Shaping a Globalized World European Caucus Meeting Brussels

December 11-12, 2008
Expert Report Europe

Thorsten Benner/Wolfgang H. Reinicke
Global Public Policy Institute, Berlin/Geneva

Shaping a Globalized World
| BertelsmannStiftung

Abstract

This paper explores the challenges of the globalized world from the perspective of the European Union. It argues that building global governance architecture is a key concern for the EU as a strong advocate of an effective multilateral order. In a number of ways, globalization has provided the European Union project with a new rationale: single European nations, however large, are too small to deal with the challenges of globalization. Only a united Europe can. Often times, however, this rationale seems a merely negative one. The European Union is supposed to keep the dangers of a global world from entering Europe's borders. What Europe often lacks in the perception of its citizens and the words of its leaders is the positive aspiration of shaping the future globally.

About the authors

Thorsten Benner is Associate Director of the Global Public Policy Institute (GPPi), Berlin. His areas of expertise include international organizations, global security governance, EU foreign policy and EU-US relations as well as corporate social responsibility and the public-private interface in global governance. Prior to co-founding the Global Public Policy Institute in 2003, he worked with the Berlin-based German Council on Foreign Relations (DGAP); the UN Development Program (UNDP), New York; McKinsey & Company, Berlin and the Global Public Policy Project, Washington D. C. His commentary has appeared in European and international newspapers. His publications include "Learning to Build Peace? United Nations Peacebuilding and Organizational Learning" (Berlin 2007) and "Critical Choices. The United Nations, Networks, and the Future of Global Governance" (Ottawa 2000).

Wolfgang H. Reinicke is Director of the Global Public Policy Institute (GPPi), Berlin and Managing Director of galaxar s.a., Geneva. He was a Senior Scholar with the Brookings Institution (1991-1998) and a Senior Partner and Senior Economist in the Corporate Strategy Group of the World Bank in Washington D. C (1998-2000). In 1999-2000, he directed the Global Public Policy Project in Washington D. C. which provided strategic guidance on global governance for the UN Secretary General's Millennium Report. He is a Nonresident Senior Fellow in the Foreign Policy Studies Program at the Brookings Institution in Washington, D.C. His areas of expertise include global governance, global finance, international economic institutions, public-private partnerships and global public policy networks as well as EU-US relations. His numerous publications include "Global Public Policy. Governing without Government?" (Brookings Institution Press 1998), "Critical Choices. The United Nations, Networks, and the Future of Global Governance" (with Francis Deng, Thorsten Benner, Jan Martin Witte, IDRC Publishers 2000) and "Business UNUsual. Facilitating United Nations Reform Through Partnerships" (with Jan Martin Witte, United Nations Publications 2005).

Preface

Globalization is a driver of social change around the world. Its implications need to be managed politically. At the Bertelsmann Stiftung, we want to think deeper about the political agenda of a globalized world, about strategies for action and modes of governance. To this aim, we have developed the project "Shaping a Globalized World". The project seeks to elaborate ideas and suggestions on how globalization can be managed politically and to incorporate these ideas into an international debate. The project is meant to be a pathfinder and an advisor to policymakers and the public. Its purpose is to spur participants to think more deeply about the political agenda of a globalized world, about strategies for action and modes of governance.

"Shaping a Globalized World" attempts to examine global governance issues inclusively and equitably. Much of the debate on globalization and global governance up to now has been defined in primarily Western terms. The Bertelsmann Stiftung is convinced that this imbalance must change. We cannot manage the new challenges of a globalized world without integrating the perspectives of emerging powers in Asia, Latin America and Africa.

