

Who Adjusts?
Carbon, Bombs, Debts and the Reimagining of Global Order

By Kalypso Nicolaidis

Abstract: The working paper examines the forces at play in the adaptation of global governance to current power shifts and multilateral retrenchment linking concerns about power and normativity. It argues for a pragmatic progressist agenda and for *nurturing a global political ethics*, grounded in a truly global and decentered IR field. This calls for countries and peoples around the world to design and enforce an agenda of responsible interdependence regarding both who decides and the rules that we adopt together. Specifically, the paper delves into a specific question: who is made to bear the asymmetric burden of adjustment in different international regimes and what are the premises that inform this asymmetric burden. In the end, how do we redefine together the rules which determine “who adjusts.”

What we can say is this : On the horizon 2030, the world will not only have several centres but its centre of gravity will have shifted – to Asia and the global south, to new public and private actors, to transnational institutions.

But we cannot tell how this 2030 multipolar world will accommodate new patterns of globalisation, residual US military unipolarity, traditional balance of power dynamics, a range of ad-hoc bilateral alliances, regional groupings, power fragmentation, and competition over scarce resources, as well as probably broad areas of chaos. There are too many unknowns.¹ If global governance – the collective management of common problems at the international level- is at a critical juncture, many of the current trends do not point in a rosy direction.

Global governance is changing and we need to understand how and why. Countless analysts have been engaged in this enterprise one way or another, often privileging one or several factors of change and arguing for its prominence (the emergence of civil society and non-state actors, transnational law, regional orders, global power shifts, rising demand for democratic accountability, etc). At the same time, most of us also hold normative beliefs - implicitly or explicitly - about what would make such governance more legitimate,

¹ In their scenario planning for 2025, the authors of a recent NIC-EUISS study provide an impressive list of factors that may make global fragmentation and conflict more likely.

in the eyes of publics around the world. These are two analytical debates that need to be brought together: what factors “do the work” in changing global governance; and how should we think about the relationship between positive/explanatory and normative/prescriptive approaches.

One part of this agenda is to better connect IR/IPE and international law, an interdisciplinary agenda which ranges from the diagnosis of dis-embedded liberalism, to the pros and cons of projecting European governance onto global governance and the features of what I have called with Rob Howse, “global subsidiarity,” arguing that the global trade regime has reached a major turning point and cannot be sustained by old and new institutional recipes. Instead, I argue that decision makers need to go back to basics and examine anew the principles which underpin freedom of movement in the global system. I tried to encapsulate such a requirements through the idea of devising a code of conduct under the heading of *Global Trade Ethics* and the generalise some of the precepts under a broader global ethics umbrella.² A global ethics is meant to address the legitimacy challenge for global governance and does not rest content with process-based approaches, including transparency, participation, accountability, due process rules in general and institutional characteristics. Crucially, on the question of methods, I self-consciously apply a normative-inductive method which consists in extracting a normative core from selected subset of practices.³

Responsible Interdependence

Some advocate a new “global grand bargain” involving the engineering of “nothing less than a new international system”.⁴ It is clear why revisionist powers on the rise would want this. They too demand more effective global governance in the face of increasingly complex and interconnected risks.⁵ The EU should want it too, less the bargain is eventually shaped while leaving it standing in the corridor. But what of the content of such a new grand bargain?

Here let me only suggest some building blocks:

1) A new grand bargain is indeed in-the-making: more representation, status and resource transfer for the South (of course in a differentiated way) in exchange for a greater share of responsibility in dealing with global problems – the new G20 is the incipient reflection of this bargain in terms of governance but will falter on implementation challenges.

