustainability forums established by the UN (UNFCCC and SDG process), no

institution is currently addressing the three major challenges on a global scale or even facilitating dialogue in this area.

However, the need for international cooperation is greater than ever. The

Membership						
EU Member States	USA	Russia	Brazil	China	South Africa	India
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	-	-	X	X	X
Big MS	X	(X)	-	-	-	-
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
-	-	-	-	-	-	-
X*	X	-	-	-	-	-
-	-	X	-	-	-	-
X	X	X	X	X	X	X
X	X	-	X	X	X	X
X	-	-	-	X	X	X
X	-	(X)	-	-**	-	-
X	-	-	-	-	-	-

“conventional energy world” needs more intensive producer-consumer dialogue and integration of the emerging powers into the existing energy governance architecture. More cooperation is also

needed for the energy transition that is urgently required. Free trade and open seaways, know-how and technology transfer and more market transparency should be the shared goals. Techno-

logical progress can only be achieved if policy-makers establish the guard rails for the transition and give priority to promoting energy research.

A world that is engaged in the restructuring of its energy systems must also face up to the dilemmas and recognize that resources are scarce and that climate-damaging emissions must be reduced. Reaching agreement on a low-carbon energy system, as a climate

policy objective, is currently unrealistic. International climate and energy cooperation will therefore play an important role in facilitating the development and implementation of bottom-up projects as a means of achieving the three goals of energy policy through effective practical measures. However, global energy transition is only within reach if vested interests in fossil fuel use are considered and inherent conflicts are addressed.

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- Kirsten Westphal, Susanne Dröge  
Translation: Hillary Crowe



## Spotlight

### Cities – Spaces of Risk or Opportunities for Active Changes? Dynamic Responses to the Challenges of Climate Change

Today's world is urban. More than 50% of the world's population now lives in cities, and the figure is increasing (UN 2014a). Ongoing urbanization shows strong linkages to other global dynamics, such as economic and land use change, demographic change, and especially climate change. Due to this interaction, cities are increasingly evolving into hotspots in which social, economic and environmental challenges become concentrated, but they also offer many opportunities to devise sound strategies for sustainable urban develop-

ment. However, the complexity of urban dynamics and the pace of change cannot be managed by one-off initiatives in the planning or technological sphere, and do not lend themselves to a purely local response. Instead, urban transformations are required, which must include comprehensive reforms of existing governance structures. The growing complexities that cities are likely to face in future will require more integrated solutions. In the 21st century, urban areas are a global challenge.

### The urbanization/climate change nexus

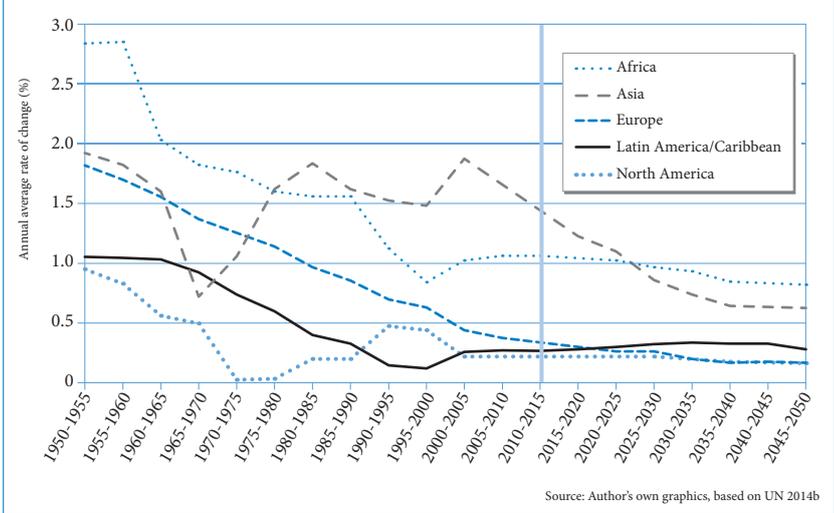
Whereas urbanization has slowed in Europe, North America and South America, high rates can still be observed elsewhere, particularly in Asia and Africa [see Figure 1].

Cities are characterized by highly complex, interactive and, to some extent, mutually reinforcing processes. However, their development pathways and frameworks vary. Cities differ according to whether they are located in developing, emerging or industrialized countries or in centralized or federal systems, and whether their populations are growing or shrinking or showing both phenomena at the same time. This means that they all face different challenges, which require context-specific solutions.

Cities not only have a high concentration of people; many are also hubs of economic activity. They are major consumers of energy and natural resources and produce large amounts of anthropogenic greenhouse gas emissions, making them major climate culprits. However, many cities are also affected to a high degree by climate change. Sea-level rise, for example, heightens the flood risk for coastal cities, while urban areas in arid or semi-arid regions are susceptible to water scarcity. Hazards like flood and heat are becoming more pronounced in cities. An undersupply with urban green areas can result in a lack of retention and cooling areas. Cities may also be characterized by inequalities in the socio-spatial distribution of climate

**Figure 1: Urbanization – a global phenomenon. Rates remain high in Asia and Africa**

Global urbanization rates (since 1950; forecast to 2050)



change impacts; the same applies to access to natural resources, infrastructure and information.

In other words, cities are spaces of risk, but they also offer numerous opportunities for innovative planning,

technological, political and social responses to specific urban challenges and climate change. The prerequisite for this is a sufficient level of awareness of these issues in politics and society.

## An active urban response to climate change

In developing appropriate climate strategies for urban areas, interaction between the various stakeholders is crucial, in order to identify and facilitate an integrated approach to complexities. The stakeholders in question include governments and public institutions at national, regional and local level; the private sector, such as energy and water utilities; civil society, i.e. the general public and non-governmental organizations; scientists from a range of disciplines; and sectors such as environ-

ment, construction, transport, housing, economic affairs, etc., which pursue different development goals but are all affected by climate change. The aim, then, should be to integrate aspects of climate change adaptation into existing policies and practices, such as land use management, urban planning and risk management. However, this may mean that climate change remains a peripheral issue and receives less attention, in the context of sustainable development goals, than it deserves.

Urbanization and climate change are global trends to which there are no “one-size-fits-all” solutions. There is considerable variance in the extent to which cities in developing, emerging and industrialized countries are affected and the capacities they have available, such as institutional frameworks, functioning planning systems and, of course, financial resources.

The question, then, is how fundamental transformations towards sustainable urban development can be achieved under these diverse conditions. In essence, the aim should be to create stable participatory structures that are sufficiently flexible to remain effective during crises, conflicts, periods of austerity, etc. – a goal which, at present, seems out of reach in many countries of the world. Without these structures, topics such as climate change and, more

generally, sustainable development goals will be the first to be dropped from the political agenda (Rink et al. 2015). Mutual learning is important for cities in many respects, but it can do no more than facilitate the sharing of lessons learned and good stand-alone solutions; it cannot offer any universal strategies.

Many cities around the world are addressing these challenges and developing responses to the impacts of climate change at the local level; initial activities date back to the late 1980s (Bulkeley/ Broto 2012). Cities are actively involved in developing local climate strategies or action plans, in some cases without national policy frameworks to guide them. In many cases, planning departments, policy-makers, researchers and civil society are working together through participatory processes. Mexico City stands out in this context; here, a

**Table 1: Some of the leading transnational municipal networks promoting sustainable development**

Network	Membership	Agenda	Year founded
C40 Cities Climate Leadership Group	70 megacities	Reducing CO2 emissions	2005
ICLEI – Local Governments for Sustainability	> 1000 cities	Sustainable development	1990; renamed ICLEI in 2003
UCLG – United Cities and Local Governments	Local and regional governments or associations	Advocacy for local governments, e.g. sustainable development	2004
WMCCC – World Mayors Council on Climate Change	> 80 local governments	Reducing CO2 emissions	2005

Source: Author’s own graphics 2014

legal framework has been established with the adoption of a law on climate change. São Paulo is notable for the active engagement of one of its mayors. In parallel, numerous transnational municipal networks have been set up to promote mutual learning and dialogue [see Table 1].

Solutions such as smart cities, clean energy cities and post-carbon cities also have a role to play, often signalling a trend towards stand-alone technological solutions and mainly focusing on maximizing short-term competitive

advantages and economic success. Social aspects, such as issues of acceptance, equitable distribution and access to resources and information, lifestyles, etc. receive less attention. However, it is these social aspects which are indispensable for the development of appropriate responses to climate change: an understanding of citizens' vulnerability, their needs and their capacities to cope with the impacts of climate change is vital in devising appropriate adaptation measures.

## Principles for targeted urban climate action

The complexity of urban challenges is increasing. Against this background, traditional, mainly sector-based, decision-making processes must be reformed, with more involvement of a diverse range of actors in order to achieve an integrative perspective. Participation thus plays a key role. Scientific analyses should also be an integral component, in order to identify the specific impacts of climate change on cities and develop context-specific, interdisciplinary solutions. Scientific data, societal know-how and policy-making must be combined in order to produce implementable solutions.

It is becoming increasingly apparent that comprehensive planning and, above all, implementation of integrative climate strategies pose major challenges, and that there is limited scope to transfer solutions from one city to another. There is often a reliance on stand-alone technological solutions. In this situation, demonstration projects of

an experimental nature can make a useful contribution. An increasing number of climate change experiments can be observed in cities (Bulkeley/Broto 2012), moving beyond traditional governance approaches without being utopian in terms of their vision. A comprehensive analysis of when, where and how they evolve and are implemented has yet to be conducted. To ensure that they can be deployed to support urban transformations, however, they should take equal account of mitigation and adaptation and allow for a more systemic perspective. Various solutions must be weighed up and the financial costs estimated. It must be borne in mind, in this context, that urbanization and climate change are not linear processes.

Urban infrastructures and their innovative and flexible design will play a key role as cities adapt to climate change while safeguarding attractive living conditions for a changing society. Technological innovations must be coupled

with social innovations in a meaningful way in order to promote intensive exchange, learning and acceptance of the possibility of change and to encourage people to be involved in shaping this transformation. In this way, outside the framework of major climate action plans and strategies, a partnership can be developed between public and private actors and integrated into traditional governance structures. It is essential to weigh up the opportunities and risks of various interventions and encourage intensive stakeholder communication. An analysis of the potential afforded by experiments is also important in order to understand and influence urban transformations.

Leading figures from politics, research, the private sector and civil society have a key role to play in long-term monitoring and attainment of goals. Communication, cooperation, transparency and trust are highly important. Only by recognizing the strengths and weaknesses of all actors involved and by considering complexities will it be possible to develop a climate change response that “walks the talk”. A forward-looking approach which includes an element of lateral thinking, coupled with more intensive cooperation among cities in the interests of mutual learning and exchange, offers the prospect of further positive outcomes in cities’ climate response.

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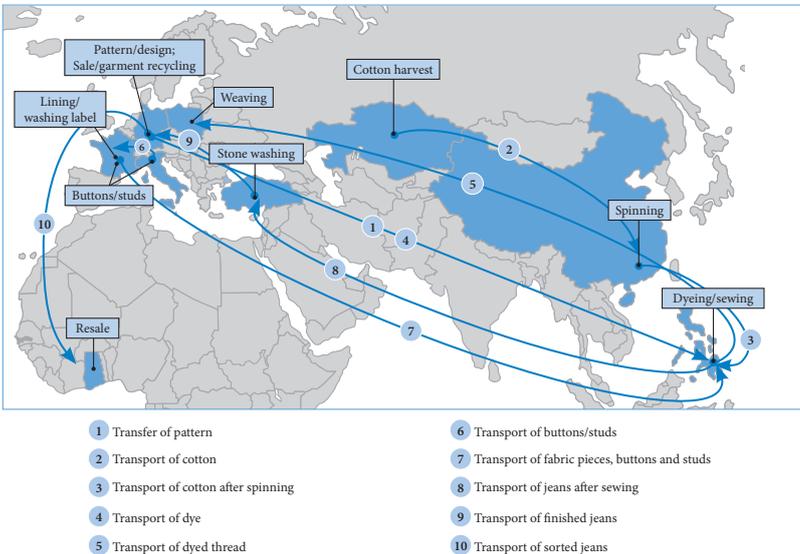


# Transnational Production and the Future of Decent Work

The production of goods and services is increasingly organized on a transnational basis. The global division of labour has imprinted itself on broad areas of formal employment, but also on informal and reproductive work. With the decentralization and fragmentation of global value-adding processes, the regulation of basic labour standards is becoming less transparent and “softer”. Very low wages, overtime, forced and child labour, physical and mental abuse, sexual harassment, a lack of trade union freedom and poor health and safety standards are a daily reality in many factories producing consumer goods for the global market. Although new public, private and mixed forms of governance are emerging, they do not constitute a socio-political corrective, and their effects are insufficient and inconsistent. For the future of decent work, it is essential to pursue more far-reaching policy approaches which aim to achieve a more equitable balance of power in global production networks.

**Figure 1: Jeans – a globalized product**

Production pathways for a typical »German« pair of jeans



Source: Author's own graphics, based on Gerster 2005, p. 17 (modified)

## The global factory: deeper integration of production processes

The transnationalization of production and labour is now well-advanced. It is the outcome of two trends: firstly, greater mobility of labour, i.e. migration; and secondly, capital mobility, which has resulted in globally dispersed production (Senghaas-Knobloch 2010, p. 25) [see Figures 2 and 3]. The mobility of production is taking place to a far greater extent and much more rapidly than is possible with labour. The outcome is a shift of power in favour of capital, at the expense of a socially oriented regulation of labour.

On the face of it, the internationalization of the economy, defined as the expansion of economic activities across national boundaries (Dicken 2011, p. 6f.), is certainly not a new phenomenon. Over the past two decades, however, the

transnational integration of production processes has expanded and deepened considerably. This is taking place, firstly, through the globalization of services and, secondly, through the progressive outsourcing of individual stages of the value chain. Transnational intra-firm trade is also increasing. Outsourcing and the transnational dispersal of individual production stages have become established commercial principles, prompting anthropologist Anna Tsing, for example, to speak of “supply-chain capitalism” (2009). With this notion she points out how outsourcing and offshoring are changing the structure of societies. It may thus be concluded that the world economy is becoming more deeply integrated (Sturgeon 2013), creating new geographies of work.