Against this background, our first step has been to reflect upon and to discuss the issues and priorities of the emerging global agenda. This was the focal point of two meetings: the special European Caucus meeting in Brussels on December 11 – 12, 2008 and the third Global Policy Council Meeting (GPC) on March 12 - 13, 2009 in Berlin. The European Caucus Meeting was a conference of leading European think tank representatives which upon invitation by the Bertelsmann Stiftung focused on Europe's role and agenda in an increasingly globalized world. The GPC, which the Bertelsmann Stiftung created in 2006, is a brainstorming meeting of leading global affairs thinkers. The 2009 GPC aimed to identify and discuss the components of a truly global agenda and to develop a fresh approach to global governance that is more holistic and more inclusive than previous efforts.

In preparing for both conferences, the project team had invited think tank representatives from all continents to reflect and comment on the essential challenges of the globalized world from the perspective of their particular country or region and on the longer term preferences of its political elites. Each think tank was asked to answer the following five questions:

1. What are the essential issues/problems/challenges of the globalized world that require a political response and action? Please differentiate internal/external response and short-term, medium-term and long-term issues.
2. Which important interests of your country/region are promoted by globalization, which are currently neglected or frustrated in the process of globalization?
3. What are the preferred instruments of managing a globalized world? What role for structured multilateralism (such as UN), what role for structured regionalism (such as EU or ASEAN)?
4. Should governance of a globalized world be based on general or universal principles? If so, which ones?
5. Who should lead the process of building transnational governance?

This paper is a result of this query. The contributions received from all around the world together exemplify the extent to which perceptions on globalization vary, its positive and negative effects are unequally distributed and challenges and opportunities differ depending on one's vantage point. Finding a common global agenda evidently becomes a more difficult task within that context, as it not only is an exercise which consists of *defining* a number of items. Rather, a truly global agenda must be concerned with reconciling interests, understanding all actors as having an equal footing (perhaps for the first time in history), and pursuing the global good.

How difficult this is has become apparent throughout last year: 2008 has been a year of crisis. Extreme food insecurity due to a plethora of reasons, soaring oil prices and the ever more urgent need for climate protection as well as a financial and economic crisis of dimensions unexpected just some months ago underline the need for global concertation and cooperation in an impressive manner. Yet, the way in which all these developments unfolded also illustrates the tremendous difficulties encountered when trying to provide global answers to global crises.

At the Bertelsmann Stiftung, we are nevertheless convinced that there is no alternative to managing globalization politically. For this reason, we decided to meet the challenge and engage in the debate on global governance with this very project these papers are a part of. In times of rapid change worldwide, such a debate is more relevant than ever.

Josef Janning
Guetersloh, March 2009

Bertelsmann **Stiftung**

1.   What are the essential issues/problems/challenges of the globalized world that require political response and action?

The 2003 European Security Strategy lists five key threats (in the following order): terrorism, the proliferation of weapons of mass destruction, regional conflicts, state failure and organized crime. If the European Security Strategy were to be re-written today, terrorism would probably not make it to the very top of the list – and other challenges (such as the dangers associated with climate change and financial instability) would probably find a more pronounced role. Indeed, EU High Representative Javier Solana and the EU Commission have called climate change a "threat multiplier" – and the same can be said about security implications of global financial instability.

The issue of the *proliferation of weapons of mass destruction* (esp. nuclear proliferation), however, certainly remains on top of the list of EU security challenges, not just because of the case of Iran. The EU has invested itself in strengthening the weakened non-proliferation regime centered around the NPT. The EU is working towards non-proliferation through the United Nations framework, by increasing regional cooperation and through negotiations, such as the one with Iran. The EU approach puts a premium on prevention, through political and financial means.

Climate change is a key concern for EU policy-makers: "The active role of the EU in the international climate change negotiations is vital and must continue. The EU has demonstrated leadership both in international negotiations, in particular by advocating the 2°C target, and with its far-reaching decisions on domestic climate and energy policies. Yet, the EU cannot act alone. In a changing international political landscape, major emitters and emerging economies will also have to be engaged and commit to an ambitious global climate agreement under the UN framework."[1] At the same time, EU High Representative Solana has criticized the games many member countries (most recently Germany) play with the issue: "In Europe, we have seen real progress on tackling climate change; some progress on the internal energy side; but rather less progress on the external side. Too often, we see mixed messages. And the defense of narrow, national interests at the expense of broader, European interests. It does not have to be this way. It's time to think and act a bit more as Europeans. And do so with a sense of urgency and discipline." [2] Energy security and sustainability are key related challenges requiring a concerted European and global approach – with the same short-termist national counter-trends at work.

