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Darshana Sreedhar

RESISTANCE IN THE CULTURAL PRACTICES OF MINOR IN PUNJAB: AN ENQUIRY FROM SOCIOLOGICAL PERSPECTIVE ON THE PHENOMENON OF PUNJAB AS A 'DEVELOPED STATE'.

Koonal Duggal

EFFORTS TO IMPROVE LIFE IN CALCUTTA'S URBAN SLUMS: NOTES FROM THE GROUND

V. Ramaswamy

RUDAL BALISTIK SHAHAB 3 SEBAGAI INSTRUMEN DETERRENCE IRAN TERHADAP ISRAEL

Suryo Wibisono dan Fauzan

KONFLIK KONTEMPORER SEBAGAI PENGGANTI PERANG

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Alamat Redaksi:
Jurnal Studi Diplomasi dan Keamanan, Jurusan Ilmu Hubungan Internasional, Jl. Babarsari 2, Tambakbayan, Yogyakarta 55281
E-mail: diplomasi.keamanan@gmail.com

Daftar Isi

Global Governance and the State: Assessing the Role of The State in Globalisation
Aryanta Nugraha _____ 1-8

Beyond The Ivory Tower: Challenges toward Realizing an ASEAN Community 2015
Agus Tri Hartono _____ 9-22

Implementasi Mekanisme Regional Asean dalam Penanggulangan Masalah Terorisme di Asia Tenggara
Anik Yuniarti _____ 23-40

The Impact of Gulf Migration on the Gender Relations in Kerala
Darshana Sreedhar _____ 41-50

Resistance in the Cultural Practices of Minor in Punjab: An Enquiry from Sociological Perspective on the Phenomenon of Punjab as a 'Developed State'.
Koonal Duggal _____ 51-60

Efforts to Improve Life in Calcutta's Urban Slums: Notes from the Ground
V. Ramaswamy _____ 61-76

Rudal Balistik Shahab 3 Sebagai Instrumen Deterrence Iran Terhadap Israel
Suryo Wibisono dan Fauzan _____ 77-90

Konflik Kontemporer Sebagai Pengganti Perang
Muradi _____ 91-104



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GLOBAL GOVERNANCE AND THE STATE: ASSESSING THE ROLE OF THE STATE IN GLOBALISATION

Aryanta Nugraha¹

Abstract

Global governance is seen as a new mechanism to manage global neighbourhood and to mitigate global problems by involving all stake holders (states and non-states actors) of global politics. One of the key questions that has been debated is whether global governance challenges the sovereignty of the state. This paper is trying to explore the impact of global governance on the role of the state. It argues that the force of globalisation pushes the states to reconfigure their national policy autonomy and enhance capacity to promote domestic interest. The state power is not completely in decline but it is reconfigured toward different role that match to globalization challenge toward a new role as a regulatory power.

Keywords: *global governance, state*

Introduction

Globalisation is a buzzword and yet is highly complex and contested. The term globalisation refers to the growing global interconnection between society showed by cross-border relationship and economic interdependence (Pfaller & Lerch, 2005: 1). The advent of instantaneous information and communication technologies such as the world wide web, satellite television and mobile phones facilitate the widely shared world in multidimensional aspects of economy, politics, and socio-culture. After the end of the Cold War era, globalisation

changed the world more rapidly and dramatically. It offers flexibility of capital and economic flow and greater mobility of people across countries. By the same token it also poses new global threats such as drugs, crime, terrorism, disease and pollution that also easily travel around the globe. Both opportunities and challenges produced by globalisation need to be managed and mitigated to avoid global catastrophe.