## An uncertain future for decent work

With these new geographies of work, decent working conditions have also become a global issue [see Box p. 264]. Although national legislation continues to be a decisive factor in the regulation of labour standards, international standard-setting and enforcement are becoming ever more significant.

Although the goal of decent work is supported, in theory, by a broad consensus, its practical implementation faces various challenges. In simple terms, three global trends can be identified that create political obstacles to its implementation.

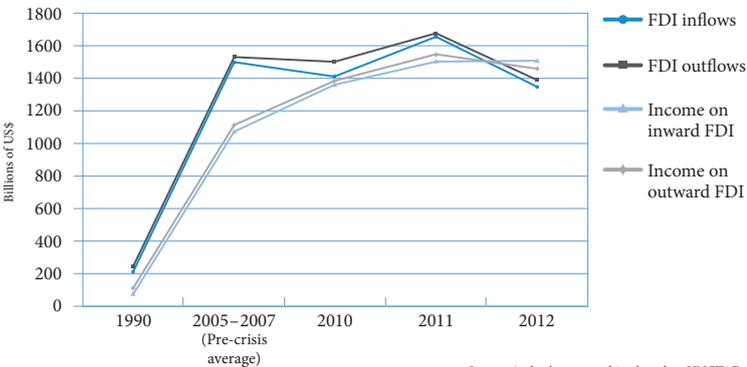
1. Over the last three to four decades, there has been a radical shift in the production of goods. Building on

capital mobility and new logistical and technological options, companies have systematically relocated their factories to countries with more “favourable” production conditions, primarily in East and South-East Asia, where labour costs are low and protection of fundamental rights at work is minimal. This is particularly evident in the garment industry [see Figure 4].

2. A key feature of the emerging global production networks is the frequent cooperation between formally unrelated companies within the framework of international supply contracts (Sturgeon 2013), resulting in a high level of economic interdependence

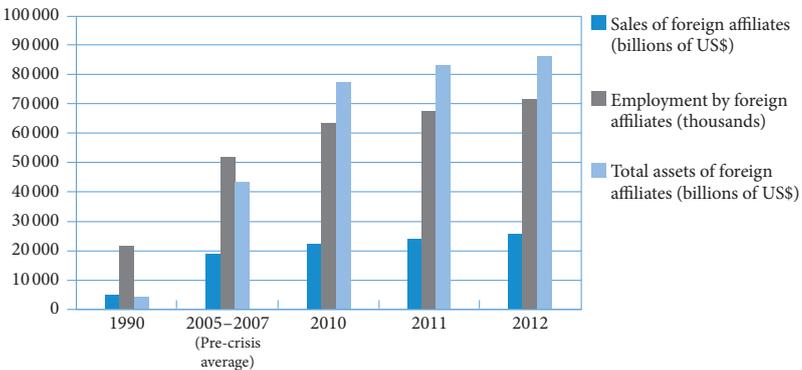
**Figure 2: The rise in foreign direct investment (FDI) reflects companies' growing transnational focus**

Inflows and outflows of foreign direct investment (FDI) and income on FDI, 1990–2012



**Figure 3: Foreign affiliates gain in importance**

Core indicators of foreign affiliates of transnational corporations, 1990–2012



but a low level of legal integration. This is becoming a problem primarily because pressure on labour costs – which are extremely flexible compared with other production costs – is very high in the labour-intensive parts of the network; however, legal responsibility for working conditions does not generally lie with the influential transnational purchasers exerting this pres-

sure. Bad working conditions, often in violation of international labour and human rights standards, are the outcome and are particularly prevalent in factories (including home-work) with high economic dependency on other actors within the network.

3. These network structures result in a corresponding decline or weakening of trade union organization, due

## Decent work

The definition of decent work always reflects a political and economic *zeitgeist*. The International Labour Organization (ILO) created important momentum with its adoption of the decent work agenda in 1999. It aims to establish an internationally applicable framework for workers in formal and informal employment by guaranteeing opportunities for decent and productive work in conditions of freedom, equality, social justice, security and human dignity (ILO 1999). The ILO's decent work agenda is based on four strategic pillars: job creation, rights at work, social protection and social dialogue. Gender equality is a cross-cutting objective (Senghaas-Knobloch 2010). For many years, there were few points of contact between labour rights and international human rights discourses. Today, however, the ILO is increasingly deploying the language of universal rights, particularly through its emphasis on core labour standards, which claim universal validity – irrespective of whether the relevant conventions have been signed by an individual state. The four core labour standards comprise:

1. Freedom of association and the right to collective bargaining,
2. The elimination of all forms of forced and compulsory labour,
3. The effective abolition of child labour,
4. The elimination of discrimination in respect of employment.

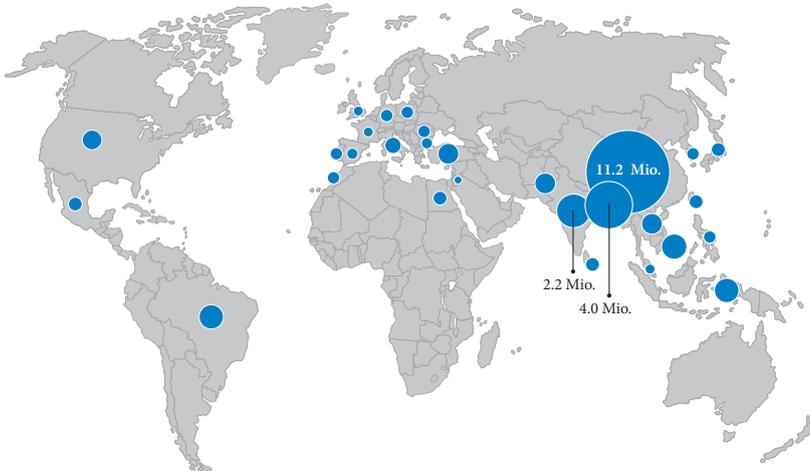
Internationally recognized rights at work encompass more than just the core labour standards, however. Various universal human rights conventions can also be invoked in this context, above all the International Covenant on Economic, Social and Cultural Rights (ICESCR). This UN-sponsored Covenant includes, *inter alia*, provisions on fair wages, the prohibition of unpaid and excessive overtime, and the right to paid leave. The human rights conventions also establish entitlements to decent conditions in the workplace, such as basic health and safety standards.

to the transnational dispersal of the workforce and poor trade union rights at individual sites (Merk 2011). The predominantly national trade union structures make it difficult for workers to organize and engage in collective bargaining on a transnational basis, creating an institutional problem which is still unresolved. Faced with the ongoing threat of global relocation of production, trade unions

find themselves in a similar situation of locational competition as States. Transnational wage bargaining by international trade union confederations is almost non-existent and is not expected any time soon (Fichter et al. 2011, p. 78).

Overall, then, standards in labour-intensive parts of the production networks remain low and often violate national and

**Figure 4: A clear focus on South and East Asia**  
Global employment in the textiles and clothing industries



Note: Data refer to 2006–2012

Source: Dicken 2011, p. 304 (slightly modified); ILO 2014b, p. 9f.; Bangladesh Garment Manufacturers and Exporters Association 2014

international labour and human rights. Furthermore, due to other influential factors, wages continue to lag far behind productivity trends in many countries, and the declining wage share of GDP is also a long-term trend (Vaughan-Whitehead 2010) [see Figure 5]. This means that capital gains increase proportionately in these countries as the wage share declines.

The number of people in vulnerable employment is also increasing world-

wide. Although the share of vulnerable employment in total employment is falling slightly, the overall figure is still rising. This trend has been reinforced since 2007 due to the recent financial crisis. The term “vulnerable employment” includes own-account workers and contributing family workers. Statistics show that these groups are particularly affected by poverty and insecurity due to a lack of social security (ILO 2014a, p. 22).

## Inequality and informality: characteristics of production networks

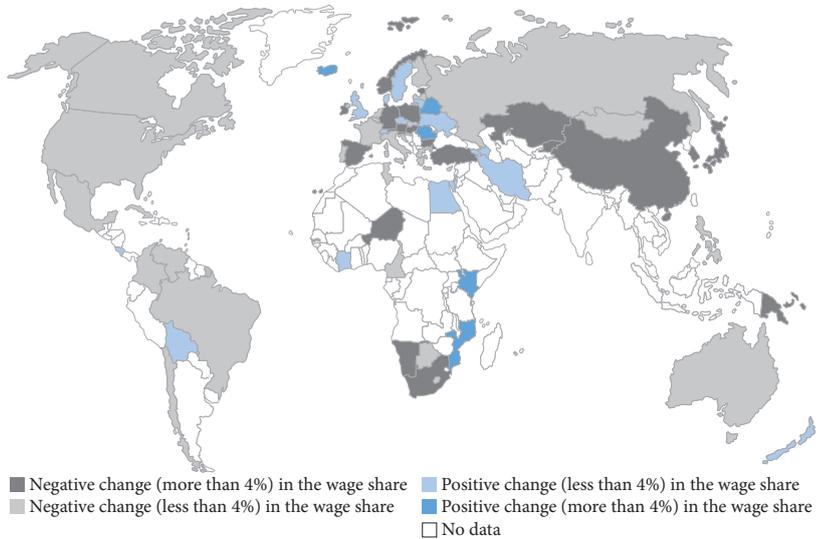
A closer look at the global division of labour in mass production reveals that not only has there been a shift towards countries with poor working conditions, this has also been accompanied

by a trend towards informal employment [see Figure 6].

The labour market is also heavily segmented according to social constructions of gender, race and ethnicity.

**Figure 5: A largely negative trend in the wage share of gross domestic product (GDP) can be observed**

Wage share of GDP, 1995–2007



Source: Author's own graphics, based on Vaughan-Whitehead 2010, p. 9f., p. 11

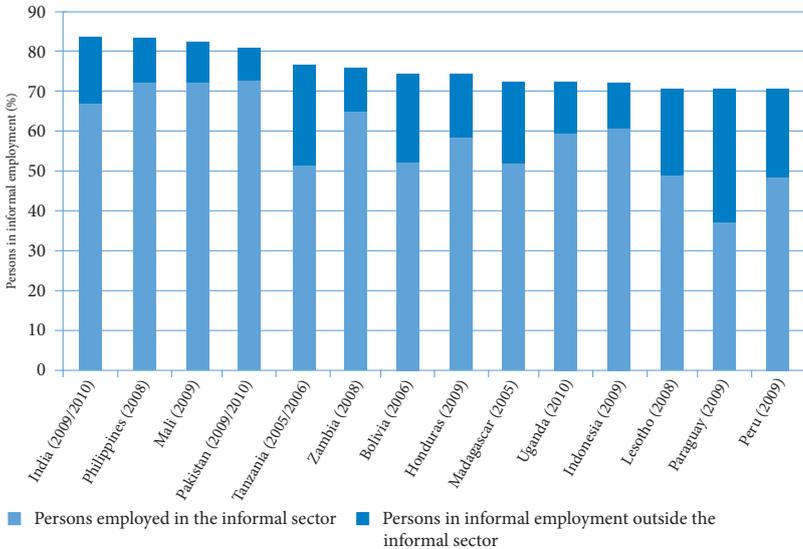
In many industries, women form the dominant labour force in (low-paid) factory work. There is also a gender-specific global income gap [for OECD countries, see Figure 7], with women being paid less for comparable work; wage inequality, with higher pay for “typically male” and lower pay for “typically female” jobs; and gender-specific recruitment to more senior positions. Inequalities also exist in the formalization of employment relationships.

Women also experience abuse very much more frequently, including sexual harassment and other forms of workplace violence that occur fairly often in factories and during travel to work. Gender inequality is accompanied by other forms of discrimination. Ferus-Comelo (2006) draws attention, for ex-

ample, to the preferential employment of young migrant women in electronics manufacturing due to their marginalized status, which tends to make them much more compliant; methods include tying residence permits to the workplace, and the deliberate exploitation of language barriers as a means of impeding worker interaction. In this way, global production networks build on various dimensions of social inequality. They become part and parcel of the logic of exploitation.

**Figure 6: Informality is the norm in many countries**

Selected countries with a particularly high share of informal employment/a large informal sector



Source: Author's own graphics, based on ILO 2012, p. 3f.

## “New” forms of governance? Soft law and private standards in global value chains

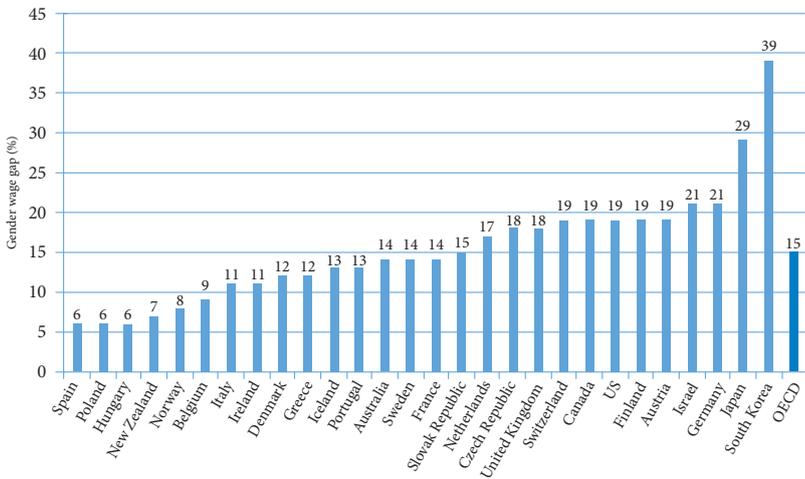
In recent years, various forms of private-public and private governance have emerged in transnational production networks as a means of establishing certain minimum standards and improving the protection of fundamental human rights. However, almost all of these approaches are less binding and less punitive than provisions customarily qualifying as “regulation” in the national context (i.e. a body of legislation which can be enforced through legal action). Although these “soft” regimes include standards and workers’ rights, which are regarded as binding in a moral sense and, to some extent, under

international law, they are not equipped with corresponding legal enforcement mechanisms. There is thus a discernible trend towards “soft law” as the core of transnational governance of basic labour standards. This currently does not constitute an effective political corrective to the structural weakening of labour, described above.