Development and weak states are also key challenges from an EU perspective. The EU tools of development cooperation and crisis management are designed to deal with these broad challenges. The EU here prides itself on a combined civil-military approach.

Global financial stability is another of the EU's key concerns. Here, the EU is a staunch advocate of greater global regulation. Solana has pointed out: "Regarding, the policy response, the crisis has

---

[1] Javier Solana, Climate Change and International Security, European Commission, 14 March 2008.
[2] Javier Solana, The External Energy Policy of the European Union, *Annual Conference* of the French Institute of International Relations, 1 February 2008.

demonstrated – once more - the need for stronger global institutions. With goodwill and creativity, a lot can and has been achieved, through ad-hoc crisis management among political leaders, central bankers and others. But if we are honest we must admit that the existing architecture is not up to the task – neither in Europe, nor globally."[3]

In this vein, building a global institutional architecture for a multipolar age is a key concern for the EU as a strong advocate of an effective multilateral order. This is a challenge cutting across different policy areas. From the EU's perspective, avoiding a clash of cultures (especially with Islam) is a related overarching challenge.

2. Which important interests of your region are promoted by globalization, which are currently neglected or frustrated in the process of globalization?

Pascal Lamy, as a former EU trade Commissioner one of the pre-eminent European practitioners and thinkers on the issue, defines globalization as "the growing interdependence […] as the distinction between 'near' and 'far' becomes blurred — now affects every dimension of our societies, not only the economic dimension." In his view, "globalization has brought several additional positive aspects: it has enabled individuals, corporations and nation-states to reach further around the world, faster, deeper and cheaper than ever before, and the world to reach into them in the same way. But the global nature of an increasing number of some worrisome phenomena – the growing shortage of energy resources, the destruction of the biosphere, the spread of pandemics, the volatility of financial markets, and the migratory movements provoked by insecurity, poverty or systemic political instability — is also a product of globalization."[4] Lamy's observations very well sums up a nuanced European take on the effects of globalization. First of all, it is important to point out that as a pre-eminent trading power, the European Union has very much benefited from global economic integration in terms of its overall prosperity. Total EU exports amounted to $1.33 trillion (in 2005) which is almost 10% of the total GDP of the EU. EU imports and exports accounted for 28.5 percent of all world trade in 2007. This does not mean, however, that the net-positive aspect of global economic integration is widely shared among the population in Europe. As the old observation goes, the benefits from trade tend to go unnoticed whereas some of the costs (for example moving certain factories outside the EU) tend to be localized and in the headlines. What is more, the unraveling of what John Ruggie termed the "embedded liberalism" compromise of the post-1945 world order has put increasing strains on the domestic socio-economic orders of many advanced welfare states in the European Union. Due to the overall competitive pressures of the global economy, a secular trend toward increasing economic volatility for the middle class and decreasing real wages especially for low-skilled workers there is a pronounced risk of a European domestic backlash against global economic integration. This pressure somewhat eased during the past years of export-led economic expansion, but with the

---

[3] Javier Solana, Speech by the European Union High Representative for Common Foreign and Security Policy, 30 October 2008.

boom turning into a deep recession, populist anti-globalization tendencies are on the rise again (and where intra-European solidarity is being tested by national leaders with too short-termist and parochial an outlook)[5].