When globalisation becomes intensified and penetrates into people's daily life, there

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is a strong need to build a global infrastructure. At the same time people's activities beyond state boundaries in responding to global risk society – a phenomena characterised by the perception of risk and danger which is perceived as the negative impact of globalisation – contributes to the growing important of the global non-state actors in the so-called transnationalisation of politics (McGrew, 2004: 138). Governing globalisation is an imperative issue since the global threats posed by globalisation exist beyond nation-state boundaries. The power of national governments to engage in the problems seem under big question mark, while at the same time the existing international organisations such as the United Nations seems ineffective to enforce their authority to take measures based on agreed policies, especially when it has to deal with big countries' interests. Global governance emerges as a new mechanism on how global polity sets up global regulation and global policy coordination to address the challenge of globalisation.

The importance of global governance shows in a remarkable institutionalisation of intergovernmental and transnational network to work toward collective goals through creating and implementing global rules in coping global problems. The notion of global governance symbolises a "world without borders" and seems to challenge the territorialisation of politics and economic affairs that used to be contained by the state power (Reinicke, 1997: 129). One of the key questions that has been debated is whether global governance challenges the sovereignty of the state. This paper aims to

explain the impact of global governance on the role of the state. It argues that the relations between state and global governance are not in a zero-sum logic. The force of globalisation pushes the states to reconfigure their national policy autonomy and enhance their capacity to promote domestic interest. This paper consists of two parts. The first outlines the emerging concept of global governance in globalisation era. The second part discusses the reconfiguration of state power in global governance.

Globalisation and the Emergence global governance

Globalisation pertains to a process in the making of which the world has in some considerations incorporated into a single world society (Scholte, 2001: 19). The term globalisation is both popular and debated. The disagreement around the term globalisation stems from the origin, the idea of globalisation, the path, the effect, as well as its policy significance (Vrasti, 2009). As a result, there are three approaches on globalisation, namely hyper globalist, sceptic and transformationalist (Held, 1999: 22-23).

The hyper globalist argues that globalisation is a factual and natural phenomenon as a consequence of swift trans-border economic and social activities. The world market forces the state to open and integrate the national economy into the world economy, and at the same time culture and politics are also subsumed into global level. The rise of global economy reduces the role of the state to become "the transmission belt of global capital", since

political power shift into global level with the emergence of global governance institutions (Held, 1999: 22). In short, the hyper globalist defines globalisation as an unavoidable path of modernisation in human history that cannot be resisted.

Opposite to hyper globalist position, sceptic approach argues that globalisation showed by intensive economic relations is not a new phenomenon. The history of globalisation can be traced back from the second half of the 19th century, in which trade and capital relations between countries contributed to build the "new Europe" in North America, Argentina, South Africa and Australia (Hirst, 1997: 411). According to the sceptic, today's globalisation is a myth and exaggeratedly exposed. In fact world economy persists to be dominated by trading bloc of the triad of Japan, Europe and North America (Hirst, 1997: 410). Unlike hyper globalist, sceptic approach retains the significant role of the states in defending their economic and political priorities. Globalisation shapes competitive economic environment in catching the flow of trade and capital, so that states have to conform or imitate to other successful states. In Waltz's word states have to "*adapt and protect themselves*" (Waltz, 1999: 697).

The transformationalist approach takes the position in the middle between hyper globalist and sceptic position. It argues that globalisation is inevitable and should be understood as a challenge and transformation process since the impact of transnational interaction cannot be easily discharged. The transformationalist views

that the impacts of globalisation are multifaceted, erratic, and uneven and yet need to be mitigated. In this context, the role of the state need to be transformed because the nation-state have to share responsibilities with supranational and sub-national organisation. It does not mean that states have completely lost their sovereignty, but their privileges are constrained by the effect of globalisation. Thus, according to transformationalist, globalisation provides a window opportunity to the states to transform its functions and roles to achieve economic and political interests within their territorial border (Vrasti, 2009: 6). While states are the main actor that can harness globalisation, they have to maximise the potential to set up coordination with other global actors.