At the international level, this trend is primarily based on principles and guidelines for the private sector, which in turn are derived from current international law. The UN Guiding Principles on Business and Human Rights are a notable example [see Box p. 269]. Others

**Figure 7: Women earn less than men worldwide**

The gender wage gap in OECD countries, 2010

**Note:**

- The gender wage gap is calculated as the difference between median earnings of men and women illustrated in percent of the median earnings of men.
- The OECD average is the unweighted average of the above countries.

Source: Author's own graphics, based on OECD 2013

include the Guidelines for Multinational Enterprises adopted by the Organisation for Economic Co-operation and Development (OECD), Standard 26000 on social responsibility (ISO 26000) by the International Organization for Standardization, and the United Nations Global Compact, which mainly serves as a voluntary learning and discussion platform for companies.

The various international standards, guidelines and principles constitute an important normative frame of reference and can generate positive impetus and promote dialogue. They can also be enhanced with government incentives and conditions. However, the trend towards soft law in relation to labour standards attests to the dominance of a

politics of creating economic incentives for moralizing markets, rather than to establish binding standards through the regulation of markets in hard law. Corporate social responsibility (CSR), a concept which evolved from the field of business ethics, is pressed into service beyond the level of ethics as a governance tool. Market forces are thus to be utilized in order to achieve social and environmental objectives, flanked by national and international measures in the form of normative guidelines, incentives and conditions that are intended to bring influence to bear on “responsible markets”. A frequent point of criticism, in this context, is that although international human rights and labour standards have been

### UN Guiding Principles on Business and Human Rights (OHCHR 2011)

In June 2011, the United Nations Human Rights Council endorsed the Guiding Principles on Business and Human Rights, which refer to existing international human rights instruments, primarily the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, and the ILO core labour standards. The Guiding Principles draw on the “Protect, Respect and Remedy” Framework, whose three pillars are intended to interact in a “smart mix” in order to close regulatory gaps in the global economy. The pillars consist of:

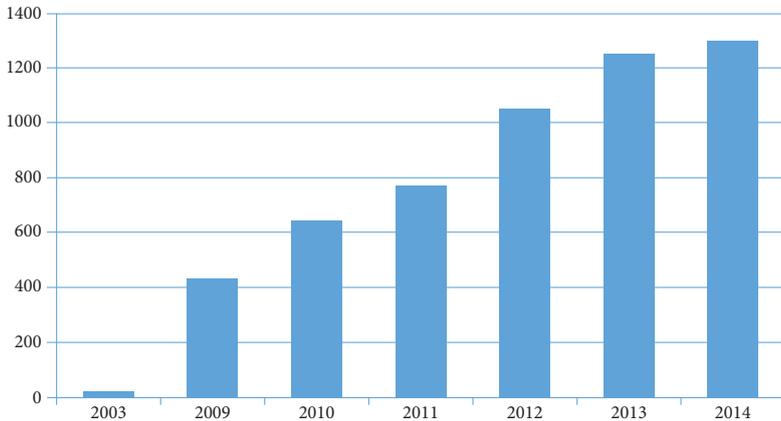
1. The state duty to *protect* human rights:  
The first pillar comprises states’ general obligations to respect, protect and fulfil human rights; this includes the duty to provide effective protection against human rights abuses by business enterprises. States are also encouraged to create incentives and conditions for rights-compatible business practices.
2. The corporate responsibility to *respect* human rights:  
Business enterprises must perform human rights due diligence, irrespective of whether states are willing and able to enforce human rights. Above all, business enterprises must adopt a policy commitment to meet their responsibility to respect human rights, develop an appropriate management process to identify potential risks and adverse impacts of their activities on human rights, and establish grievance mechanisms and processes to enable the remediation of any adverse human rights impacts they may cause. Due diligence also applies to relations with business partners and to value chains to the extent of business enterprises’ leverage.
3. The need for greater access to *remedy* for victims of business-related abuse:  
The third pillar emphasizes the importance of judicial and non-judicial complaint and grievance mechanisms. States must ensure that victims of human rights abuses have access to judicial and non-judicial mechanisms, and improve this access if necessary. Business enterprises are also required to set up grievance mechanisms and processes for the remediation of business-related human rights abuses. The mechanisms must be legitimate, accessible, predictable, equitable, transparent, rights-compatible and a source of continuous learning.

incorporated into codes of conduct, their enforcement is non-binding and compliance monitoring is poor. Criticism of CSR as a political governance tool often prompts civil society

to demand more robust corporate accountability mechanisms (Utting 2008). Currently, however, this has little resonance in international institutions and is not reflected in the development

**Figure 8: Membership of the Business Social Compliance Initiative (BSCI) is increasing**

Number of BSCI member companies, 2003–2014



**Note:** An approximate figure is given for 2003, the year of the BSCI's inception (BSCI 2014a). The figure for 2014 is the membership figure stated on the BSCI website on 5 December 2014 (BSCI 2014b).

Source: Author's own graphics, based on the BSCI Annual Reports, 2009–2013 (<http://www.bsci-intl.org/resources/annual-report-bsci>, 11.12.2014)

of regulatory mechanisms beyond the nation-state.

By contrast, proponents of this approach regard the shift of responsibility towards private actors as a pragmatic solution due to the high level of inertia and lack of enforcement mechanisms for international agreements, and the de facto limits to national regulation, which tends to be confined to its territory. In this sense, John G. Ruggie, who served as the United Nations Secretary-General's Special Representative for Business and Human Rights from 2005 to 2011 and was responsible for developing the UN Guiding Principles on Business and Human Rights, calls his approach "principled pragmatism". He argues that with its focus on the interests of victims of human rights abuses, it avoids lengthy negotiations on international treaties and bypasses the lack of legal enforceability.

Within production networks, standard setting and implementation generally take place through four types of governance which are, to a large extent, based around international soft law:

1. industry self-regulation, in the form of corporate or industry standards for the supply chain,
2. multi-stakeholder initiatives (MSIs) and private-public co-regulation,
3. civil society initiatives,
4. international framework agreements between trade union associations and transnational corporations.

#### **Industry self-regulation: corporate standards in supply chain management**

Self-regulation comprises standards and codes of conduct adopted by business enterprises or industry associations, with

enforcement and compliance organized and monitored mainly by these businesses or associations themselves. Many such regimes have been established in recent decades (e.g. Haufler 2001). One example of a business-driven initiative is the Business Social Compliance Initiative (BSCI), whose membership has increased significantly in recent years [see Figure 8]. Corporate codes of conduct generally cover topics which, due to globalized production conditions, prompt criticism from civil society, such as poor environmental protection, corruption, child labour and discrimination. However, they now also make systematic reference to international guidelines and treaties. The impacts of codes of conduct, in terms of promoting decent working conditions, have so far been limited (Barrientos/Smith 2007). A particular problem is that the workers concerned are often not involved in these initiatives. The vertical reach within the supply chain is also limited, rarely extending beyond first- or second-tier producers.

### **Multi-stakeholder initiatives**

The term “multi-stakeholder” means that diverse interest groups unite and cooperate in order to address specific problems. They often include business enterprises, associations and trade unions, but they may also involve governments and civil society organizations (Fransen 2012). These initiatives generally rely on a mix of private and public funding. Examples of multi-stakeholder initiatives engaged in the promotion of workers’ rights and labour standards are the Fair Wear Foundation, the Ethical Trading

Initiative (ETI), the Fair Labor Association (FLA) and Social Accountability International. These organizations are either sector-specific (e.g. FLA) or cross-sectoral (e.g. ETI). In multi-stakeholder processes, governments often act as facilitators by organizing round tables, for example. The UN Global Compact and ISO 26000 are examples of major international multi-stakeholder initiatives.

MSIs have become important elements of political governance in some production networks. They can fulfil a variety of functions, such as developing codes of conduct, raising awareness of workers’ rights, and providing training for workers and managers. They can also perform a monitoring role, facilitate dialogue between diverse interest groups, initiate public debate, and to some extent increase transparency for consumers. However, their capacity to enforce standards is extremely limited. The success of these initiatives ultimately hinges on their members’ willingness to participate and comply with the standards established, doing so out of self-interest. Some members exert very considerable influence, which means that the opportunity for such initiatives to act as a genuine political corrective vis-à-vis influential market players is often non-existent. In consequence, the participation of various stakeholders is not yet *per se* fair, legitimate and effective. And in many cases, it is primarily the workers who are not involved.

### **Civil society initiatives**

Besides corporate initiatives and MSIs, civil society campaigns and projects

**Table 1: Minimum wages are still far below the Asia Floor Wage**

	National minimum wage (2013) in €	Living wage (AFW) (2013) in €	Minimum wage as share of AFW
Bangladesh	49.56	259.80	19%
Cambodia	72.64	285.83	25%
China	174.60	376.07	46%
India	51.70	195.30	26%
Indonesia	82.14	266.85	31%
Malaysia	196.06	361.21	54%
Sri Lanka	50.31	259.46	19%

Source: CCC 2014, p. 7

play a key political role. Non-governmental organizations are often globally networked and can thus perform important functions in terms of raising awareness and voicing open criticism of abuses in production networks. Their reports and campaigns are often the only external source of public information about working conditions in factories far away. A well-known example of this type of civil society network is the Clean Clothes Campaign. Another, initiated primarily by trade unions, is the Asia Floor Wage Alliance, a coalition of more than 60 trade unions and other civil society organizations, which demands a living wage – known as the Asia Floor Wage (AFW) – for garment workers. The initiative pursues a regional collective bargaining strategy which aims to reduce locational competition between participating countries and counteract wage dumping (Bhattacharjee/Roy 2012). Many companies criticize the campaign, claiming that it is unrealistic and not constructive, as the wage demands are so much higher than real

wages [see Table 1] and the initiative does not identify any commercially viable pathways to achieve its goals.

### **Transnational trade union strategies: international framework agreements**

Trade unions are also increasingly seeking opportunities to internationalize their relationships, in order to increase their reach within complex production networks. International framework agreements (IFAs), also known as global framework agreements, should be mentioned in particular. Here, global minimum standards, mostly based on the ILO core labour standards, are agreed with the management of a multinational enterprise, usually initiated by a global trade union federation. By reaching agreement with the top management, the goal is to ensure that these global minimum standards are upheld throughout the company, with central management exerting influence, in this regard, on local production units.

IFAs can thus be a useful element, but in terms of their enforceability and effec-

tiveness, they cannot be compared with national social partnerships.

## Outlook

The general trend towards soft law in employment governance within global production networks can help to improve labour standards, but the effects are insufficient and inconsistent. It therefore does not currently constitute an adequate response to poor and often degrading working conditions, especially in the informal sector, which for the most part are structurally determined. What options may be viable for the future? Three areas of action are outlined below; they are by no means mutually exclusive but offer a multi-faceted response to the challenges of globalization.

1. International agreements – mandatory rules for multinational enterprises: On the face of it, the most obvious solution is to adopt a binding international treaty which establishes a direct obligation for business enterprises to comply with certain minimum standards. However, this “mammoth treaty” would not only encounter massive political opposition, as is evident from previous attempts undertaken within the UN framework; it is also debatable whether effective enforcement (possibly coupled with sanctions) would, in practice, be achievable at the international level, especially given that states would ultimately have to transpose the treaty provisions into national law. Enforcement would thus continue to hinge on “the dictates of growing competi-

tion between nationally constituted societies for investment capital and jobs” (Streeck 1998, p. 186). A fresh debate has now commenced at the international level about the opportunities afforded by such a treaty to regulate the conduct of multinational corporations in the sphere of human rights. A treaty initiative was led by the Government of Ecuador and a group of other states in the UN Human Rights Council, but the prospect of such a treaty is firmly rejected by most OECD countries. Alternatively, there are proposals for companies to work towards international treaties in specific areas of law, thus circumventing the prospect of endless negotiation on a “comprehensive” treaty and perhaps facilitating implementation. For example, former Special Representative John G. Ruggie proposes that as an initial step, only company involvement in gross human rights abuses be subject to an international treaty instrument.

Another option may well lie in greater international legal codification of states’ obligation to regulate multinational enterprises. Here, the aim is not to establish direct regulations for enterprises under international law, thereby granting them quasi-state status, but to oblige states to adopt legislation to protect against corporate abuse (von Bernstorff 2010). Legally speaking, this is likely

- to be an easier route, but enforcement could well prove to be just as difficult in a political sense. A further approach for more effective alignment of labour and social standards with the logics of international trade is to include social clauses in the world trade regime and bilateral trade agreements. However, this has been a contentious issue for years (e.g. Scherrer et al. 1998).
2. Legal establishment of international soft law standards:
 

The more likely scenario is that a different political approach will be adopted. In the OECD countries, at least, the debate centres on how the UN Guiding Principles on Business and Human Rights can be translated into national policy frameworks, also on the level of the European Union. For example, in its renewed EU Strategy for Corporate Social Responsibility (European Commission 2011), the Commission invited EU Member States to develop national action plans for the implementation of the UN Guiding Principles. To date, Denmark, Finland, Italy, the Netherlands, Spain and the United Kingdom have complied with this recommendation, and various other European and non-European countries are currently developing action plans (e.g. Argentina, Germany, Ireland, Latvia, Switzerland, Tanzania, the US and Morocco). There is thus the prospect of progressive and more binding integration of the UN Guiding Principles into national law. However, the quality of the action plans published to date varies considerably. It remains to be seen to what extent they lead to measures that genuinely move beyond existing soft law and improve the transnational protection of labour and human rights.
  3. Internationalization and trade union capacity building:
 

Besides these international and national options, which are fraught with legal and political difficulties, the expansion of transnational trade union strategies seems inevitable in order to identify, over the long term, pathways for collective worker representation along transnational supply chains. The active involvement of workers is currently at the bottom of the list of priorities in prevailing political governance approaches. Whether it is a matter of corporate standards, international guidelines or MSIs, workers' own political capacities in relations with multinationals tend to play a subordinate role. And yet workers are a key building block in establishing a more balanced transnational political space. Some initiatives launched in recent years place greater emphasis on workplace training, signalling a move in this direction. Measures aimed at strengthening participation at the company level and supporting forms of self-organization must, however, also involve informal workers, who are beyond the reach of traditional trade union structures.