In terms of security, increasing interdependence, new security threats and a changing geostrategic position after the end of the Cold War have confronted Europe with the need to do more to provide for its own security – both in and outside of its area. This has triggered painfully slow processes of adaptation in terms of Europe's overall military and civilian-military capabilities within the EU, NATO and in a UN context. Ten years after the St Malo Summit that marked the birth of a common EU security and defense capability, there has been some progress. The EU works on the basis of the "recognition that many of today's security challenges are crisis management in nature; how to maintain peace post-conflict, how to prevent conflict, how to build states that are secure and can develop economically, with good governance and democracy – the three essential pillars of statehood. As a result, the EU's council of ministers, responding to an external crisis, could put in place comprehensive policies including financial assistance, trade measures, policing, support for military reform, institution building, and if necessary, deploy forces under the authority of the UN Security Council – a unique blend of the civil and military tools."[6] Capabilities and political will are, however, often less forthcoming than EU political rhetoric.

With regard to the overall power shifts that accompany globalization the assessment from the vantage point of European interests is mixed. Europe has generally welcomed the empowerment of transnational civil society organizations through globalization (although the realization that the rise of transnational un-civil society networks is the other side of the coin has only come recently). Europe by and large has been more sceptical about the empowerment of transnational private economic actors. This scepticism is only set to increase in light of the recent global financial crisis that has greatly discredited business in the eyes of many.

The assessment of the most significant power shift away from the West toward Asia and other rising powers, in terms of European interests depends on the kind of order that one sees as likely to emerge. For a while, it seemed like the dividing line on this front was between Gaullists and Atlanticists: Gaullists welcomed the looming shift toward multipolarity for the "contre-poids" against US ambitions. Atlanticists appeared worried that the Alliance with the United States and NATO in particular would be undermined. Now that multipolarity seems simply a fact of life, not a French political project, this debate between Gaullists and Atlanticists within the EU seems less pronounced. A different debate has emerged depending on the assumptions about where a multipolar world order is headed. If you think that the future world is simply a global extension of Western liberal political order (as John Ikenberry for example argues[7]), then there is little to worry about from a European perspective (especially given the fact that most European countries have dealt with their empire-withdrawal syndrome). If you see the emergence of a rival "World Without

---

[4] Pascal Lamy, Towards Global Governance?, Speech 21 November 2005 IEP Paris.

[5] Petra Pinzler, Europa, hilf!, DIE ZEIT 26 February 2009.

[6] Emr Jones Parry, The St Malo Declaration 10 Years on, Financial Times 1 December 2008.

[7] Daniel Deudney/G. John Ikenberry (2009), The Myth of the Autocratic Revival. Why Liberal Democracy Will Prevail, *Foreign Affairs* January/February 2009.

the West" with a rival value system (as proposed by Nazreen Barma, Ely Ratner and Steven Weber)[8] as the most likely future scenario, the assessment will differ. If you see power in the 21st century as much more dispersed and if you assume that those who are the most connected are also the most effective and innovative and therefore powerful (as Anne-Marie Slaughter has argued), the outlook for Europe (with its global ties also through a large migrant community) does not look that bleak.[9]

In a number of ways, globalization has provided the European Union project with a new rationale: single European nations, however large, are too small to deal with the challenges of globalization. Only a united Europe can. Often times, however, this rationale seems a merely negative one. The European Union is supposed to keep the dangers of a global world from entering Europe's borders. What Europe often lacks in the perception of its citizens and the words of its leaders is the positive aspiration of shaping the future global order – and also mobilizing the mental, financial, cultural, political, civilian and military resources for doing so.

In the current economic crisis, with all its temptations to revert back to nationalism and protectionism, it is all the more important to lay out a positive vision. UK Foreign Minister David Miliband articulated the challenge very clearly: "Like the last age of globalisation, which unravelled on the streets of Sarajevo, today's global age is fragile. It is a fragility born of the fact that while our economy has gone global, our politics remain primarily national. The sense of powerlessness that breeds can either force us to scale back our economic life and embrace protectionism and nationalism. Or it can inspire us to scale up our political institutions to match the continental and global reach of our economies. The EU – for all its faults – is the best way of bridging the gap between a globally interdependent economy, and strong national political identities. That is the case we must make to our citizens in the next year."[10] — and the years to come. As Javier Solana has pointed out, building and maintaining public support for the EU's "global engagement is fundamental. In modern democracies, where media and public opinion are crucial to shaping policy, popular commitment is essential to sustaining our commitments abroad."[11]

3.   What are the preferred instruments of managing a globalized world? What role for structured multilateralism (such as the UN), what role for structured regionalism (such as the EU or ASEAN)?