2) Defenders of multilateralism who strive for a world in which *interdependence* is nurtured rather than a world of growing zones of chaos or new hierarchies, isolated poles, jealously guarded sovereignty, unilateral action galore and rival states or regions. In

² See inter alia, Howse, Robert and Nicolaidis, Kalypso (2016), “Towards a Global Ethics of Trade Governance: Subsidiarity Writ Large,” in Markus Jachtenfuchs and Nico Krisch, (eds.), *Subsidiarity in Global Governance*, Oxford: Oxford University Press; Nicolaidis, Kalypso, Robert Howse (2009) “Towards a Global Trade Ethics” in Eagleton-Pierce, Matthew, Kalypso Nicolaidis (eds), *Building Blocks Towards a Global Trade Ethics*, Oxford GTE Programme, WP Series, July; Eagleton-Pierce, Matt, Emily Jones and Kalypso Nicolaidis (2009), *Building Blocks Towards a Global Trade Ethics*, Oxford GTE Programme, WP Series, July

³ By normative inductivism I mean a method akin to Adorno’s *immanent critique* applied to the social sciences – eg the study of an object of investigation by locating aspirations, tensions and contradictions *within* this world observed in order to contextualize not only this object but also its implicit ideational and ideological basis (see Nicolaidis, “The Idea of Democracy”, in *The Philosophical Foundations of EU Law*, 2012; and “European Democracy and its Crisis”, *JCMS*, March 2013

⁴ Hutchings & Kempe, 2008; Jolyon Howorth, 2010

⁵ EUISS scenarios series etc

short, they need to help sustain the “inter” in an interpolar world.⁶ The EU in particular should strive not only to be responsible powers themselves (or the EU *per se*) but also recognise and support others’ attempt to define what “responsible” means for themselves.

3) The above boils down to a simple goal: to help make the idea of *responsible interdependence* as widely shared as possible among nations.

Responsibility, Responsibilities?

This agenda starts therefore with the need to re-examine what we mean by responsibility. The idea that status (or “respect”) in the international system must be earned and that the price in turn is “responsibility” is not new and goes back to Thucydides. Responsibility is both a trans-temporal concept (responsibility for future generations, the future of the planet) and spatial concept (responsibility for the weakest, poorest, most vulnerable, subject to precarity). In either cases, it is about the provision of some sort of public good by an actor or a group of actors, grounded on a conception of the identity of that actor and of its relationship with others. Responsibility applies to the two sides of the coin - “responsible sovereignty” in terms of action at home and abroad, and “shared responsibility for the global commons” in terms of collective or possibly multilateral action.

“Responsibility” is a widely shared injunction these days. At the heart of our understanding of post-war US hegemony is that it combines power resources, purpose and responsibility. Obama’s inauguration speech was peppered with the claim of the US as a responsible power. Canada feels especially proprietary having long defined its role in the world in terms of global citizenship. China has developed the idea of being a responsible power in the last decade, oscillating between the phrases of “responsible power” and “responsible development”. Its core motivation is to appear non threatening, and reassure the international community so as to be able to pursue its export-led growth unhindered as well as avoid perceived US encirclement. The Obama administration called on China to become a “responsible stakeholder” in the context of global climate change. As with India and Brazil however, anchoring their own sovereignty is seen as a prerequisite to taking on global responsibilities that might threaten it.

And of course, R2P, adopted in 2005 by the UN, repackages the right of intervention with the idea of responsibility, and is predicated on the understanding of sovereignty-as-responsibility, as opposed to strict territorial sovereignty: international responsibility as first and foremost that of helping individual states fulfil their own internal responsibility to their population. Only after having tried this first ‘enabler’ route do states have the responsibility to protect *directly*. That since then the very idea of R2P has been contested and very difficult to apply is testimony to the fact that responsibility is indeed a very slippery concept.

Indeed, this widespread use of the term should not hide the difficult questions associated with “responsible interdependence”:

- Who intervenes: to what extent does “responsibility” constitute a license to act without permission from “non responsible” actors? to what extent does the label itself reflect a given hierarchy in the international system, and is such hierarchy always

⁶ Grevi, 2009; others

compatible with other principles proclaimed (equality between states, multilateralism, sovereignty)? Or, can different degrees of responsibility justify new patterns of hegemony?