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Christian Scheper

Translation: Hillary Crowe

## Spotlight

### Youth Unemployment: A Global Challenge

Global youth unemployment has been high for decades, with an estimated 73 million young people aged 15 to 24 jobless in 2013. Worryingly, the economic recovery from the global

recession and financial crisis has not yet led to a decrease in the youth unemployment rate: in 2013, it was still 12.6% – close to the figure for 2009 (ILO 2013, p. 8).

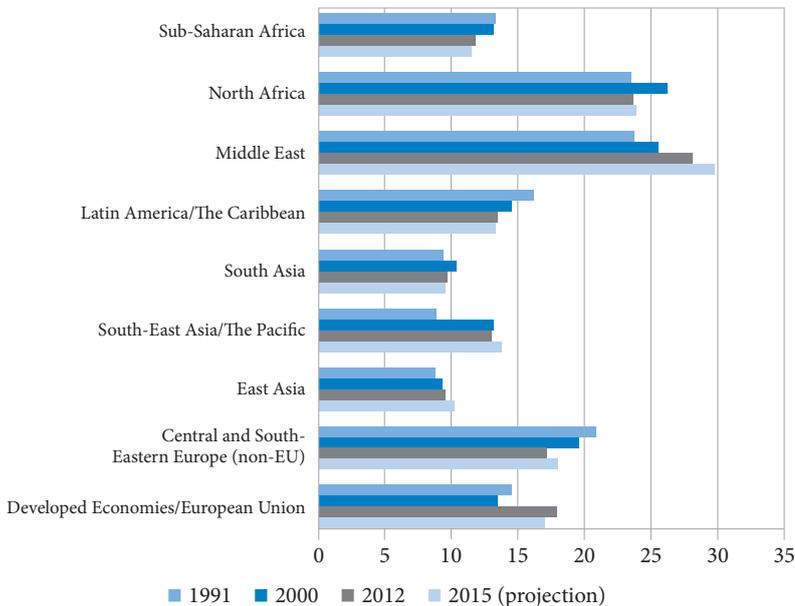
### Major regional variations

However, there are large variations between the world regions. The problem is particularly severe in the Middle East and in North Africa, where youth unemployment currently stands at an

estimated 29.6% and 23.9%, respectively. Youth unemployment rates are lower in the developed economies (17.5%) and in South-East Asia (13.5%), Latin America (13.3%), sub-Saharan Africa

**Figure 1: Regional youth unemployment is especially high in the Middle East and North Africa**

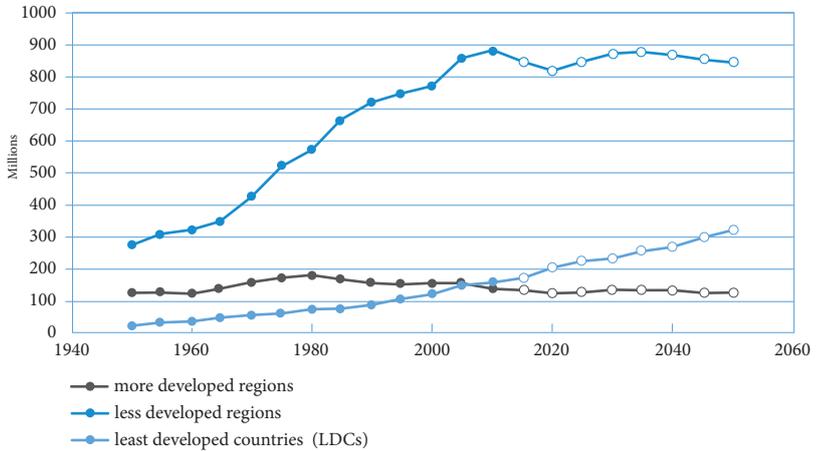
Youth unemployment rates (1991–2015), by region (%)



Source: Authors' own graphics, based on ILO 2013, p. 80 and ILO 2014

**Figure 2: The young population is growing, mainly in the poorest countries**

Size of the population aged 15-24, 1950–2050



Source: Authors' own graphics, based on United Nations, Department of Economic and Social Affairs, Population Division 2013

(11.7%), East Asia (10.0%) and South Asia (9.6%). However, unemployment among young women is well above these averages in many regions of the world, and according to International Labour Organization (ILO) projections, this situation is likely to worsen in parts of Asia and the Middle East over the coming years. A positive trajectory is forecast solely for the developed economies (ILO 2013, S. 80) [see Figure 1].

Demographic development is a key factor driving high youth unemployment. Since the 1960s, global fertility may have declined dramatically,

from an average of six to fewer than three births per woman. This applies to almost all countries in Asia, Latin America and North Africa. Fertility has also decreased slightly in sub-Saharan Africa, but remains at such a high level that there will be no slowing of population growth here for several decades. The world's population is expected to increase by an estimated two billion by mid-century, and most of this growth will occur in sub-Saharan Africa, resulting in a correspondingly large youth population (United Nations 2013) [see Figure 2].

## Conditions and drivers

But demographic development is not the only driver of youth unemployment. Over the past few decades, a large "youth bulge" has been observed in many countries in South-East Asia

and Latin America; this means that young people make up a disproportionately large share of the population. Thanks to favourable economic and other conditions in these countries,

these young people have integrated into the labour market, with the large youth bulges thus acting as a driver of growth in these countries; South Korea is a good example in this regard. In sub-Saharan Africa, by contrast, the number of young people entering the labour market has grown very rapidly, and young people now account for 60% of the unemployed (AfDB, OECD, UNDP, UNECA 2012, p. 100). Here, countries seem unable to capitalize on their large youth bulges and are failing to give young people adequate access to education, training and employment.

This is even more apparent from a comparison of unemployment rates by age. In Egypt, for example, more than 35% of young people were registered unemployed in 2012, compared with just 6% of adults (ILO 2014). However, it is often difficult to make a direct comparison between adult and youth unemployment rates, as youth unemployment also reflects the difficult transition from school to work. Nevertheless, the youth unemployment rates in the countries of North Africa, the Middle East, and South-East and

South Asia are so much higher than the adult rates that they can no longer be described in terms of “normal” frictional unemployment.

Structural economic problems are a further driver of high youth unemployment. Missed opportunities for industrialization and hence a shortage of jobs for skilled workers, inflexible labour market regulations that benefit older (especially public-sector) workers, and training and tertiary education that bypass labour market needs are key factors here. In many emerging economies, it is noticeable that young people are employed in work for which they are either over- or under-qualified, resulting in a widening skills mismatch: the supply of labour does not meet the demand (Angenendt/Popp 2012). This applies especially to North Africa and the Middle East, where an increase in the percentage of better qualified young people has been observed among the young unemployed in recent years. Unemployment among young graduates is less prevalent in the developed economies, where it is mainly the young unskilled who cannot find work.

## Not just about joblessness: NEET and underemployment

The youth unemployment rate alone does not adequately capture the reality of young people’s lives, especially in less developed countries. A more accurate picture of young people’s employment status can be gained by using the NEET rate. NEET stands for *Not in Employment, Education or Training* and reveals the proportion of young people who are not working or studying.

In 2012, 15% of individuals between the ages of 15 and 29 were neither employed nor in education or training, on average, in the countries belonging to the Organisation for Economic Co-operation and Development (OECD), and around 40% of young people in this age group working part-time in 2012 would have liked to work more (OECD 2014, p. 362). It should be borne in mind that the

**Table 1: Diversity in employment relationships is big and not always clear-cut**

Labour force status	Time use	Employment status		Job quality	Formality
employed	full-time	wage-dependent		secured	formal
		self-employed			
		assisting in family business			
	part-time	voluntary		pre- carious	informal
		non-voluntary			
unem- ployed	seeking work	jobless	broad unemploy- ment	NEET	
	inactive	discouraged			
		housework			
	in training	in school/studying			

Source: based on [http://www.africaneconomicoutlook.org/theme/youth\\_employment/labour-market-definitions](http://www.africaneconomicoutlook.org/theme/youth_employment/labour-market-definitions), 29.11.2014

NEET rate does not capture the precariously employed, and that this indicator is not available for many developing economies.

The problem scenarios vary widely across countries. In some countries, youth unemployment is the main issue. In others, it is underemployment. Elsewhere, the large number of discouraged and inactive young people is of particular concern. According to the ILO, in some developing economies, two-thirds of the young population is underutilized, meaning that young people cannot develop their potential because they are

unemployed, in irregular employment, or not in education or training (ILO 2013, p. 1). In the South Asian countries, for example, only one young woman in four participates in the labour force; in North Africa, the figure is one in five, and in the Middle East, it is just 13% (ILO 2014). There are no grounds to assume that all the rest are in education or training. In order to shed light on this grey area and address the methodological problems in measuring un-, under- and non-employment, new indicators that accurately capture the working worlds of young people and adults are needed.

## Recommendations

Joblessness among young people and precarious employment currently pose challenges all over the world, affecting countries with a high proportion of young people as well as developed

economies with a declining youth population. It is a trend which creates a particularly high risk of conflict, not only in terms of young people's dissatisfaction with their respective government

and society but also in the context of national development. This is particularly the case when youth unemployment becomes entrenched over time and transitions into long-term joblessness among older persons. In addition to the increased potential for political instability, there is a risk of skills obsolescence, meaning that young people could well become a lost generation.

Young people's poor labour market status has various causes, so there cannot be one simple, straightforward solution. Education remains the key to advancement. Access to practical training that meets the needs of the labour market, perhaps via a dual system of work and training, is therefore indispensable. Structures that facilitate the transition from school to work are also required and should include integrated strategies and programmes – such as literacy schemes, vocational and business skills development, and support for business start-ups – to promote

employment and livelihood security in developing countries. Employment programmes may also be beneficial, although it should be borne in mind that they can have unintended consequences: some offer young people little more than precarious employment.

However, all the various education and employment programmes will be to no avail unless there is an improvement in structural labour market conditions and more rapid economic progress in the countries concerned. Labour market reforms must therefore be accompanied by measures to increase legal stability, create a more conducive environment for investment, and stimulate the economy. A fall in the general unemployment rate usually results in a decrease in youth joblessness, and the same principle applies to precarious employment: a general improvement in working conditions and wages will benefit the young generation as well.

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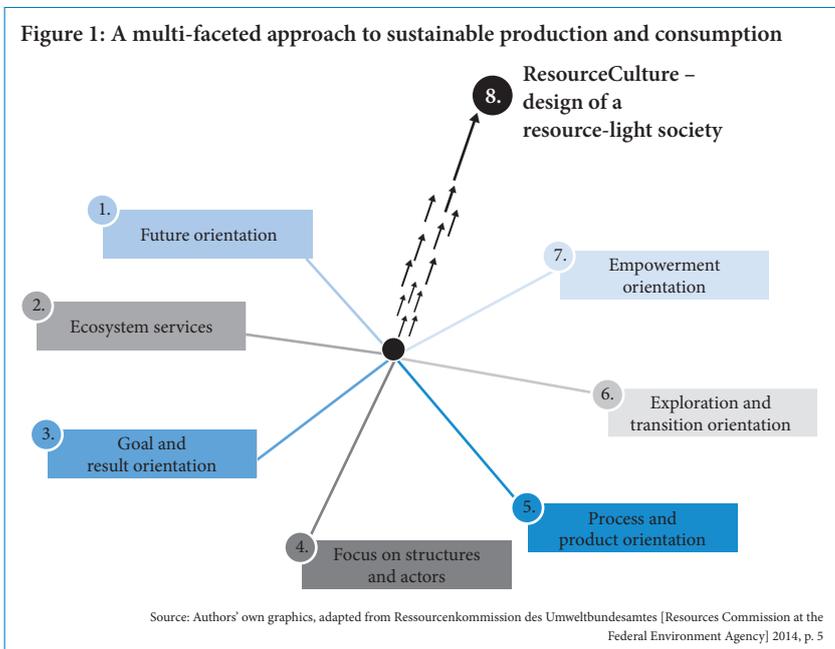
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Steffen Angenendt, Silvia Popp  
Translation: Hillary Crowe

# A Road Map for Sustainable Production and Consumption: Trends and Responsibilities

Sustainable production and consumption are fundamental strategies for a broad social transition towards a more sustainable economy and lifestyle. In essence, all the products, services and infrastructures on which we rely should be sustainable and low-resource. This is achieved through the integration of efficiency, consistency and sufficiency strategies into production-consumption systems. Diverse and creative solutions and innovations help to ensure that sustainability gains are not simply cancelled out by additional consumption (negative rebound effects). Instead, positive rebound effects should be fostered by mainstreaming socio-technical niche innovations, thereby reducing resource consumption in absolute terms while enhancing quality of life and wellbeing. There is potential for action by all user and stakeholder groups here. Policy frameworks, future-oriented business models, active and responsible consumers and transformative research can – together – shape the transition to a more sustainable society.



# The eight core components of sustainable transition

Actor interaction in the context of sustainable production and consumption is complex [see Figure 2]. Eight points of reference demarcate the arenas in which this interaction must take place: a socially accepted value is attached to available material and immaterial resources, and this ResourceCulture (8) forms the requisite basis for the implementation of sustainable production and consumption systems with a future orientation (1). Conservation of ecosystem services (2) is the prerequisite for life on Earth and economic activity. In order to keep within planetary boundaries, goals must be defined as guard rails (3); compliance with these guard rails helps to ensure that our economic systems are sustainable and low-resource. This approach to resource

management requires infrastructures and governance structures which provide a frame of reference and guidance (4) for users and stakeholders as they develop low-resource technologies, processes, products and services (5). All actors engage in a process of social construction of the environment. Through open- didactic exploration (6) whose aim is to support the transition to sustainability, actors are empowered to play an active role in the design of complex systems (7).