The increasing gap of globalisation challenges and the capacity of international bodies to deal with them raise profound questions about how to govern globalisation. It is no doubt that transnational activities elevate intractable problems such as global migration, climate change, transnational pandemics, drug trafficking, arms smuggling, financial instability, weapons of mass destructions, and terrorism. Former UN secretary general Koffi Annan called them as "problems without passport" (Weiss 2009: 253). Addressing those problems needs a global action while at the same time power resources needed to deal with them rested on individual states rather than on international organisations. It is interesting to pay attention on how the states have failed to find common solution within existing international organisations such as

the UN. The problems of collective action hinder the international organisation to organize common solution. As a result, there are inadequate international structures to solve global challenges. The idea to reform and revive the UN to assemble the changes of world politics failed because of lack of political will and great power politics. World major power is notoriously using its power to veto reformation of UN Security Council since it is not beneficial to their interest (Weiss, 2009: 256).

Global governance is a new idea that shifted from the "UN system" toward less intergovernmental bureaucratic. There are several publications that become initial theoretical thinking of global governance such as James Rosenau and Ernst Czempiel's *Governing without Government* which was published in 1992 and Swedish Commission on Global Governance who in 1995 published the report with title *Our Global Neighbourhood*. The idea of global governance, then, spread out as middle way that embraces a set of formal and informal regulations, norms and practises of institution that offer a clear standard operating procedure than inter-governmental structure. According to McGrew (2004), global governance is:

a process of political coordination in which the task of making and implementing global or transnational rules, or managing trans-border issues, are shared among government and international and transnational agencies (both public and private) with the object of realising a common purposes or collectively agreed goals (2004: 164).

Following the definition above, global

governance refers to shared efforts to deal with global problems that set out further than states capabilities can solve. Global governance includes an extensive range of problem solving mechanism that can be unofficial and conventional (by treaties or agreement) that shape rigid structures in managing collective interaction by state, intergovernmental actors, transnational actors and global civil society.

The idea of global governance become growing essential since there is a spreading out of quantity and significance of non-state actors. Networking between organisations, both profit and non-profit groups, across the globe encouraged cross-border political activities. The works of Amnesty International, for instance, not only promote the values of universal human rights, but also shape the international agenda on the implementation of human rights around the world. Likewise multinational corporation activities foster the agenda of economic liberalisation. Those non-state actors seek to promote certain policy both at a national level and international level. This is what McGrew calls the transnationalisation of politics (McGrew, 1999: 138). It provides the evidence that states and intergovernmental organisations no longer the sole actor in the decision making process to solve world problems, following the emergence of transnational civil society represented by the plethora of non-state organisations.

To some extent, states are searching solutions for "problems without passport" through coordinated measures. The number of governmental cooperation rose dramatically in the last century with

increased number of sectors that trying to be halted. The explosive development of inter-governmental coordination is the evidence of the internationalisation of the state, in which states have to share each other in a more loose way rather than enmeshed in supra-national bodies under the idealistic dream of world government.

From International Relations studies, global governance represents a breakthrough of a *cul-de-sac* debate between two well-entrenched perspectives; realism and liberal-idealist perspectives. Realism argues that the international system featured by anarchy that there can be no international actor able to manage the interaction between states. Power becomes the key concept of states interaction, since anarchy shapes a self help-system in which each state must count on their capability. It is balance of power, not the international organisation that becomes key mechanism to solve the various problems between states in international politics. On the other hand, liberalist-idealist perspective maintains that cooperation is the strongest motivation in international politics. Through commercial relations and spreading out democratic values between states, the optimism of world peace will be concluded. World government through International organisation then will become the most important orchestrator of perpetual peace (Smith & Baylis, 2001: 4).