As an overriding principle, the European Union puts a premium on multilateralism: "In a world of global threats, global markets and global media, our security and prosperity increasingly depend

---

[8] Nazreen Barma/Ely Ratner/Steven Weber (2007) A World Without the West, The National Interest July/August 2007.

[9] Anne-Marie Slaughter (2009), America's Edge. Power in the Networked Century, Foreign Affairs January/February 2009.

[10] David Miliband, Europe: Preserving Progress, Facing the Future, Speech at the London School of Economics 9 March 2009. http://www.davidmiliband.info/speeches/speeches_09_01.html.

[11] Javier Solana, Report on the Implementation of the European Security Strategy, December 2008, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/reports/104630.pdf.

on an effective multilateral system. The development of a stronger international society, well functioning international institutions and a rule-based international order is our objective."[12] In theory, the EU puts a premium on universal membership in international organizations in this multilateral order: "The fundamental framework for international relations is the United Nations Charter."[13] The European Security Strategy from 2003 clearly states that "strengthening the United Nations, equipping it to fulfil its responsibilities and to act effectively must be a European priority".[14] In practice, the EU does support universal-membership international organizations such as the United Nations, the World Bank and the IMF. As a whole, EU nations pay almost 40% of the UN's regular budget, more than two-fifths of UN peacekeeping operations and about one-half of all UN Member States' contributions to UN funds and programs. This financial commitment notwithstanding, one should not overlook the following trends in Europe's behavior that have repeatedly caught the ire of non-Western countries, especially from the non-aligned movement. In the core institution, the UN Security Council, European countries insist on the two seats the victor countries of the post-1945 order won, while Germany claims a third seat for a Europe whose relative power in the world is declining. In many of the UN's specialized agencies, funds and programs, EU donors have led the move from assessed contributions (on which all members of the organization have a say and that afford a much higher level of predictability) to voluntary contributions (on which single donors exert much more influence and that afford much less of a planning horizon for the UN). In the IMF, Europe until recently has insisted on the privilege of crowning the organization's chief from within its own ranks – hardly a testimony for the EU's belief in global meritocracy. European countries (especially the smaller ones wielding disproportionate influence) have resisted moving toward a single European voice in the World Bank. All this diminishes European credibility to being a truly foresightful and consistent leader in universal membership organizations in the UN system.

The larger European countries have also long been a champion of the G-7 process ever since it was shaped by European leaders in the 1970s thus effectively bypassing the UN which in the socio-economic realm had lost its appeal for Western powers due to the rise of the newly independent nations pushing a post-colonial economic agenda. The European G-7 members also supported the extension of the agenda of the G-7 that in the past 10-15 years has increasingly dealt with the full range of global governance issues ranging from finance to security and development. European G7/G8 members have been rather slow to realize the increasing weakness of this format as a forum for effective global problem-solving. Currently, the G8 is neither a community of values (with Russia being not sharing the West's approach) nor a community of problem-solving (with some of the most important countries such as India, China, Brazil, Indonesia not represented). Increasingly, the G8 is eclipsed by real-world events such as the meeting of the G-20 in Washington in November 2008 and in London in April 2009. However, not all European members have realized the irrelevance of the old format and the coming G8 presidency of Italy will be interesting to watch in terms of European leadership in phasing out and/or transitioning the G8. Currently, there is no single European position on global institutional reform to deal with both the

---

[12] European Security Strategy, A Secure Europe In A Better World, 12 December 2003.
[13] Ibid.
[14] Ibid.

global power shift and the lessons from the financial and economic crisis. Some EU members currently represented in the G7/G8 are afraid of being left by the wayside in a G20 process. Some European politicians have suggested only gradually expanding the G-8 to a G-12 or G-16. Others, such as German Chancellor Angela Merkel, have called for a "World Economic Council" under the auspices of the UN.[15]

In addition, the EU has consistently championed new global legal institutions such as the ICC or a World Trade Organization with effective adjudication mechanisms – at least rhetorically. Some European countries such as France have also advocated the creation of a World Environment Organization.

