



## The cosmopolitanism of the left – An answer to globalisation

Daniele Archibugi

The left needs to work hard to recreate an effective and convincing transnational political programme. A cosmopolitan social democracy can lead a new social front to tame and regulate the most disruptive forms of capitalism whilst preserving its dynamism.

Globalisation is often considered responsible for increasing, rather than decreasing, inequalities. And it is increasing inequalities both within countries and across countries. The reason is rather simple: globalisation in financial capital, trade and production has reinforced the position of capitalists and has weakened the bargaining power of labour.<sup>1</sup> It has created greater opportunities in peripheral parts of the world, but it has also increased the number of dispossessed, eradicating them from their traditional social and economic environment. In a nutshell, globalisation may be seen as good news for the right and bad news for the left.

At the dawn of capitalism, Adam Smith noted that “Masters are always and everywhere in a sort of tacit, but constant and uniform, combination, not to raise the wages of labour above their actual rate.” It took a long time for the labour movement to learn the lesson and to find appropriate measures to contrast entrepreneurs. Through trade unions and other labour organisations, the left has managed to counter-act the economic power of the tycoons, but mostly at the national level. Through electoral franchise, left-wing political parties, supported by the working class, managed to access government or to counter-balance the policies of right-wing political coalitions. This led to a wealth of regulations that limited the freedom of the entrepreneurs to the advantage of the population at large. The left-wing political parties also pushed to expand the protection of the disadvantaged parts of the population through the welfare state, a system of social protection financed by taxation and aimed at delivering services to everybody.

Globalisation is creating a lot of problems for the regulatory actions of national governments and for the welfare state. Most regulatory mechanisms were developed and, above all, enforced, at the national level. In a globalising economy these regulations are much less effective: they are often baroque and they can be circumvented through the ordinary skills of an average manager. At the same time, it is increasingly difficult to identify who should contribute to the costs of the welfare state and who should be on the receiving ends of its benefits. Through globalisation, it seems that capitalism has managed to unbind the progress that the left and the labour movements had made through national level political action. Adam Smith’s insightful thoughts could today be rephrased: “Global capitalism is always and everywhere in a sort of tacit, but constant and uniform, combination to circumvent costly regulations, to pay the minimum taxes and to hire the cheapest labour worldwide.”

It can, in fact, be argued that globalisation is just a far-reaching strategy of transnational capitalism to increase its bargaining power against the working class and to reduce the loads, including taxes and regulations, of national governments. Such a vision is not wrong, but it is reductive: globalisation does not just affect financial capital, production and trade; it also influences society, culture, knowledge and even religion. Still, it seems clear that globalisation is creating a new world order where capitalism has enhanced its interests and labour is lagging behind.

1. For a variety of perspectives, see David Held and Ayşe Kaya (eds.), *Global Inequality*. Cambridge: Polity Press, 2007.

Pascal Lamy is quite right in reminding us that the labour movement and the left cannot regain the contracting power that they have developed with great difficulty over the twentieth century just by “impeding” or “blocking” globalisation.<sup>2</sup> First of all, national governments can no longer effectively control the flows of capital, commodities and labour. Going along this path would absorb too many resources and its effectiveness is likely to be very limited, while the social and economic impact will be to lower the living standards of everybody, not just of the capitalist class. Second, globalisation does not just reduce the bargaining power of the working class: it is a vibrant economic, social and political phenomenon which creates major opportunities. A coalition willing to limit the speed of the global economy will not manage to become politically majoritarian because globalisation distributes advantages across many social classes and not just to the privileged few.

Pascal Lamy also urgently reminds us of the need to respond to current global trends in economic and social activities with politically responsible action. He calls, and rightly so, for a review and update of regulations and also a concerted effort to make them internationally stringent. He also calls for the production of global public goods. These two areas are of crucial importance since unregulated capitalism can cause wide scale long-term damage (the most obvious area is the environment), while the lack of global public goods will increase insecurity and instability.