The idea of global governance becomes the middle solution between anarchy and world government, since international politics requires global public goods, in terms of norms, values, and procedures to

respond the global threats properly. There are at least two reasons related to this. First, even though the progression of international structures and international laws are very important to a more effective endeavour to embark upon global problem, the incentives to compliance depends on the capacities of the states. When powerful states can guarantee the success of their own effort within their own border world government is seen to be too conservative (Weiss, 2009: 263). Moreover, the process to establish the structures and laws is costly and needs a vast and longer coordination. Second, by global governance, there is a broad admittance of the importance transnational actors within global polity as indispensable solutions of global problems. The infrastructure of global governance is shaped by a more plural and multilevel agencies--states, intergovernmental organisations, and transnational actors (McGrew, 2004: 142-143). Thus global governance is seen as a new mechanism to manage global neighbourhood and mitigating global problems by involving all stake holders of global politics.

State and global governance: Transforming the Role

One of the most salient features of international relations is the acceptance of the idea that the state is the most important actor. State as a unique blend between politics and geography (territoriality) rooted from Peace of Westphalia (1648) when European Monarch recognize other rule and authority within their own jurisdiction based on territoriality. Under Westphalian

system, people in the world are organized in separate territory and face different destiny. Moreover, states are seen as container and hold a privilege status as the determinant of actor of their own economic, politics and the welfare of their citizen.

Globalisation and the rise of the new architecture of global governance are often pessimistically seen as the demise of state's sovereignty that has been the very scared attribute of the state (Vrasti, 2009: 6-7). The convergence of arrangement and process in global governance enables global civil society and other global actors impede the exercise of monopoly power of the state on its own territory. The plethora of transnational network can articulate pressure from above through growing international rules and from below through capital mobility and variety of non-governmental organisations' interest. In effect, global governance potentially undermines the exclusivity of state's authority and erodes state's power.

States have always been entangled in multiple international interactions. Nevertheless, interdependence and integration facilitated by globalization do raise the influence of transnational actors, but it does not mean that states have completely lost its power. According to Linda Weiss what is reduced from states power is political autonomy (Weiss, 1999: 59). When the norms, regulation and procedures that manage the global life are taken outside the states' boundaries, it seems that states can no longer pursue their own preferences. For example, in responding the recent global financial crises, the G-20

summits have addressed several commitments related to strengthening international financial institution, problems of climate change, poverty and energy. It means that the regulations taken in the summit will constraint individual state interest.

With reference to state power, Linda Weiss pointed out that there are at least two important kinds of power employed by the government; goal oriented decision making power and regulatory power (Weiss, 1999: 80). Globalization and the growing importance of global governance reduce goal oriented power of the government, but raising the importance of regulatory power. In the economic policy domain, for instance, the government is no longer seen as the outcomes determinant by involving in far reach economic activities. Now, the government primarily plays active roles in setting up regulation and rules of the game of the economic activities, rather than to achieve certain goals. It means that state has transforming its role to become regulator of all aspect of life in domestic domain. The shifting role of the East Asia states after 1997 economic crises shows that there has been a changing from developmental state in which the government plays an active role in economic domain toward regulatory state in which the government only setting up the rules and the regulation of the economic domain.

Conclusion

Globalisation provides both opportunities and challenges that have to be managed. Globalisation also marked by the emergence and an evolving global polity in which states, intergovernmental organisations and transnational political network interact toward common purpose in managing and mitigating global problems. The advanced idea of global governance represents a new mechanism where political coordination between global polity taken place. The norms, regulation, and procedure produce by that mechanism constraint the privilege role of the state as the power holder under the sanctity of territorial sovereignty. That is why global governance is seen as a diminishing factor of state sovereignty.

This article retains that globalization should be approached from transformationalist view. From transformationalist perspective, global governance does not necessarily nullify the states power, but to some extent it did reduce the political autonomy of the state in goal based decision making. The state power is not completely in decline but is being reconfigured toward different role that match to globalization challenge. It is proven by the growing new role of the state as a regulatory power. Thus the relation between globalization, global governance and the state power does not fall into zero-sum games. It is interesting, then to pay attention more on the evolution of toward regulatory state in many countries, such as what have been undergoing in East Asia countries.

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