The EU also supports regional organizations both as regional security communities and as building blocks for global governance. "Regional organizations also strengthen global governance. For the European Union, the strength and effectiveness of the OSCE and the Council of Europe has a particular significance. Other regional organizations such as ASEAN, MERCOSUR and the African Union make an important contribution to a more orderly world."[16] In addition, in the area of peacekeeping the EU has championed so-called "partnership peacekeeping" with regional organizations serving as subcontractors for UN mandates. A bit more daringly, EU High Representative Javier Solana has asked: "To strengthen regional co-operation, could we have (semi)permanent seats at the UNSC for the Great Powers but also for regional organizations?"[17]

4.   Should governance of a globalized world be based on general or universal principles? If so, which ones?

From the EU vantage point, the scenario of the new global order being simply a global extension of the rules-based Western liberal world order is clearly the most desirable. Its so-called "strategic partnership" with China and the nascent relationship with India clearly serve the purpose of integrating rising powers into the existing rules-based order. The current German Foreign Minister is representative of this approach: "We cannot manage the new challenges without integrating the emerging powers of Asia, Latin America and Africa into rules-based global regimes."[18] In this vein, Europe is a champion of multilateralism and thereby of general and universal principles. As John Ruggie has argued, these principles are constitutive of multilateralism itself: "What is distinctive about multilateralism is not merely that it coordinates national policies in groups of three or more states, but that it does so on the basis of certain principles ordering the relations among those states".[19] The key principles of the existing post-1945 multilateral order were sovereign equality[20],

---

[15] Angela Merkel, Speech at the World Economic Forum 31 January 2009. http://www.bundesregierung.de/nn_6566/Content/EN/Reden/2009/2009-01-30-merkel-davos-rede.html.
[16] Ibid.
[17] "Managing Global Insecurity" - Speech by EUHR Solana (21 March 2007: Washington, DC).
[18] Frank-Walter Steinmeier, Responsible Sovereignty in an Era of Transnational Threats, Bertelsmann Foundation, 15 July 2008.
[19] John Gerard Ruggie, Multilateralism: the anatomy of an institution, *International Organization* 46 (3), p. 567.

indivisibility (e.g. collective security rather than balancing in security relations and non-discrimination in trade), and diffuse reciprocity (expectation by members to yield rough equivalence of benefits over a long period of time not specific quid-pro-quos at all times).

Multilateralism has come under challenge in recent years due to four trends: first, the attempted re-casting of sovereignty through the "responsibility to protect"; second, inclusion of private actors in new ad-hoc forms of global governance. Both trends that were championed at least by the core of EU members (more recent EU member states tend to be more protective of their sovereignty) have caused a backlash on the part of those countries mindful of sovereign equality and non-interference; third, a weakening of the belief in diffuse reciprocity and conflicts over the use of force; fourth, the failure of U. S. and European leadership. The U. S. in particular has failed to make use of its unipolar moment to create the foundations for a multilateral order for a post-unipolar age. While the EU has been a staunch defender of multilateralism as a procedural norm in its own right, it has proved to be too inward-looking and for the most part lacked a strategic perspective on how to facilitate the transition of multilateralism for a multipolar age.

