
Regulating Globalization? The Reinvention of Politics

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abstract: This article explores the political implications of the growing enmeshment of human communities with each other over time and the way in which the fate of peoples is determined increasingly by complex social, economic and environmental processes that stretch across their borders. Examining the growing interconnections between states and societies, the article focuses on the transformations that are under way in the form and nature of political community. It does not argue that globalization has simply eroded the nature of sovereignty and autonomy. Rather, it seeks to show how there has been a reconfiguration of political power, which has created new forms of governance and politics – both within states and beyond their boundaries. The consequences of globalization for democracy and accountability are also examined. While the article shows that the idea of government or of the state can no longer be simply defended as an idea suitable to a particular, closed political community or nation-state, it sets forth how new forms of governance are emerging – regionally, internationally and globally – that can be built upon and further elaborated. The last part explores how a ‘cosmopolitan conception of democratic governance’ might meet the political challenges created by globalization. Both the general principles and institutional implications of this form of governance are set out, disclosing both short- and long-term possibilities.

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Political communities are in the process of change. Of course, change is nothing new in this domain. The history of political communities is

replete with developing (and decomposing) forms and structures – from empires to nation-states to emerging regional structures and organizations of global governance. But only one set of transformations is of concern in this article: the significant, albeit uneven, enmeshment of human communities over time with each other, and the way in which the collective fortunes and fate of peoples are determined increasingly by complex processes that stretch across their borders. It is against this backdrop that I wish to pose the question: can globalization be regulated?

To put the question in this way is already to risk misunderstanding. Globalization connotes the stretching and intensification of social, economic and political relations across regions and continents. It is a multidimensional phenomenon that embraces many different processes and operates on many different time scales (see Held et al., 1999). Some of these processes – for example, the expansion and development of trade across diverse countries, or the spread and diffusion of weapons of mass destruction among the world's major regimes – already involve intensive political surveillance, supervision and regulation. Public and private bodies, operating at national, regional and global levels, are deeply enmeshed in decision-making and regulatory activities in these and many other domains. Thus, the question this article addresses needs to be refined further from the outset. At the very least, it needs to be sensitive to shifting forms of regulation and the changing balance between private and public power, authority and governance. Another way to express these concerns is to ask: what are the prospects of public regulation and democratic accountability in the context of the intensification of regional and global interconnectedness, and of changes to the balance between public and private power and to local, national, regional and global regulatory mechanisms?

Conventional maps of the political world disclose a very particular conception of the geography of political power. With their clearcut boundary lines and unambiguous colour patches, they demarcate territorial areas within which there is assumed to be an indivisible, illimitable and exclusive sovereign state with internationally recognized borders. Only the polar regions appear to stand outside of this jigsaw, though some maps highlight the claims of some states to these as well. It is worth recalling that at the beginning of the second millennium, this cartography would have appeared practically incomprehensible. A cursory inspection of the limited cartographic knowledge of the time shows how even the most well-travelled civilizations would have been able to make little sense of the details of the known world today. At the turn of the first millennium the most deeply rooted ancient civilizations, particularly the Chinese, Japanese and Islamic, were quite 'discrete worlds' (Fernández-Armesto, 1995: 15–51). While they were highly sophisticated and complex worlds,

they had relatively little contact with one another. There were some forms of direct interchange; for example, trade flowed across cultures and civilizations, linking the economic fortunes of different societies together as well as acting as a conduit for ideas and technological practices (Mann, 1986; Watson, 1992; Fernández-Armesto, 1995; Ferro, 1997). Yet, the ancient civilizations developed largely as a result of 'internal' forces and pressures; they were separate and, to a large extent, autonomous civilizations, shaped by imperial systems which stretched over scattered populations and territories.

Changing forms of political rule were accompanied by a slow and largely haphazard development of territorial politics. The emergence of the modern nation-state and the incorporation of all civilizations within the inter-state system changed all this; for they created a world organized and divided into domestic and foreign realms – the 'inner world' of territorially bounded national politics and the 'outer world' of diplomatic, military and security affairs. While these realms were by no means hermetically sealed, they were the basis on which modern nation-states built political, legal and social institutions. Modern cartographers recorded and affirmed these developments. From the early 20th century (although the exact dating is open to dispute), this division became more fragile and increasingly mediated by regional and global flows and processes.