## Future orientation (1) – Paradigms for a low-resource society

Sustainability and the green economy constitute a future market whose poten-

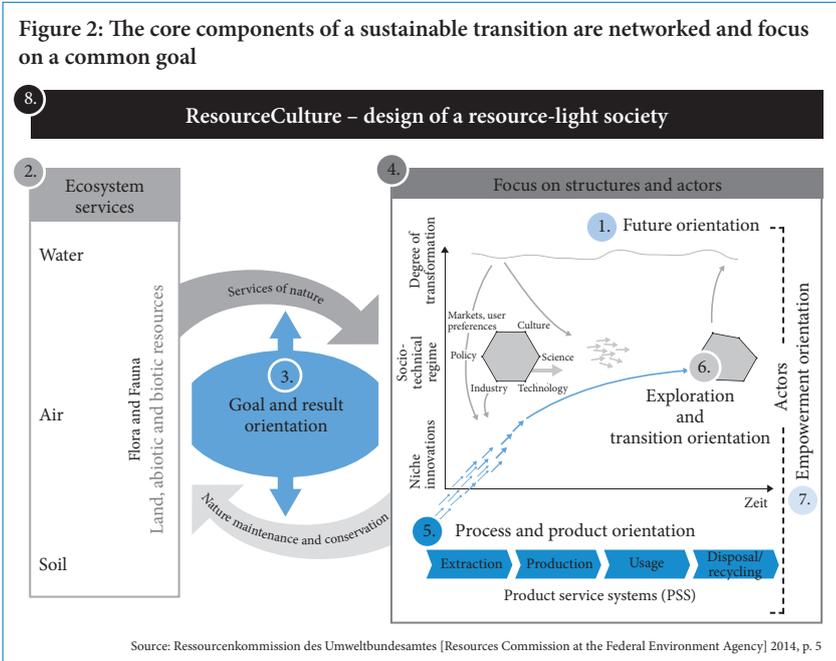
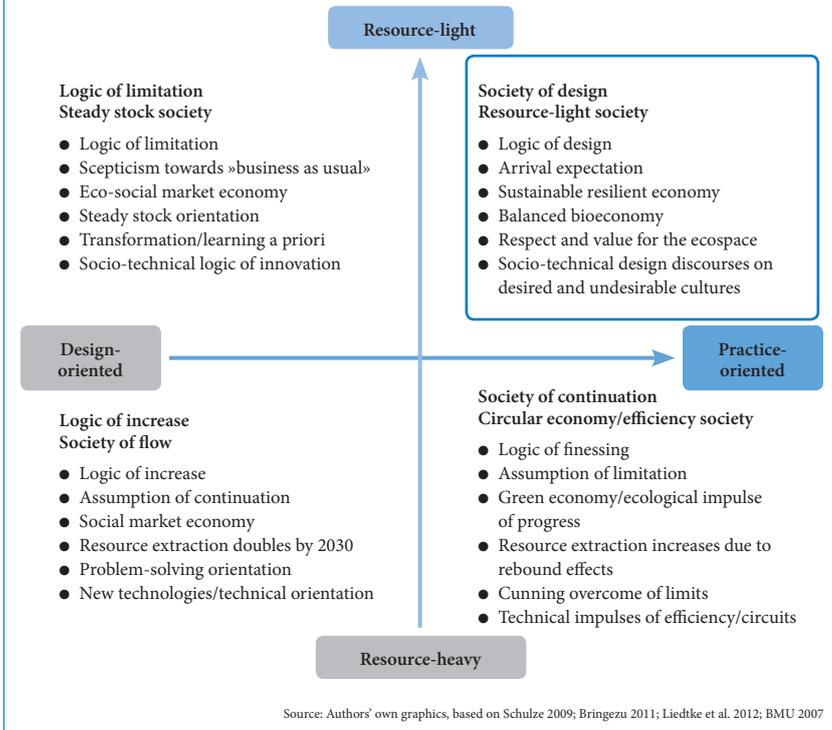


Figure 3: Scenarios for resource-light or resource-heavy societies, describing existing or desired behavioural patterns



tial for our society’s development has yet to be fully exploited. With the energy transition (Bundesregierung 2014) and the German Resource Efficiency Programme (BMU 2012), initial steps have already been taken in this direction. Sustainable consumption and production require sociotechnical innovations – which should form the basis for appropriate business models – and the development and promotion of a low-resource society and lifestyles.

The goal of safeguarding the same or better opportunities for future generations can only be achieved through cooperation. Here, four macro-social

scenarios can be identified, which follow low-resource or resource-intensive pathways and are oriented either towards “business as usual” or creative development [see Figure 3]. These paradigms are always associated with specific interpretations and visions of society and economy. For example, a “society of continuation” (*Fortsetzungsgesellschaft*) relies on efficiency strategies and technological innovations in order to overcome perceived obstacles. A “society of flow” (*Durchflussgesellschaft*) adheres to the traditional pathways that have led to prosperity, at least in the industrialized countries. It remains embedded in the

“higher, further, more” logic of growth. All the available research indicates that this will cause raw material extraction to double by 2030 (Bringezu/Bleischwitz 2009). By contrast, the scenario of a steady stock society (*Steady-Stock-Gesellschaft*) (Bringezu/Bleischwitz 2009) has internalized both the logic of progress and limitation: stakeholders are aware that resources are finite and that only a change in behavioural and consumption patterns can safeguard lasting prosperity (BMU 2012; Bundesregierung 2014; Liedtke et al. 2014). Here, efforts are already under way to develop socio-technical innovations; initial deceleration tendencies in behavioural patterns can already be discerned. The society of design (*Gestaltungsgesellschaft*) applies a more radical approach: it already has a concept of how a sustainable society should live and work (for a discussion of its inception, see Schulze 2009), and how it should accelerate/decelerate from within. Which scenario should be pursued? The answer to this question is a matter for negotiation across all levels of society and stakeholders if it is to be viable.

### **Ecosystem services: soil, water, air (2)**

Ecosystem services are the basis of our economy and prosperity, but they are finite. Sustainability means ensuring that future generations have fair and equitable access to resources and the services based on them, such as nutrition, clean water, mobility, education, etc. If our economy is to promote quality of life and wellbeing for present and future generations, the planetary bounda-

ries of the ecospace must be respected (Schmidt-Bleek 1994).

Although by no means all technical services are essential for survival, some are, quite literally, vital: they include soil functions and clean water (Schmidt-Bleek 1994). Ever-increasing resource consumption due to Western lifestyles and unsustainable economic activity causes irreparable damage to our natural resource base, resulting in climate change, resource conflicts and threats to the biosphere, all of which generate massive costs for remediation and risk mitigation year after year (Schmidt-Bleek 1994, 2007). A smarter approach would be to invest these funds in developing low-resource products that protect and maintain ecosystem functions.

### **Goal and result orientation (3)**

In order to reduce resource consumption to a level which protects ecosystem services, a factor 10 reduction is required by 2050 in the industrialized countries and a factor 2 reduction is needed globally (Schmidt-Bleek 1994, 2007, 2014). In the industrialized countries in particular, current consumption massively exceeds sustainable levels. Total Material Consumption for households in Finland, for example, amounts to around 40 tonnes per capita per year – roughly five times higher than the sustainable level if we do not wish to consume the global resources of more than one Planet Earth (Lettenmeier et al. 2014, p. 489). Mobility, housing, and nutrition make up 84% of this material footprint (Lettenmeier et al. 2014, p. 493) [see Table 1].

**Table 1: Summary of status quo material footprints and proposal for sustainable material footprint requirements in the different consumption components, with reference to Finland**

Consumption component	Status quo material footprint		Sustainable material footprint (max. 8t person/a)		Change required	
	kg/person/a	Share	kg/person/a	Share	%	Factor
Nutrition	5,900	15%	3,000	38%	-49%	2.0
Housing	10,800	27%	1,600	20%	-85%	6.8
Household goods	3,000	7%	500	6%	-83%	6.0
Mobility	17,300	43%	2,000	25%	-88%	8.7
Leisure activities	2,000	5%	500	6%	-75%	4.0
Other purposes	1,400	3%	400	5%	-71%	3.5
Total	40,400	100%	8,000	100%	-80%	5.1

The factors (right-hand column) show the change in production and consumption required for a sustainable lifestyle and economy.  
Source: Lettenmeier et al. 2014, p. 496

However, consumption across the individual components varies considerably, reflecting individual lifestyle choices. Every person can decide for themselves how to make use of the ecospace available to them. Diversity and creativity are important for personal and social identity and autonomy and for the resilience of social systems. Purely technical or social innovations are not enough to

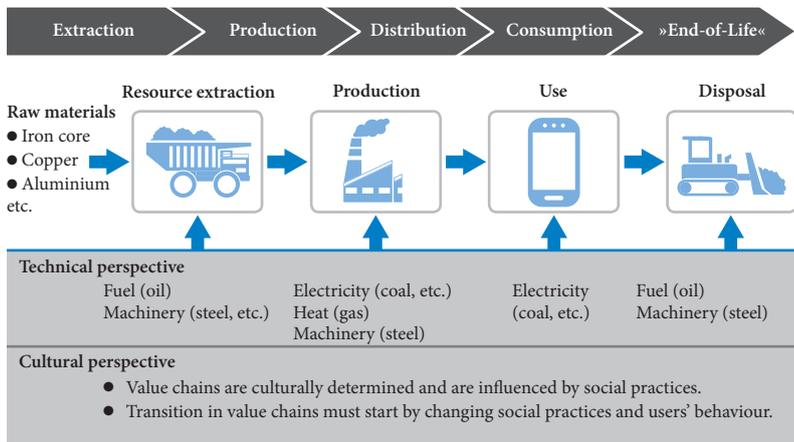
facilitate the requisite systemic change while maintaining high quality of life and lifestyle autonomy. Here, innovative sociotechnical strategies and experiments are required to support progress, via intelligent product service systems (PSS), towards the identified goals.

This approach requires a paradigm shift in the production-consumption system and in research and development:

### **Low-resource product service systems (PSS)**

PSS are defined as products and services which provide the maximum benefit with minimum resource inputs from cradle to the grave or cradle again, i.e. life-cycle-wide, from the extraction of raw materials to production, transport, use, recycling and disposal. This requirement can and must be built into product/service design and development (Schmidt-Bleek 1994, 2007; Schmidt-Bleek/Tischner 1995).

Figure 4: A product's life-cycle is shaped by social practices



Source: Authors' own graphics, based on Wuppertal Institute/FG4 2013

away from the mass economy, towards a system of moderate production and consumption (Schmidt-Bleek 1994; Schneidewind/Zahrnt 2013).

#### Focus on structures and actors (4)

In order to support society's transition towards sustainability, appropriate behavioural patterns and routines in consumption and production must be researched and practised. Social innovations can help to make these patterns and routines user-friendly, user-integrated and needs-oriented and keep the transition within manageable limits. Sales and marketing should focus on solutions rather than products, so that the transition is appealing, enriching and based on ownership rather than on boredom and disenfranchisement. Appropriate business models must be developed and accepted by users themselves in accordance with their demands.

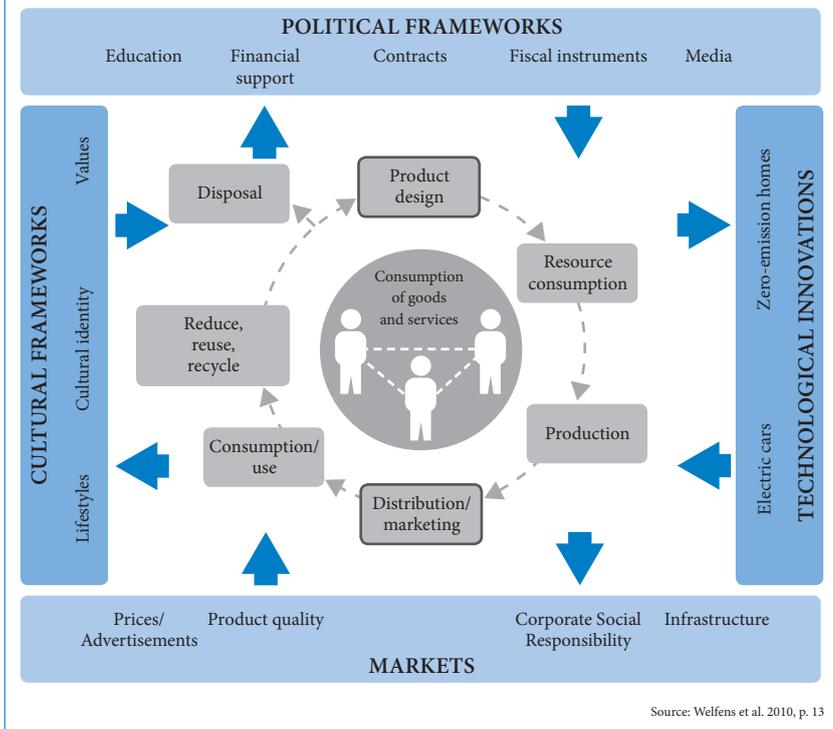
Policy-makers can actively support and promote this process.

The radically changing role of the consumer must be considered in this context. Until now, the consumer was not defined as an active link in the value chain, but was treated merely as the user of predetermined structures. This is now changing rapidly, not least because previous efforts to move towards sustainable development – e.g. in the climate context – were increasingly failing to deliver results.

Users are therefore the focal point of the complex sustainable production-consumption system [see Figure 5]. Surrounding them are the PSS within their specific value chain system or network.

These systems and networks are flanked by markets, which regulate sales, quality and infrastructure, and by political and cultural frameworks – all of which are influenced by users and are reflected in society's structures. And, of course, technological developments play

**Figure 5: Sustainable production and consumption –**  
 A complex human-centred system



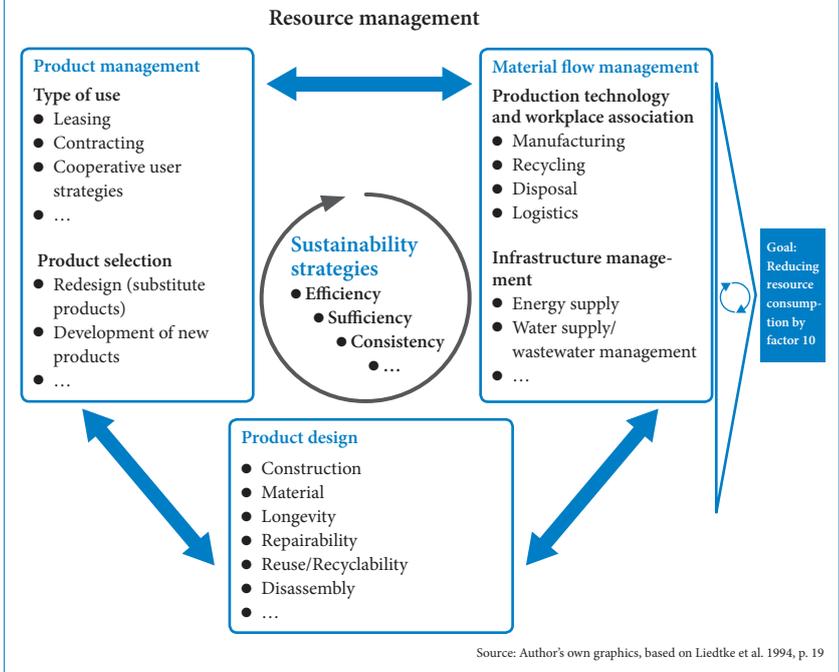
a significant role. Innovations – whether low-resource or not – such as electric cars and passive houses influence policy-making and user behaviour. Technologies are also developed and deployed by users and stakeholders. Policy frameworks consist of elements such as education programmes, financial support schemes, etc., whereas cultural frameworks vary according to people’s values, identity and lifestyles, which have an impact on product selection and use.