In terms of the re-casting of sovereignty, the EU has been an advocate of the "Responsibility to Protect". EU Commissioner Ferrero-Waldner emphasized: "Another important outcome is our recognition of our collective responsibility to protect populations against atrocities. I have always strongly believed that people must be at the heart of security concerns! The UN's credibility is much reinforced by adopting this concept."[21] Javier Solana has also clearly spoken out in favor of the Responsibility to Protect: "Another trend that defines our world is the establishment of limits to the sovereignty of states. But once again we should not expect a clear, linear process. In some cases sovereignty is transferred to a supranational entity. The European Union is the prime example. But it is not on those processes that I want to concentrate, despite their undeniable importance. The fundamental trend, which is what we should be thinking about, is the subtle link being established between the sovereignty and responsibility of states— a responsibility towards their own citizens, the important concept of the responsibility to protect. The International Community can and must assume that responsibility if the state in question abandons it. That is the basis for the humanitarian intervention approved by the United Nations."[22] He added: "The Responsibility to Protect means that all states must exercise their sovereignty with responsibility and that the international community will not stand by and allow other states to inflict harm on their own populations. It is not enough for the international community merely to say "never again" when atrocities are committed. We have to fulfil our Responsibility to Protect with action to prevent crimes against humanity."[23]

In addition to a commitment to a rule-based global order, the EU has also expressed commitment to the role of universal values guiding its foreign policy (often referred to the EU being a "normative

---

[20] Sovereign equality went hand in hand with special rights for the more powerful, most prominently in the Security Council, the NPT or in the structure of the IMF and the World Bank.

[21] Benita Ferrero-Waldner, Old World, New Order: Europe's Place in the International Architecture of the 21st Century, 15 September 2005.

[22] Javier Solana, Speech to the Institutio Elcano, 7 November 2007.

[23] Javier Solana, The Council of the European Union, *EU High Representative for the CFSP, welcomes today's launch of the Global Centre for the Responsibility to Protect,* 14 February 2008.

power"). The European Security Strategy states: "Spreading good governance, supporting social and political reform, dealing with corruption and abuse of power, establishing the rule of law and protecting human rights are the best means of strengthening the international order."[24]

Europeans often argue that they are to a lesser degree than the US exemptionalists when it comes to international law. However, critics have asserted that "Europe's commitment to international law is largely rhetorical. Like the Bush administration, Europeans obey international law when it advances their interests and discard it when it does not."[25] They point to a recent ECJ ruling based on the premise that "international law can permeate [the European Community] legal order only under the conditions set by the constitutional principles of the Community."

5.   Who should lead the process of building transnational governance?

The answer from a European perspective is Europe – at least in terms of being a leader in spirit. EU High Representative Solana demands: "At a global level, Europe must lead a renewal of the multilateral order."[26] Many Europeans, for good reasons, believe that the European experience can help inspire the building of transnational governance. However, fewer believe that Europe should commit the resources and political will to turn this inspiration into reality and to lead by example. Critics such as Kishore Mahbubani have called the EU a "geopolitical dwarf" free-riding on US hegemony and leadership that is quickly eroding. Mindful of this criticism, UK Prime Minister Gordon Brown has stated the need for the European Union to "move away from its past preoccupation with inward-looking institutional reform and I will work with others to propose a comprehensive agenda for a Global Europe - a Europe that is outward-looking, open, internationalist, able to effectively respond both through internal reform and external action to the economic, security and environmental imperatives of globalization."[27] Javier Solana issued a similar call to action, arguing that the "the world around us is changing rapidly, with evolving threats and shifting powers. To build a secure Europe in a better world, we must do more to shape events. And we must do it now."[28]

---

[24] European Security Strategy, A Secure Europe In A Better World, 12 December 2003.

[25] Jack Goldsmith/Eric Posner, Does Europe believe in International Law?, *Wall Street Journal* 25 November 2008.

[26] Javier Solana, Report on the Implementation of the European Security Strategy, December 2008, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/reports/104630.pdf .

[27] Gordon Brown, Lord Mayor's Banquet Speech, *Office of the Prime Minister*, 12 November 2007.

[28] Javier Solana, Report on the Implementation of the European Security Strategy, December 2008, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/reports/104630.pdf.