In the contemporary period there have been changes across different social and economic realms that have combined to create forms of regional and global interconnectedness which are unique, which are more extensive and intensive than ever before, and which are challenging and reshaping our political communities and, in particular, aspects of the modern state. These changes involve a number of developments that can be thought of as deep, indicative, structural transformations. These include the development of such phenomena as human rights regimes, which have ensured that sovereignty alone is less and less a guarantee of state legitimacy in international law; the internationalization of security and the transnationalization of a great many defence and procurement programmes, which means, for example, that some key weapons systems rely upon components from many countries; environmental shifts, above all ozone depletion and global warming, which highlight the growing limits to a purely state-centric politics; the revolution in communications and information technology, which has increased massively the stretch and intensity of all manner of sociopolitical networks within and across the borders of states; and the deregulation of capital markets, which has altered the power of capital by creating a greater number of 'exit' options in relation to both labour and the state.

The broad implications of such developments for the regulative capacity of states has been much debated. It is frequently alleged that the

intensification of globalization has diminished the powers of states. According to this view, social and economic processes operate predominantly at the global level and national states have largely become 'decision-takers' (see, for instance, Ohmae, 1990; Gray, 1998). On the other hand, there are those who are highly critical of this position and argue that the national state, particularly in the advanced economies, is as robust and as integrated as it ever was (see, for example, Hirst and Thompson, 1996). How has state power altered in the face of globalization? Has political power been reconfigured?

Changing Forms of Political and Economic Power

Contemporary globalization is transforming state power and the nature of political community, but any description of this as a simple loss or diminution of national powers distorts what has happened. For although globalization is changing the relationship between states and markets, this is not straightforwardly at the expense of states. States and public authorities initiated many of the fundamental changes – for example, the deregulation of capital in the 1980s and early 1990s. In other spheres of activity as well, states have become central in initiating new kinds of transnational collaboration, from the emergence of different forms of military alliances to the advancement of human rights regimes.

The fact of the matter is that on many fundamental measures of state power – from the capacity to raise taxes and revenue to the ability to hurl concentrated force at enemies – states are, at least throughout most of the OECD world, as powerful if not more powerful than their predecessors (Mann, 1997). On the other hand, the pressures upon them have grown massively as well. In this context, it makes more sense to talk about the transformation of state power in the context of globalization – rather than simply to refer to what has happened as a decline (Held et al., 1999: 'Conclusion'). The power, authority and operations of national governments are changing but not all in one direction. The entitlement of states to rule within circumscribed territories (sovereignty) is far from on the edge of collapse, although the practical nature of this entitlement – the actual capacity of states to rule – is changing its shape. A new regime of government and governance is emerging and displacing traditional conceptions of state power as an indivisible, territorially exclusive form of public power. Far from globalization leading to 'the end of the state', it is stimulating a range of government and governance strategies and, in some fundamental respects, a more activist state.

Nowhere is this better seen than in the political context of economic globalization. Alongside global economic change there has been a parallel but distinct set of political changes, shifting the reach of political power

and the forms of rule. Although governments and states remain powerful actors, they have helped create, and now share the global arena with, an array of other agencies and organizations. The state is confronted by an enormous number of intergovernmental organizations, international agencies and regimes that operate across different spatial reaches, and by quasi-supranational institutions like the European Union (Held, 1995: Chs 5 and 6). Non-state actors or transnational bodies also participate intensively in global politics. These developments challenge the conventional, state-based accounts of world order and generate a much more complex picture of regional and global governance. In this more complex world, states deploy their sovereignty and autonomy as bargaining chips in negotiations involving coordination and collaboration across shifting transnational and international networks (Keohane, 1995).

