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Who screwed up globalization?

Blame governments, not corporations, for the problems.

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January 21, 2007

THE WORLD SOCIAL FORUM — and the anti-globalization movement that it represents — convened in Nairobi on Saturday, and if you hear or read anything about its proceedings, it will be surprising. What started as an annual event in Chile six years ago — building on the extraordinary visibility of the Seattle anti-globalization protests in 1999 — has become a nonevent for most of the world's media. The forum has made itself nearly irrelevant to the future of the global economy because it, among other things, has aimed at the wrong targets — capitalists, corporate power and such international institutions as the World Bank and the International Monetary Fund.

The anti-globalization activists in Nairobi who want to slow down or even reverse the tides of globalization have a point: The post-Cold War world is an increasingly dangerous place in which to live, in part because of the dark side of globalization. New diseases roam across national borders; trade in drugs and women flourishes; pollutants spread to less-policed jurisdictions; deadly weapons find their way easily into the hands of anyone with hard currency. And yet the underlying flows that make up globalization — the mobility of ideas, capital, technology and labor — are nothing new. Although container ships and the Internet have speeded up commerce, goods and services have been moving across geographic borders for centuries. So what has lately increased the perils of globalization?

Rather than capitalists and corporate power, national governments are to blame. The World Bank and the International Monetary Fund are creations of national governments and are ruled by them. Corporations are legal fictions, made responsible to their shareholders (not to some vague notions of social good), and are born of and depend on the laws that governments make to empower them. Globalization's reputed villains respond to the incentives and constraints that national governments create for them.

The end of the Cold War was supposed to bring peace and prosperity to the globe. Many in the Clinton administration, for instance, shared Francis Fukuyama's "end of history" vision — a future world of trade and commerce in which the biggest conflicts would be waged over things like interest rates and cellphone standards. President Clinton's first national security advisor, Anthony Lake, coined the term "enlargement" to replace "containment," arguing that the spread of democracy around the world would inevitably bring peace on top of that prosperity.

Instead, the end of the Cold War and globalization ushered in a period of U.S. dominance that has not turned out to be the same thing as peace and prosperity for most of the world. For the first time in history, rapid globalization has been superimposed on a unipolar world. And the last 15 years have shown that this is a dangerous mixture.

A global economy needs some set of global rules. But as long as there is no single world government, global governance and the international economy depend on what national governments do, through both the policies they craft individually and the bargains they make together. Congress, for instance, sets labor standards for factories inside the United States, and it can add conditions in trade agreements that seek to impose similar standards on foreign factories that make goods we import.

The problem with a unipolar world is that too much of this weight falls on U.S. shoulders. It's a classic example of what economists call a "public goods" problem. Public goods are shared things, like global rules and regulations, that benefit everyone but that no single government can provide, in part because they are expensive to create, sustain and enforce. So in a world without a single global government, we tend to have less of them than we really need, and the results are precisely what anti-globalization activists protest against.

Much of the world looks to powerful states to provide such public goods as environmental regulations or control of the illicit sex trade in human beings that would tilt globalization toward more positive results. But now, that means looking mostly to the United States. And even in its most powerful days, the U.S. reach was necessarily limited by budget deficits and political will. In a real sense, the dark side of globalization is not the result of globalization at all. It is the dark side of U.S. predominance.

If there is any good news about the relative decline of U.S. power, it is that it opens the door for other powerful states to join in the game of global governance. The greatest beneficiary of globalization after the U.S. has been China, a country with a burgeoning economy, growing political influence and distinct interests in parts of the world — most important, Africa — where the U.S. is barely engaged. If China and the U.S. work together to develop rules for the next phase of globalization, the world 10 years from now could be not only a richer but also a safer, cleaner, more just and hopeful place to live. But if they work at cross-purposes, then corporate power will simply do what corporate power does best — generate profit at the expense of most other values. If members of the World Social Forum want to become relevant and curb the dark sides of globalization, they will have to face up to the reality of great-power politics. This means turning their focus away from capitalists and corporations and toward Washington and Beijing.