- Who shapes the rules: who defines what “responsibility” means and the mechanisms by which the protection of some by some does not end up hurting others more? If enabling local actors is a pre-condition, who decides how and when? Who defines what “fairness” means and the mechanisms by which it is obtained.

Asymmetric burdens

Here, I would like to expand on one aspect of this agenda namely the object of governance. Very broadly, I take this object to be a set of norms, rules and standards pertaining to different issue-areas around which actors in the international system have decided to cooperate. And although modes of governance vary widely across areas, one of the central questions before us today is how exactly these norms are likely to change – positively and predictively- and how *should* they change –normatively- given the decline of US hegemony and the need to adapt existing multilateral institutions to the kind of global and transnational power shifts that we are witnessing today. There is much to say about these shifts of course and the underlying patterns of hierarchy of global governance today as possibly the last (as in final) iteration of a euro-centric international system - as explored inter alia by Amitav Acharya. And of course, understanding the implications of this trend require a diagnosis about the causes of power shifts – eg the East’s adoption of western policies to encourage growth, which it was hitherto unable or unwilling to adopt, from irrationality or cultural incapability *as per* Zakaria; or structural capitalist asymmetric exploitation *as per* Wallerstein. In short, discussions about change in global governance norms cannot abstract from deeply political socio-economic debates; but nor should they fall prey to material determinism and discourses of inevitability. What is sure is that we are witnessing US and Western relative if not absolute decline, and that we are groping to predict or at least understand what this implies.

I would argue that most issue-areas being addressed by some form of partial global governance (as bona fide regimes, regime cluster or loose networks) have embedded within them a power-determined answer to a simple question: Who adjusts? Or rather “who should be made to adjust” when the global system requires it. So if we are interested in the substance of norms and their consequences for the lives of people, an import focus in the field of global governance should be: How are the norms and rules about ‘who adjusts’ changing across issue-areas? How should they change? Who is affecting such change? According to what principles?

This is of course a question of legitimacy. Given power shifts and the urgent need to ground the legitimacy of transnational governance and for countries and peoples around the world to sign up to an agenda of *responsible interdependence*, the rules which determine “who adjusts” need to evolve and sometimes radically change.

The question of ‘who adjusts?’ was the core object of debate between Keynes and White at Bretton Woods and sixty five years later between China and the US at Copenhagen. In the end, most actors assess big principles on consequentialist grounds. Non-western powers will certainly not want new rules to cater to western pathologies alone. This is their message in the G20 attempt to reform the international financial system. To be legitimate, a new grand global bargain must rest on renegotiating the contours of

global *justice* as understood by different actors around the world, including the implications of solidarity beyond borders and the responsibilities it carries.

Examples of “who adjusts” confrontations include:

Producer vs consumers of carbon emissions: part of what is at stake in revisiting the global climate deal is the unfairness of only accounting for our responsibility for carbon emission as producers – where we do well by exporting production, as opposed to consumers – where our record of adjustment has been dismal.

Creditors vs debtors: The global financial crisis has shown that we need to revisit the Bretton Woods contract which has been imposing the burden of adjustment on deficit countries for the last 60 years and transfer some of this burden of adjustment to surplus countries.

External vs domestic actors: Whether in economic or security field, we will need to constrain more systematically allowance for pushing the costs of adjustment on outsiders.

Nuclear vs non-nuclear states: the NPT was supposed to be a balanced bargain between the 5 nuclear states and the rest. But up to now, most of the focus and the responsibility therefore for the stability of the system has been on the non-nuclear (actual or nominal). Nuclear states will need to radically act on their responsibility towards both the provision of regional security and denuclearization.

Immigration vs emigration countries: the global regime for the movement of people will certainly be revisited in the next decade. Emigration countries will continue to be asked to shoulder more of the burden to keep people from leaving while immigration countries will be asked to shoulder more of the burden associated with brain drain. Underlying this question we may ask whether individuals or collectivities will come to share the cost of plugging the skills holes of countries of destination.