This networked user-integrated system can be broken down into various drivers, which can guide production and consumption in diverse directions. “Internal

drivers” determining user behaviour and consumption include basic needs such as nutrition, lifestyles, cultural norms, and assets. Examples of external drivers are globalization, which encourages and accelerates the global exchange of goods, demographic change, global and local business models, regulations, prices, economic mechanisms such as subsidies, and structural and technical innovations (Welfens et al. 2010).

The drivers are largely man-made and – with the exception of irreversible damage to the natural environment – can be modified. Neither the rules of the macro-system, i.e. society, and its subsys-

**Figure 6: Sustainable resource management can generate considerable savings throughout the product life-cycle**



tems – e.g. education, economic sectors, milieus and households – nor the design of products and services are predetermined. What counts is individual action at the micro level, whether it takes place in companies, politics or households. For that reason, a structure- and user-centred perspective is essential for sustainability management. Change can take place at user level and must be flanked by measures adopted in politics, academia, business and the education sector.

### Process and product orientation (5)

Users can modify products and infrastructures. This takes place through

changes within individual processes, along process chains and across the value system or network as a whole. The need for change is defined according to the desired benefits. For example, an absolute reduction in resource consumption should be achieved through efficiency, consistency and sufficiency strategies. This must also address the question of whether the desired benefit (e.g. driving the car 500 m to the bakery every morning) is genuinely essential or could be generated in some other way (e.g. a weekly shopping trip or bread-making at home). Processes which are genuinely necessary are optimized step by step “from cradle to grave” – i.e. life-cycle-wide, from the

extraction of raw materials to processing, use, recycling and disposal. The aim is system-wide resource management, generating low-resource products and services that support diverse and creative lifestyles with a small material footprint.

Resource management integrates three areas: material flow management, product/service design and product management [see Figure 6]. The design of products and services can help to align resource intensity and utility value to sustainable development principles. Eco-intelligent and sustainable products/services manufactured in low-resource systems (Schmidt-Bleek 1994, 2007; Schmidt-Bleek/Tischner 1995) can facilitate more sustainable action in daily life and avoid rebound effects. They may even have positive impacts by encouraging a more far-reaching transition towards sustainable behaviour patterns and social practices (Hassenzahl/Laschke 2014).

### **Exploration and transition orientation (6)**

Monocultures cannot generate any creative or innovative impetus, as they lack the requisite diversity. A tolerant, open and multicultural society, by contrast, can produce a diverse range of niche innovations which offer a multitude of options. A society must learn from its experience in order to explore, test and pursue innovative pathways in a creative and pro-active manner. To that end, it requires many diverse and socially manageable arenas for open-didactic exploration, such as urban and rural spaces,

value chains and businesses (Liedtke et al. 2014; Baedeker et al. 2014; Geibler et al. 2014). It also requires an open culture which welcomes experimentation and deals constructively with mistakes (Hartmann et al. 2006). Key elements of this approach are flagship projects (such as local mobility strategies based on daily journeys) and joint strategic macro-level initiatives involving policy-makers, businesses, academics and civil society (such as the NeRes network [www.neress.de](http://www.neress.de) and BilRes [www.bilress.de](http://www.bilress.de)), which identify and map resource efficiency pathways for the business community and the education sector (Ressourcenkommission des Umweltbundesamtes 2014).

Also of interest are *Sustainable Living Labs* – sustainability-oriented research, development and innovation platforms in which users and actors of the value chain participate in the development, testing and application of new products, services and system solutions. Sustainable Living Labs support the development and testing of modified practices and integrate desirable features into products and services (such as a new mix of mobility offers). Living Labs are local, national and international in focus, pursue a networked approach and enable producers, users and local actors to engage in the development process and reflect on their experience from an intra- and intercultural perspective. Living Labs consist of a combined laboratory and field infrastructure for co-creation processes in which developments can be tested and applied in the real world, work and daily life. Prototypes may be tested initially in the laboratory or directly with users and other stake-

holders (e.g. business enterprises, public institutions and households) (Liedtke et al. 2014; Baedeker et al. 2014; Geibler et al. 2014).

### **Empowerment orientation (7)**

Our approach is based on the concept of an individual with an extensive range of life skills and abilities. We also work on the premise that there is an interesting and fruitful diversity of human needs and lifestyle choices. Our individual and social freedom, education and skills levels have never been greater than they are today. There is an ongoing discourse about collective and individual welfare and their alignment. There is also a high level of creativity in managing unforeseen life events, and a multitude of flexible skills within society at large. Collective self-empowerment to address environmental challenges and needs is now the main task on the agenda for the coming years and decades. Users themselves should be the main drivers of this transition. To that end, they must have the capacities required to exercise strategic autonomy, and they must experience themselves as powerful actors in their own right. There is often a sense that decision-making is imposed from above, with scope only for reaction rather than action by the public. However, this ignores the systemic effectiveness of the micro level. The power to act and thereby change systems must be experienced in order to become effective. Actors must engage with transition processes from their own perspective, starting with their view of the system (e.g. how do I move around my neighbourhood

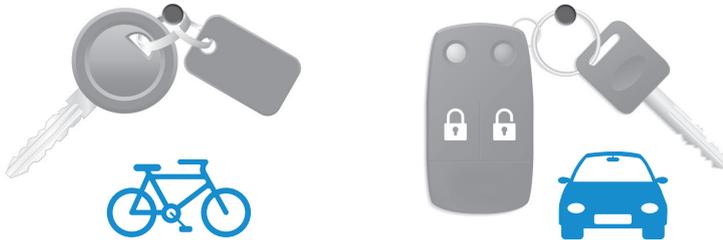
or travel to work?) and acknowledge others' perspectives (e.g. neighbours and mobility providers). This creates open and diverse access to the system (e.g. bus driver's view, car driver's view, pedestrian's view). These perspectives are compared and linked, via various modelled scenarios, to options, practical measures or experiments. The process can be supported with educational offers, learning materials and skills development.

People who shape change and promote sustainable development draw on a variety of skills and abilities (Bliesner et al. 2013). In terms of their personal attributes, these individuals should radiate credibility and empathy, backed by practical skills. Cognitive abilities, including advisory, leadership and organizational skills and a talent for reflecting on lessons learned, are prerequisites. Besides professional experience, a willingness to cooperate and engage in society's development must form part of their social skills set (Bliesner et al. 2013). These attributes facilitate the management of complex transition processes, based on the creative involvement and engagement of users. In this way, participants mutually reinforce their set of required skills through open-didactic exploration.

### **ResourceCulture (8)**

ResourceCulture consists of the terms "resource" and "culture" – and for good reason. Here, resources are defined as material and immaterial resources. Immaterial resources include knowledge, capacities, skills and confidence, especially in organizations which attach

**Figure 7: Key moment – Behavioural transformation is initiated by a pleasurable troublemaker**



The World Health Organization (WHO) recommends cycling to work. However, many people still prefer to take the car, even for short trips. So there is a *key moment* – facilitated by a key box by the front door. It holds a car key and a bike key on separate hooks. So there's a decision to be made: bike or car? If the commuter takes the bike key, nothing happens. But if the car key is taken, the bike key drops to the floor. Most people will pick it up. This gesture creates a *key moment* to pause and weigh up the options – a tangible moment of choice.

Source: Laschke et al. 2014, p. 855f.

importance to interpersonal trust and confidence in the system (Gundert et al. 2011, p. 44). Material resources, on the other hand, are finite and must be used sparingly; substitutes must be found, especially if material resources are non-renewable. Regenerative resources, which may be material or immaterial and are not depleted through use, can include social relations, cultural practices and human abilities. They deliver prosocial values and build confidence, which benefit other people, provided that they are not overexploited (Gundert et al. 2011, p. 45f.). The absence or overexploitation of one of the resource groups causes scarcity and imbalance. A system's resilience is therefore not only based on a sufficiency of material resources; it also relies on actors' empowerment, their values and their assumptions about social and economic development. Are the status symbols that facilitate social interaction resource-heavy or resource-light?

Is long-haul travel or smoking socially acceptable? Do they convey a sense of identity and security or not? These are malleable social constructs and are based on majority opinion, which can be changed if enough social groups adopt these beliefs, values and associated social practices (Liedtke et al. 2014).

Culturally determined practices and routines offer the potential for change. They form the backbone of our consumption and are subconscious and automatic, making daily life easier and creating the time and space we need to manage all its new challenges. With appropriate modifications, these practices and routines can form the new low-resource immaterial, i.e. value-based, infrastructures for our economic activity. They are then reflected in the design of modified systems, such as combined local transport/car sharing schemes (on mobility behaviour, see Hassenzuhl/Laschke 2014) [see Figure 7].

This in turn creates changed patterns of behaviour and routines. A resource culture that is appropriate to the ecospace thus forms the basis for future-oriented transition management which engages with people instead of

excluding them via technology. Only by attributing a value to resources can a resilient, creative, life-affirming and flexible integrated sustainability management system be established for society and economy.

## Shaping tomorrow: an energy and resource transition based on changes in routines

Routines must change in economy and society if interpretations, behavioural patterns and PSS are to be coupled with appropriate skills development. This shifts the perspective away from the (dis)enfranchised consumer (Strünck 2010) towards the engaged system-oriented user.

Fresh insights are therefore required into the functions and bases of these material and cultural resources in order to identify and shape their cross-linkages and interfaces. The individuals need to know how the sociotechnical infrastructure in their locality works. Do the transport infrastructure and motorists facilitate safe cycling to work? To what extent will my switching to cycling benefit the environment? Will it simply encourage other people to use their cars by reducing gridlock? Are other stakeholders – policy-makers, businesses and other consumers – moving in the same direction? Complexity does not necessarily mean a lack of transparency and disenfranchisement; on the contrary, it can be exciting and inspiring. Education and skills development, based on open-didactic exploration, can provide support here – but they cannot assume all the responsibility. Transition can be a laborious process, and the investment

must pay off. Progress and setbacks must be discussed constructively in order to manage recurrent conflicts and problems.

Policy-makers' task is to influence the development of sustainable lifestyles and working methods in a variety of ways. They can respond to the upsurge in environmental impacts worldwide by moving forward with an integrated resource and climate policy. In cooperation with other countries and with businesses and consumers, they can develop joint value chains and programmes, such as flagship projects that can be replicated at national and international level. A further goal must be to demonstrate the benefits of cooperative governance to all stakeholders in the global value system, leading to economic and social security with due regard for planetary boundaries.

Here, open-didactic learning spaces are extremely important, such as shared Living Labs which enable participants to identify and test appropriate solutions without major financial and social risks (Liedtke et al. 2014). Not least, efficiency strategies in businesses, economic sectors, households, municipalities etc. are useful in responding to and managing resource scarcity. This means

making efficient use of resources at the national level, including those found in waste products. With recycling and careful use, consumers can extend product longevity and life cycles (Liedtke et al. 2013). Here, the focus must be on developing eco-intelligent substance cycles. Alongside the leveraging of efficiency and consistency potential, a sufficiency policy (Schneidewind/Zahrnt 2013) helps to promote social integration and avoid rebound effects.

In a multi-level system, flanking measures are very important in developing resilience management and maintaining regional skills, innovation capacities and adaptability. Innovation incentives, promotion of “green” strategies, and rewards for outstanding ideas and projects in the field of sustainability all have an important role to play, as does an ecological tax reform in which energy and resources attract higher rates of tax than labour.

Reliable and verifiable product and business information (e.g. labels; Dialog über Deutschlands Zukunft 2012, p. 260ff.) is essential to increase transparency and credibility and thus generate demand for more sustainable goods and services. Information about these products and services must be easily accessible and should include examples that raise awareness of their performance. A professional approach is needed at all levels. Companies can develop eco-intelligent products and services, building in longevity, recyclability and reuse at

every stage, from the choice of materials to product development (Liedtke et al. 2013). Training in all education sectors is also helpful in developing and implementing resource efficiency strategies for households and businesses.

Ambitious resource targets can be defined and evaluated in the German National Sustainability Strategy (Dialog über Deutschlands Zukunft 2012, p. 250ff.). Here, Germany has the potential to become a pioneer in the EU. However, this will require a body of accessible data enabling uniform key indicators to be defined. These indicators can be used in public procurement and can also be incorporated into financial incentive mechanisms (e.g. risk assessment, status reports by companies), which should be progressed and implemented as a priority. Ultimately, financial supervisory authorities can raise awareness of resource-related risk assessment through the appropriate bodies and thus ensure that it is introduced on a progressive basis.

Funding and research programmes are other vehicles for the promotion of a holistic approach to resource conservation, facilitating a change in research and development patterns. Like consumption and production, research projects can make a clear contribution to sustainable development. This range of options reflects the diversity and complexity of our societies. Shaping its development is rewarding and promotes individual and social identity.