What developments in such domains as politics, law and the economy suggest is that globalization is far from being a singular phenomenon. While it is, as previously noted, a multidimensional phenomenon that depicts a general shift in the organization of human activity and the deployment of power towards transcontinental or interregional patterns, this shift can take different forms and follow different types of trajectory across economic, political and other domains. It can also generate conflicting as well as complementary tendencies in the determination of relations of power and authority.

For example, the global economy is more open, fluid and volatile than ever before; economies are less protected and international markets react rapidly to changing political and economic signals (see Perraton et al., 1997). It is harder to buck international economic trends than it was in the earlier decades of the postwar years. Because markets are more liquid, they are an enhanced source of instability. Financial and industrial capital enjoy increased exit options from political communities, altering the economic context of national labour markets. Moreover, in a 'wired world' disturbances rapidly transfer across markets and societies, ramifying the effects of change. Accordingly, the costs and benefits of pursuing certain policies become fuzzier, and this encourages political caution, 'adaptive politics', and precautionary supply-side economic measures.

Nonetheless, there has been massive growth in regional and global governance which increasingly surveys, mediates and manages these developments. Moreover, demands for increased levels of international regulation are growing – from George Soros to the World Trade Organization (WTO) and the UN. More and more people recognize the need for enhanced political accountability and for transparency and openness of decision-making in international, social and economic, domains; although the proper form and place for such initiatives, it has to be said, is far from clear.

The Transformation of Democracy

Contemporary globalization has contributed to the transformation of the nature and prospects of democratic political community in a number of distinctive ways. It is worth dwelling on these for a moment. First, the locus of effective political power can no longer be assumed to be national governments – effective power is shared and bartered by diverse forces and agencies at national, regional and international levels. Second, the idea of a political community of fate – of a self-determining collectivity – can no longer be meaningfully located within the boundaries of a single nation-state alone, as it could more reasonably be when nation-states were being forged. Some of the most fundamental forces and processes that determine the nature of life chances within and across political communities are now beyond the reach of individual nation-states. The system of national political communities remains, of course, but it is articulated today with complex economic, organizational, administrative, legal and cultural networks and processes that limit and check its efficacy. If these processes and structures are not acknowledged and brought into the political process themselves, they may bypass or circumvent the democratic state system (see Sassen, 1998).

Third, national sovereignty today, even in regions with intensive overlapping and divided political structures, has not been wholly undermined – far from it. However, the operation of states in increasingly complex global and regional systems affects both their autonomy (by changing the balance between the costs and benefits of policies) and aspects of their sovereignty (by altering the balance between national, regional and international legal frameworks and administrative practices). While massive concentrations of power remain features of many states, these are frequently embedded in, and articulated with, other domains of political authority – regional, international and transnational.

Fourth, the present period is marked by a significant series of new types of 'boundary problems', which challenge the distinctions between domestic and foreign affairs, internal political issues and external questions, and the sovereign concerns of the nation-state and international considerations. States and governments face issues like BSE (bovine spongiform encephalopathy), the spread of malaria, the use of non-renewable resources, the management of nuclear waste and the proliferation of weapons of mass destruction, which cannot easily be categorized in traditional political terms as domestic or international. Moreover, issues like the location and investment strategy of multinational corporations, the regulation of global financial markets, the development of European Monetary Union, the threat to the tax base of individual countries which arises from the global division of labour and the absence of capital controls, all

pose questions about the continued effectiveness of some of the traditional instruments of national economic policy. In fact, in all major areas of government policy, the enmeshment of national political communities in regional and global processes involves them in intensive issues of trans-boundary coordination and control. Political space for the development and pursuit of effective government and the accountability of political power is no longer coterminous with a delimited national territory.

The growth of transboundary problems creates what I like to refer to as 'overlapping communities of fate'; that is, a state of affairs in which the fortunes and prospects of individual political communities are increasingly bound together (see Held, 1995, 1996; Archibugi et al., 1998). Political communities are locked into a diversity of processes and structures that range in and through them, linking and fragmenting them into complex constellations. Moreover, national communities themselves certainly do not make and determine decisions and policies exclusively for themselves when they decide such issues as the regulation of sexuality, health and the environment; national governments by no means simply determine what is right or appropriate exclusively for their own citizens.