There are other such divides which need to be spelled out, including today between rich and poor countries and the direction of capital flows. Part of the research agenda which I would like to encourage is to tease out the structural similarities and differences across issues and their respective modes of governance.

The Global Politics of Recognition

I argue that this is a time when whether the West wants it or not, the answer to the question of “who adjusts?” must change. This statement could be grounded in a pure normative argument -that we need to better account for the distributional consequences of global norms, that however justified, analytically and in terms of “public goods” or indeed as translations of conceptions of justice, choices between alternative norms to address a given problem, or choices among ways of framing a problem involve fundamental distributional consequences. This obtains of course, even when collective action can be legitimately depicted as a positive sum game – the pie needs to be shared out even as it grows, and the ways it is shared out cannot be solely determined in technical terms.

But we also need to analyse the strategic import of this need to revisit “who adjusts”. In the face of global power shifts, such considerations become strategically crucial. The question here is one for the global north or for the countries and populations hitherto

favorable who need to ask themselves whether they should seek to adapt reigning norms before they “lose control.” And the strategic question is also one for the global south, and within it those powers and regional organizations that have pursued alternative or complementary principles for global governance, justified on such grand grounds as the struggles against Zionism, imperialism, neo-colonialism, racism. The challenge of redefining the norms which define who should be made to adjust in part constitutes a way of *translating* these grand aims and often empty rhetoric (as in devoid of concrete implication) into empirical fact.

How then is such an agenda emerging? And, how would we go about sketching its normative contours? One strand of analysis stresses potentials for counter-hegemony *a la* Cox as the basis for an alternative global order without dominance. But dominance is a relative concept. In my view, and following the English school, the issue is not whether there are or will be dominant actors –it is hard to imagine a world without- but whether dominant actors might exercise their power responsibly in ways that are perceived as fair and therefore legitimate for all actors concerned –and therefore involve widespread participation. But counter-hegemony fails to capture the incremental nature of change of the global level. A new global grand bargain towards responsible interdependence will not be struck in one blow. It will need not only to *reflect* power shifts but also *mitigate* power at the same time. Western hegemony will not give up control easily. This does not mean however that the world needs to undergo Gilpin’s ‘hegemonic war’ usually associated with international power transitions (eg Schweller) argue for engagement and accommodation.

And even for some of the more enlightened leaders, the question arises as to whether the west, which still controls the international system, should progressively accommodate or anticipate power transitions - should we think about a new grand bargain? Or about a set of small bargains struck around changing ideas on ‘who adjusts’ across areas? Should reformers anticipate and sequence reforms or conduct them in parallel and balance concessions between them? How will these various “who adjusts” question be addressed and linked?

We need to understand and enrich the ways in which countries in the global south, both emerging powers and laggards, assess and negotiate over their interests when it comes to re-framing answers to the question of ‘who adjusts’ or rather ‘who should adjust.’ Which countries, which actors, state and non-state, are likely to be the catalysts of such normative change? Given the fact that many of the emerging powers will remain relatively poor countries in the next couple of decades (per capita), their assessment of the implications of global or local responsibility will certainly continue to be grounded on global distributive grounds. How these translate into both global norms and domestic distributive grounds may or may not be part of the equation. Global rules affect the distribution of adaptation costs to the various changes that we face by setting expectations as to which categories of actors ought to bear the cost of adjustment. How do countries or groups who find themselves on the losing side of this equation, frame and reframe their case for change?

We cannot tell yet whether the process of transformation is to be evolutionary or revolutionary, a re-ordering or counter-ordering of global order, whether change will be linear or discontinuous or what kind of ruptures will we witness. It may be the case that emerging powers cannot at this stage fundamentally change the reigning norms and rules as to who adjusts. But they are already challenging them and in doing so undermining hitherto Western dominance in defining the international rules of the game. The rest of the world needs to take note and adjust the rules of the game if it is not going to give up on the whole edifice of global governance.