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## Spotlight

### We Can't Eat GDP: Global Trends on Alternative Indicators

The Gross Domestic Product (GDP) is the best-known “number” in economic governance. It drives national policies, sets priorities in the social fields (e.g. there exists a ratio between GDP and how much spending in welfare is considered appropriate by many countries) and ultimately affects the societal landscape of a country (e.g. by determining labour-business relations, work-life balances and the type of consumption patterns adopted by citizens). The type of industrial model supported by GDP dominates physical and infrastructural

geography, from the shape of cities and their relation with the countryside to the management of parks and natural resources. Marketing strategies, advertising and lifestyles are permeated by its influence. Yet, we cannot eat GDP: this number is indeed an abstraction of real wealth and a very skewed measurement of economic performance, let alone human welfare. Therefore, a variety of alternative indicators was created to promote different ideas of progress and incorporate concepts like sustainable development and wellbeing.

### Gross Domestic “Problem”: why GDP doesn't add up

GDP is not a measure of “all” economic activities. Because of its design, it only counts what is formally transacted in the market, which means that other economic activities occurring in the “informal” economy or within households as well as a variety of services made available free of charge, from volunteering to the ecosystem services provided by nature that allow our economies to function, are not counted as part of economic growth (Fioramonti 2013, p. 6f.). This generates evident paradoxes. Take the case of a country in which natural resources are considered common goods and made available for public access, people exchange goods and services through informal structures (e.g. barter markets, second-hand markets, community-based exchange initiatives, time banks, etc.) and most people produce what they

consume (e.g. through low scale farming, off-the-grid systems of energy distribution, etc.). This country would be rated as “poor” by GDP, because this number only registers an economic performance when natural resources are marketized and services are provided at a cost. GDP encourages us to destroy “real” wealth, from social connects to natural resources, to replace it with money-based transactions. As reported by the Organisation for Economic Co-operation and Development (OECD), “[i]f ever there was a controversial icon from the statistics world, GDP is it. It measures income, but not equality, it measures growth, but not destruction, and it ignores values like social cohesion and the environment. Yet, governments, businesses and probably most people swear by it” (OECD Observer 2004-2005).

## New indicators for a post-GDP world

There is growing agreement among scholars and policymakers that we need to move beyond GDP. In 2004, the OECD launched a reflection on wellbeing indicators at the World Forum on Statistics, Knowledge and Policy. In 2007, the EU hosted a “Beyond GDP” conference and released a communication two years later. In 2009, a commission set up by former French president Sarkozy and chaired by Nobel laureates Joseph Stiglitz and Amartya Sen published a comprehensive report on measures of economic performance and social progress (Stiglitz/Sen/Fitoussi 2009). A number of governments have set up similar commissions ever since.

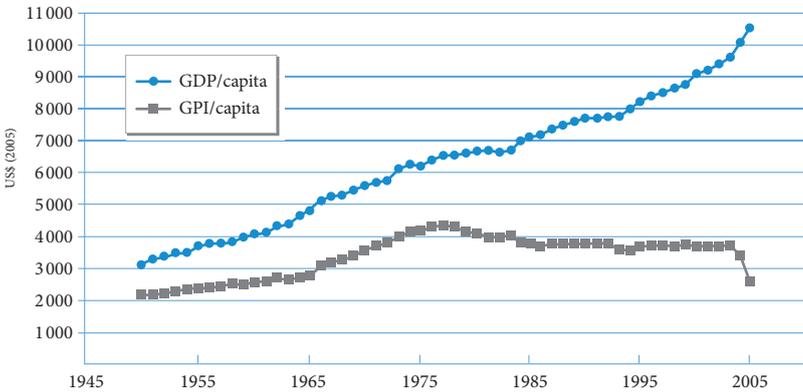
Alternative indicators have mushroomed in the past decades. A first attempt was made by Nobel laureates William Nordhaus and James Tobin in the early 1970s, when they developed an index called Measure of Economic Welfare, which “corrected” GDP by adding the economic contribution of households and excluding “bad” transactions, such as military expenses (1973, p. 513). The economist Robert Eisner published a Total Incomes System of Accounts in 1989 with a view to integrating GDP with non-market activities such as household services and informal economies (1989, p. 13). This process of partial revisions culminated with the Genuine Progress Indicator (GPI), introduced later in the 1990s, which was the first systematic recalculation of GDP by measuring a vast array of social and environmental costs/benefits that impact human welfare (Daly/Cobb 1994, p. 482). The GPI takes into

account dimensions such as leisure, public services, unpaid work (housework, parenting and care giving), the economic impact of income inequality, crime, pollution, insecurity (e. g. car accidents, unemployment and underemployment), family breakdown and the economic losses associated with resource depletion, defensive expenditures, long term environmental damage (wetlands, ozone, farmland). A paper published in 2013 shows unequivocally that, while GDP and GPI followed a similar trajectory between the early 1950s and the late 1970s, thus indicating that conventional growth processes correlated with improving human and economic progress, ever since 1978 the world has increased its GDP at the expense of social, economic and ecological welfare (Kubiszewski et al. 2013) [see Figure 1].

While the GPI is the most comprehensive example of a synthetic index combining economic, social and environmental dimensions, since the Rio+20 summit of 2012, there has been a specific emphasis on accounting for natural capital. Nature adds to economic progress and wellbeing in multiple ways. It makes available goods that are then marketed, as is the case with produce in agriculture. It also provides critical ecological services such as water provision, soil fertilization and pollination, which make economic growth possible. GDP is blind to these inputs, thus representing nature as having no economic value (Fioramonti 2014, p. 104ff.). Moreover, GDP disregards also the costs that man-made production

Figure 1: Genuine progress splits from GDP in the 1970s

Genuine Progress Indicator (GPI) per capita and GDP per capita, 1950–2005



Source: Kubiszewski 2013, p. 63

processes impose on natural systems, like pollution. Yet, these costs are real and have a direct bearing on human wellbeing and our countries’ economic performance.

Although the focus on natural capital has become central in the “Beyond GDP” debate, only two indicators have been produced so far. The most recent, the Inclusive Wealth Index (IWI) published by the UN University International Human Dimensions Programme, distinguishes between produced, human and natural capital. In a pilot application to 20 countries, the IWI shows that natural capital is the most significant resource for most countries, especially the least affluent ones. A similar approach to natural capital is adopted by the World Bank’s Adjusted Net Savings (ANS), which – unlike the IWI – covers most countries around the world and presents data over a longer period of it. The ANS takes into account the depletion of natural resources and the costs of pollution and balances them against in-

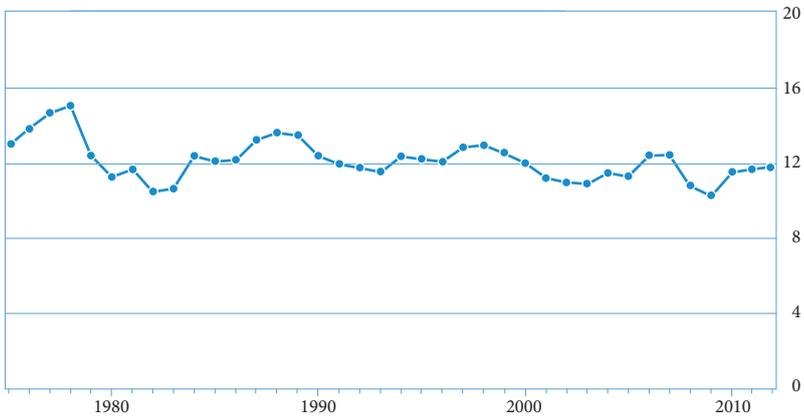
vestments in human capital (education) and produced capital that is not used for immediate consumption. The results show that, despite impressive growth in the past half a century, environmental degradation has cancelled out global economic growth [see Figure 2].

Both the IWI and the ANS apply monetary units to the calculation of the value of natural capital. Although this allows aggregating different types of capital (and thus subtract depletion of resources and environmental degradation from GDP), it is by no means the only approach. Other indicators measure environmental damage in physical units. Undoubtedly the best known of these indicators is the Ecological Footprint produced by the Global Footprint Network.

A final group of indicators focuses more specifically on wellbeing, prosperity and happiness. Some of these measurements also use subjective evaluations, normally based on public opinion polls, along with “hard” economic and

**Figure 2: Global economic growth is flat when including the costs of environmental damage**

Adjusted net savings, excluding particulate emission damage (% of GNI), 1975–2012



Note: Adjusted net savings estimated by the World Bank.

Source: <https://datamarket.com/data/set/15bb/adjusted-net-savings-excluding-particulate-emission-damage-of-gni#ds=15bb/hc7=4z&display=line&include-y=0,21.10.2014>

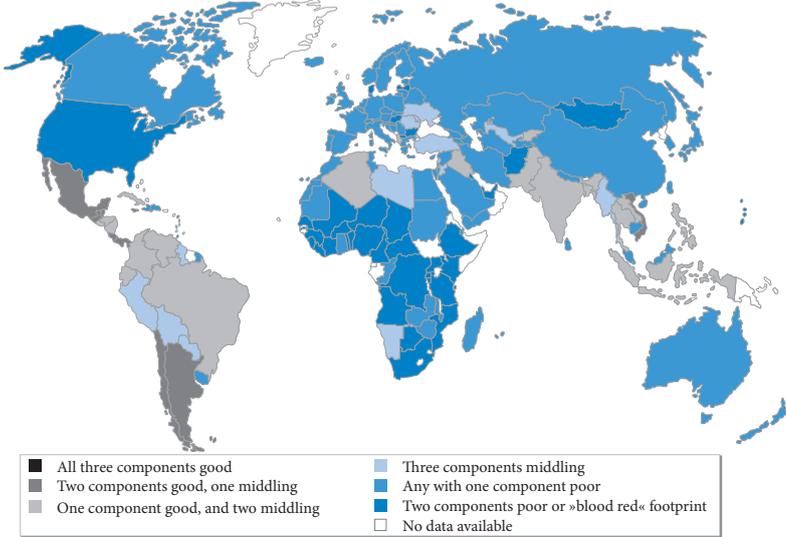
social data, as is the case with the OECD Better Life Index, the Social Progress Index and the Legatum Prosperity Index. Other indicators look specifically at the national level, e.g. the Canadian Index of Wellbeing or Bhutan's Gross National Happiness Index, which is a comprehensive set of nine dimensions, first calculated in 2008. An interesting attempt to combine measures of welfare with ecological impact is the Happy Planet Index developed by the UK-based New Economics Foundation in 2006. The index complements the ecological footprint with life satisfaction and life expectancy. Ever since its creation, the index has consistently shown that high levels of resource consumption do not produce comparable levels of wellbeing, and that it is possible to achieve high levels of satisfaction (as measured in conventional public opinion polls) without excessive consumption of the Earth's

natural capital [see Figure 3]. Costa Rica was identified as the most successful country at generating "happy" and long lives, without a heavy impact on the planet's resources. Similar results were achieved by the UN University when it revised its Human Development Index (HDI), which looks at income, literacy and life expectancy, adding an additional parameter of sustainability by looking at selected environmental indicators (UNDP 2014, p. 212ff.). The data showed that countries such as the US and Canada, which enjoy one of the highest human developments in the world, do so at a huge environmental cost for themselves and for humanity. A conventionally poor country such as Cuba and other emerging countries in South America, such as Ecuador, are among those achieving the highest level of human development with an acceptable and replicable footprint.

Figure 3: High levels of satisfaction are not necessarily accompanied by a high level of income

### The Happy Planet Index 2012

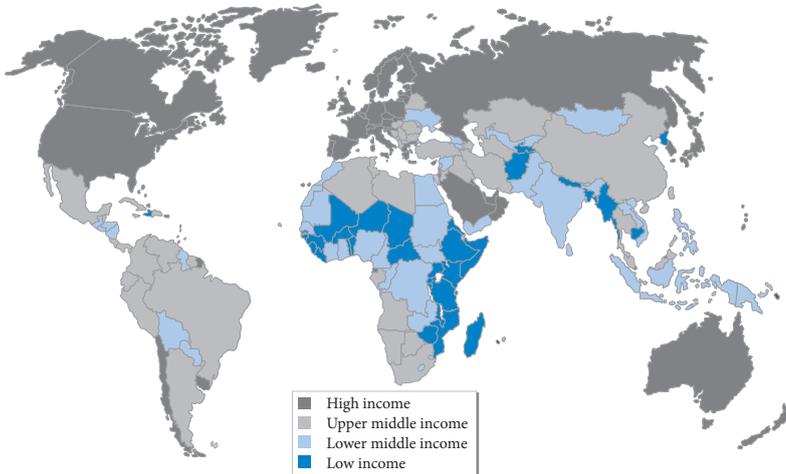
(based on experienced wellbeing, life expectancy and ecological footprint)



Source: <http://www.happyplanetindex.org/assets/hpi-data.xlsx>, 22.10.2014

### World Bank Income Groups

(based on GDP per capita)



Source: <http://data.worldbank.org/about/country-and-lending-groups>, 22.10.2014

## Conclusion

This brief review of trends in alternative indicators is by no means exhaustive. New numbers are being produced at an unprecedented rate, as new data is made available and shared across the world. We have reviewed the most prominent indicators to date, by dividing them into three loose categories: progress, sustainable development and wellbeing. All these indicators show a similar pattern: increases in GDP have often corresponded to diminishing wellbeing (at least after a certain threshold) and have come at huge environmental and social costs. When these costs are taken into account, most growth the world has experienced since the mid-20th century vanishes. At the same time, these numbers show that it is possible to achieve good levels of wellbeing and social progress without endangering natural and social equilibria.

Some of these indicators are being applied in a wide range of policy fields.

UN-sponsored indicators (from the IWI to the HDI) have been integrated into global summits. In particular, natural capital is featuring prominently in the current debate on the post-2015 Sustainable Development Goals. The GPI has been adopted in a handful of states in the US, with a view to designing policies better attuned to genuine progress. More than twenty nations have conducted national reviews of their ecological footprint.

What is needed now is a concerted effort to use the wealth of information provided through alternative indicators to replace GDP as the leading indicator in global economic governance. While on the side of measurement, it seems as if the “Beyond GDP” debate has reached a significant level of sophistication, it is on the policy level that we are yet to see a coherent initiative to redesign the global economy based on a new system of metrics.