The real problem, however, is not just to call for smarter international regulations or for the production of global public goods in key areas for the twenty first century. The main difficulty lies in getting powerful, resourceful and legitimate political players to make this a priority. We can ask national governments to co-ordinate their efforts and to subscribe to internationally binding regulations. We can also ask national governments to provide resources for producing global public goods through international cooperation. Inter-governmental organisations, from the World Trade Organization to the World Health Organization, from the World Bank to UNICEF, should be in charge of these processes. But, so far, international regulations have not been properly enforced (as the case of the 2008 financial crises clearly shows) and global public goods have been severely under-produced.

The left should therefore work hard to recreate an effective and convincing transnational political programme. The first thing that the left should do is to go back to its internationalist roots. Even if the left and the labour movement managed to achieve most of its political, social and economic rights at the national level, they also had a strong propensity towards international solidarity. The left pioneered the first transnational political associations. The labour movement started to think and act trans-nationally long before its opponents. While national governments – often hijacking and manipulating consensus – were waging wars against each other, the left responded by organising international peace congresses. On the grounds of this great intellectual legacy, the left and the labour movement should openly endorse a cosmopolitan political programme.

The left should be able to combine its strength at the national level with its cosmopolitan values. It may appear, as noted by Olaf Cramme, that cosmopolitanism is “more of a problem for the left than the right.”<sup>3</sup> But, so far, the right has managed to endorse a form of cosmopolitanism without political and social consequences. It is a cosmopolitanism which allows the manager, the banker or even the tourist to act across borders without any sense of responsibility. The cosmopolitanism of the left, on the contrary, has much deeper implications since it requires acting with a sense of global responsibility.

The political forces associated with the left should therefore openly endorse a cosmopolitan programme that should equally include substantive objectives and institutional transformations.

2. Pascal Lamy, Speech at the Progressive Governance Conference, London, February 19th 2010.

3. Olaf Cramme, What future for cosmopolitanism?, Policy Network, posted 30th November 2010.

The substantive objectives pertain to the kind of regulations that need to be introduced, the methods for their enforcement and the nature and quantity of global public goods to be produced. This requires, for example, the political parties of the left as well as labour organisations to explicitly commit themselves to these goals. But there is also a more ambitious institutional issue to be addressed: who should be in charge? Can global governance be left in the hands of the business sector and inter-governmental organisations without any accountability to the people?

For this reason, a cosmopolitan left should also endorse substantial democratic transformations in global governance.<sup>4</sup> International Organisations, including the United Nations, cannot be in the hands of diplomats only. The citizens of the world should have a direct access to its operations, as recommended by a variety of campaigns<sup>5</sup> The control of the global economy should not be left in the hands of inter-governmental summits as those of the G8 and G20 that are neither accountable, nor transparent, nor legitimate.

Concerning the United Nations, the Socialist International has circulated a Position Paper which endorses several brave proposals for reform, asking member parties in government to actively support them.<sup>6</sup> Something similar is also needed for economic institutions, where often national governments, even when dominated by left-wing political parties, are twisted between perceived national interests and cosmopolitan ideals. A cosmopolitan left should be able to propose a new social front to tame and regulate the most disruptive forms of capitalism whilst preserving its dynamism. If it manages to do so, cosmopolitan social democracy could be as appealing to the citizens of the world in the twenty first century as much as national social-democracy managed to be the driving force of change and social cohesion in the twentieth century.

**Daniele Archibugi is a research director at the Italian National Research Council (CNR) in Rome, affiliated at the Institute on Population and Social Policy (IRPPS), and professor of innovation, governance and public policy at the University of London, Birkbeck College**

© Policy Network

4. I have discussed these perspectives at length in Daniele Archibugi, *The Global Commonwealth of Citizens. Toward Cosmopolitan Democracy*. Princeton: Princeton University Press, 2008.

5. See, for example, the Campaign for the Establishment of a United Nations Parliamentary Assembly, <http://en.unpacampaign.org/news/374.php>

6. Socialist International, *Reforming the United Nations for a New Global Agenda*, SI Position Paper 2005.01.24, New York, 2005.