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Lorenzo Fioramonti



# Annex



## Abbreviations

<b>ACTA</b>	Anti-Counterfeiting Trade Agreement	<b>COP</b>	ern and Southern Africa Conference of the Parties
<b>AFW</b>	Asia Floor Wage	<b>CSO</b>	Civil Society Organization
<b>ANS</b>	Adjusted Net Savings	<b>CSP</b>	Communication Service Provider
<b>AQI</b>	al-Qaeda in Iraq	<b>CSR</b>	Corporate Social Responsibility
<b>ASEAN</b>	Association of Southeast-Asian Nations	<b>DAC</b>	Development Assistance Committee
<b>AU</b>	African Union	<b>DCTs</b>	Digital Communication Technologies
<b>BfV</b>	Bundesamt für Verfassungsschutz (Domestic Intelligence Service of the Federal Republic of Germany)	<b>DNS</b>	Domain Name System
<b>BND</b>	Bundesnachrichtendienst (German Federal Intelligence Service)	<b>DoD</b>	(United States) Department of Defense
<b>bpd</b>	million barrels per day	<b>ECA</b>	East African Community
<b>BRICS</b>	Brazil, Russia, India, China and South Africa	<b>ECOWAS</b>	Economic Community of West African States
<b>BRIICS</b>	Brazil, Russia, India, Indonesia, China and South Africa	<b>EFF</b>	Electric Frontier Foundation
<b>BTA</b>	Bilateral Trade Agreement	<b>EIP</b>	European Institute of Peace
<b>CBMs</b>	Confidence-Building Measures	<b>ELN</b>	Ejército de Liberación Nacional (National Liberation Army)
<b>CCTV</b>	Closed Circuit Television	<b>ETI</b>	Ethical Trading Initiative
<b>CCW</b>	Convention on Certain Conventional Weapons	<b>FARC</b>	Fuerzas Armadas Revolucionarias de Colombia (Revolutionary Armed Forces of Colombia)
<b>CEO</b>	Chief Executive Officer	<b>FBI</b>	Federal Bureau of Investigation
<b>CIA</b>	Central Intelligence Agency	<b>FDI</b>	Foreign Direct Investment
<b>CIGI</b>	Center for International Governance and Innovation	<b>FLA</b>	Fair Labor Association
<b>CIS</b>	Commonwealth of Independent States	<b>G7</b>	Group of Seven
<b>CIVETS</b>	Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa	<b>G8</b>	Group of Eight
<b>CMI</b>	Crisis Management Initiative	<b>G20</b>	Group of Twenty
<b>CoE</b>	Council of Europe	<b>GATT</b>	General Agreement on Tariffs and Trade
<b>COMESA</b>	Common Market for East-	<b>GCHQ</b>	(British) Government Communication Headquarters
		<b>GDP</b>	Gross Domestic Product

<b>GECF</b>	Gas Exporting Countries Forum	<b>ISO</b>	International Organization for Standardization
<b>GNI</b>	Gross National Income	<b>IWI</b>	Inclusive Wealth Index
<b>GPI</b>	Genuine Progress Indicator	<b>KIO</b>	Kachin Independence Organization
<b>HDI</b>	Human Development Index	<b>LAWS</b>	Lethal Autonomous Weapons System
<b>ICANN</b>	Internet Corporations for Assigned Names and Numbers	<b>LDCs</b>	Least Developed Countries
<b>ICC</b>	International Criminal Court	<b>LLDCs</b>	Landlocked Developing Countries
<b>ICCPR</b>	International Covenant on Civil and Political Rights	<b>LNG</b>	Liquefied Natural Gas
<b>ICESDF</b>	Intergovernmental Committee of Experts on Sustainable Development Financing	<b>LURD</b>	Liberians United for Reconciliation and Democracy
<b>ICMM</b>	International Council on Mining and Metals	<b>MENA</b>	Middle East and North Africa
<b>ICT</b>	Information and Communications Technology	<b>MDGs</b>	Millennium Development Goals
<b>ICTY</b>	International Criminal Tribunal for the former Yugoslavia	<b>MI5</b>	Military Intelligence, Section 5 (Domestic Intelligence Service of the UK)
<b>IEA</b>	International Energy Agency	<b>MI6</b>	Military Intelligence, Section 6 (Foreign Intelligence Service of the UK)
<b>IEF</b>	International Energy Forum	<b>MILF</b>	Moro Islamic Liberation Front
<b>IFAs</b>	International Framework Agreements	<b>MIST</b>	Mexico, Indonesia, South Korea and Turkey
<b>IGO</b>	International Governmental Organization	<b>MNCs</b>	Multinational Corporations
<b>ILO</b>	International Labour Organization	<b>MSF</b>	Médecins Sans Frontières (Doctors Without Borders)
<b>IMF</b>	International Monetary Fund	<b>MSIs</b>	Multi-Stakeholder Initiatives
<b>INGO</b>	International Non-Governmental Organization	<b>N-11</b>	Next-Eleven
<b>IO</b>	International Organization	<b>NAFTA</b>	North American Free Trade Agreement
<b>IoCC</b>	Interception of Communications Commissioner	<b>NATO</b>	North Atlantic Treaty Organization
<b>IS</b>	Islamic State	<b>NGO</b>	Non-Governmental Organization
<b>ISI</b>	Islamic State of Iraq	<b>NSA</b>	National Security Agency
<b>ISIL</b>	Islamic State of Iraq and the Levant	<b>ODA</b>	Official Development Assistance
<b>ISIS</b>	Islamic State of Iraq and Syria	<b>ODI</b>	Overseas Development Institute

<b>OECD</b>	Organisation for Economic Co-operation and Development	<b>SSEUR</b>	Signals Intelligence Seniors Europe
<b>OPEC</b>	Organization of the Petroleum Exporting Countries	<b>TFTA</b>	Tripartite Free Trade Agreement
<b>OSCE</b>	Organization for Security and Co-operation in Europe	<b>TNA</b>	Transnational Actors
<b>OWG</b>	Open Working Group on Sustainable Development Goals	<b>TOR</b>	The Onion Router
<b>PLO</b>	Palestine Liberation Organization	<b>TPP</b>	Trans-Pacific Partnership
<b>PPS</b>	Purchasing Power Standards	<b>TTIP</b>	Transatlantic Trade and Investment Partnership
<b>PSS</b>	Product Service Systems	<b>UAE</b>	United Arab Emirates
<b>R2P</b>	Responsibility to Protect	<b>UAVs</b>	Unmanned Aerial Vehicles
<b>RCEP</b>	Regional Comprehensive Economic Partnership	<b>UCDP</b>	Uppsala Conflict Data Program
<b>RIPA</b>	Regulation of Investigatory Powers Act 2000	<b>UN</b>	United Nations
<b>RMA</b>	Revolution in Military Affairs	<b>UNDP</b>	United Nations Development Programme
<b>SADC</b>	Southern African Development Community	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>SDGs</b>	Sustainable Development Goals	<b>UNGA</b>	United Nations General Assembly
<b>SIDS</b>	Small Island Developing State	<b>UN SE4All</b>	(United Nations) Sustainable Energy for All
<b>SIGINT</b>	Signals Intelligence	<b>WG</b>	Working Group
<b>SIPRI</b>	Stockholm International Peace Research Institute	<b>WHO</b>	World Health Organization
		<b>WTO</b>	World Trade Organization
		<b>WWI</b>	World War I
		<b>WWII</b>	World War II

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## Editors and Contributors

### Editors

#### Professor Tobias Debiel

Born in 1963, studied political science, sociology, economics and philosophy in Bonn; Professor of International Relations and Development Policy at the University of Duisburg-Essen; Director of the Institute for Development and Peace (INEF) and of the Käte Hamburger Kolleg/Centre for Global Cooperation Research, University of Duisburg-Essen

#### Dr Michèle Roth

Born in 1973, studied political science, history and German literature at the Universities of Konstanz and Bonn; Executive Director of the Development and Peace Foundation (sef.), Bonn

#### Dr Cornelia Ulbert

Born in 1965, studied political science, German and philosophy at the Universities of Tübingen and Heidelberg and the London School

of Economics and Political Science; Executive Director of the Institute for Development and Peace (INEF), University of Duisburg-Essen

### Contributors

#### Dr Steffen Angenendt

Born in 1958, studied economics and political science at the Universities of Cologne and Berlin; Senior Associate of the »Global Issues« Division at the German Institute for International and Security Affairs (SWP), Berlin

#### Dr Carolin Baedeker

Born in 1969, studied geography at the University of Cologne; Co-Director of the Research Group 4 »Sustainable Production and Consumption«, Wuppertal Institute for Climate, Environment and Energy

#### Dr Felix S. Bethke

Born in 1980, studied political science at the University of Frank-

furt; Post-Doc Fellow at the Käte Hamburger Kolleg/Centre for Global Cooperation Research, University of Duisburg-Essen

**Dr Magdalena Bexell**

Born in 1974, studied political science at Lund University and UC Berkeley; Senior Lecturer and Researcher in political science, international relations and development studies, Lund University

**Lisa Marie Borrelli**

Born in 1988, studied social sciences, European studies and communication for development at the Universities of Cologne and Malmö; PhD-Student at the Institute of Sociology, University of Berne

**Wenke Brückner**

Born in 1989, studied law at the University of Cologne; PhD Candidate and Research Assistant at the Institute for International Peace and Security Law, University of Cologne

**Dr Michael Dauderstädt**

Born in 1947, studied mathematics, economics and development policy at the RWTH Aachen, ENSAE Paris and GDI/DIE Berlin; CEO of the publisher J.H.W. Dietz, Bonn

**Dr Susanne Dröge**

Born in 1967, studied economics at the Free University Berlin and the University of Warwick; Head of the »Global Issues« Division at the German Institute for International and Security Affairs (SWP), Berlin

**Professor Lorenzo Fioramonti**

Born in 1977, studied philosophy, economics and political science at the Universities of Rome and Siena; Professor of Political Economy and Director of the Centre for the Study of Governance Innovation, University of Pretoria

**Professor Noemi Gal-Or**

Born in 1951, studied political science, French literature and linguistics at the University of Tel Aviv, international relations and international law at the IUHEI in Geneva and law at the University of British Columbia in Vancouver; Professor of Politics and International Law, Kwantlen Polytechnic University; lawyer practicing Canadian and international law

**Dr Peter Gill**

Born in 1947, studied government and politics at the Universities of London and Essex; Honorary Senior Research Fellow at the University of Liverpool

**Dr Maja Göpel**

Born in 1976, studied media, development and consulting, international relations and global political economics at the Universities of Siegen, Sevilla and Fribourg; Director of the »Berlin Office« of the Wuppertal Institute for Climate, Environment and Energy

**Professor Volker M. Heins**

Born in 1957, studied political science, philosophy and romance studies at the Universities of Bonn,

Frankfurt and Florence; Head of the research unit »Interculturality« of the Institute for Advanced Study in the Humanities (KWI), Essen; Research Group Leader at the Käte Hamburger Kolleg/Centre for Global Cooperation Research, University of Duisburg-Essen; Associate Professor of Political Science, Ruhr-University Bochum

#### **PD Dr Jochen Hippler**

Born in 1955, studied social sciences at the Universities of Duisburg and Hamburg; Senior Researcher at the Institute for Development and Peace (INEF), University of Duisburg-Essen

#### **Dr Kerstin Krellenberg**

Born in 1977, studied environmental science at the University of Vechta; Senior Researcher at the Helmholtz Centre for Environmental Research (UFZ), Leipzig

#### **Professor Christa Liedtke**

Born in 1964, studied biology and protestant theology at the Universities of Essen and Bonn; Visiting Professor at the Folkwang University of Arts, Essen; Director of the Research Group »Sustainable Production and Consumption«, Wuppertal Institute for Climate, Environment and Energy

#### **Professor Roger Mac Ginty**

Born in 1970, studied political science and philosophy at the universities of Belfast and Lancaster; Professor of Peace and Conflict Studies, University of Manchester

#### **Monika Onken**

Born in 1987, studied international development studies and peace and conflict studies at the Universities of Wageningen and Uppsala; Research Assistant at the National Centre of Peace and Conflict Studies, University of Otago

#### **Malgorzata Polanska**

Born in 1983, studied political science, international relations and Latin American studies in Poland, Denmark and Mexico; PhD student at the Humanitarian and Conflict Response Institute, University of Manchester

#### **Silvia Popp**

Born in 1983; studied political science and economics at the Universities of Potsdam and Bergen; Research Associate of the »Global Issues« Division at the German Institute for International and Security Affairs (SWP), Berlin

#### **Patricia Rinck**

Born in 1987, studied European studies at the University of Magdeburg and Brunel University West London and international relations and development policy at the University of Duisburg-Essen; Researcher at the Käte Hamburger Kolleg/Centre for Global Cooperation Research, University of Duisburg-Essen

#### **Marc Saxer**

Born in 1973, studied law and political science at the Universities of Mannheim, Massachusetts,

Hamburg and Berlin; Head of the Friedrich-Ebert-Foundation in New-Delhi

**Christian Scheper**

Born in 1980, studied political science and international relations at the Universities of Münster, Twente, and Exeter; Researcher at the Institute for Development and Peace (INEF), University of Duisburg-Essen

**Dr Niklas Schörnig**

Born in 1972, studied political science and economics at the Goethe-University Frankfurt; Senior Researcher at the Peace Research Institute Frankfurt (PRIF)

**Dr Isak Svensson**

Born in 1974, studied peace and conflict research at Uppsala University; Associate Professor at the Department of Peace and Conflict Research, Uppsala University

**Professor Christian Tomuschat**

Born in 1936, studied law at the Universities of Heidelberg and

Montpellier; Professor emeritus of Public Law at Humboldt University Berlin; President of the OSCE Court of Conciliation and Arbitration

**Christine Unrau**

Born in 1983, studied Latin American studies at the University of Cologne; Research Assistant in the Research Unit 2 »Global Cultural Conflicts and Transcultural Cooperation« at the Käte Hamburger Kolleg/Centre for Global Cooperation Research, University of Duisburg-Essen

**Angar Verma**

Born in 1987, studied law at the Universities of Bonn and Cologne; PhD Candidate and Research Assistant at the Institute for International Peace and Security Law, University of Cologne

**Dr Kirsten Westphal**

Born in 1969, studied political science; Senior Associate of the »Global Issues« Division at the German Institute for International and Security Affairs (SWP), Berlin



## Global Trends 2015

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Online Edition

ISBN: 978-3-927626-48-5