The assumption that one can understand the nature and possibilities of political community merely by referring to national structures and mechanisms of political power is clearly anachronistic. Accordingly, questions are raised both about the fate of the idea of the political community and about the appropriate locus for the articulation of the political good. If the agent at the heart of modern political discourse, be it a person, group or government, is locked into a variety of overlapping communities and jurisdictions, then the proper 'home' of politics and democracy becomes difficult to locate.

This matter is most apparent in Europe, where the development of the EU has created intensive discussion about the future of sovereignty and autonomy within individual nation-states. But the issues are important not just for Europe and the West, but for countries in other parts of the world, for example, in East Asia. The countries of East Asia must recognize emerging problems – for instance, problems concerning AIDS, migration and new challenges to peace, security and economic prosperity – that spill over the boundaries of nation-states. Moreover, they are developing within the context of growing interconnectedness across the world's major regions, with few better illustrations than the economic crisis of 1997–8 (see Held and McGrew, 1998, and later in the article). This interconnectedness is marked in a whole range of areas, from the environment and human rights to issues of international crime. In other words, East Asia is necessarily part of a more global order and is locked into a diversity of sites of power which shape and determine its collective fortunes.

Global transformations have affected our concept of the political community and, in particular, our concept of the democratic political community. It is too rarely acknowledged that the proper nature and form of political communities are clouded by the multiplying interconnections among them. How so, exactly?

Electoral politics and the ballot box are at the heart of the process whereby consent and legitimacy are bestowed upon government in liberal democracies. However, the notions that consent legitimates government and that the national vote is the appropriate mechanism by which authority is periodically conferred on government become problematic as soon as the nature of a 'relevant community' is examined (Held, 1995). What is the proper constituency and realm of jurisdiction for developing and carrying out policy in relation to issues such as the policing and prosecution of paedophilia, the maintenance of military security, the harvesting of rain forests, the use of non-renewable resources, the instability of global financial markets, the pursuit of those who have committed crimes against humanity and the management and control of genetic engineering in animals and humans? It has been taken for granted for the best part of the last 200 years that national boundaries are the proper bases to demarcate which individuals are included and excluded from participation in decisions affecting their lives; but if many socioeconomic processes and the outcomes of decisions about them stretch beyond national frontiers, then the implications of this are serious, not only for the categories of consent and legitimacy but for all the key ideas of democracy. At issue is the nature of a political community and how the boundaries of a political community might be drawn, as well as the meaning of representation and the problem of who should represent whom and on what basis and the proper form of political participation – who should participate in which domains and in what ways. As fundamental processes of governance escape the categories of the nation-state, the traditional national resolutions of the key questions of democratic theory and practice look increasingly threadbare.

The idea of government or of the state, democratic or otherwise, can no longer be simply defended as an idea suitable to a particular closed political community or nation-state. The idea of a political community of fate – of a self-determining collectivity – can no longer meaningfully be located within the boundaries of a single nation-state alone. We are compelled to recognize that the extensity, intensity and impact of economic, political and environmental processes raise questions about where they are most appropriately addressed. If the most powerful geopolitical and economic forces are not to settle many pressing matters simply in terms of their own objectives and by virtue of their power, then the current institutions and mechanisms of accountability need to be reconsidered. In my writings over

the last few years, I have sought to offer such a reconsideration by setting out a cosmopolitan conception of democratic governance.

The Cosmopolitan Project

In essence, the cosmopolitan project attempts to specify the principles and the institutional arrangements for making accountable those sites and forms of power which presently operate beyond the scope of democratic control (see Held, 1995; Archibugi et al., 1998; and cf. Linklater, 1998). It argues that in the millennium ahead each citizen of a state will have to learn to become a 'cosmopolitan citizen' as well: that is, a person capable of mediating between national traditions, communities of fate and alternative styles of life. Citizenship in a democratic polity of the future is likely to involve a growing mediating role: a role which encompasses dialogue with the traditions and discourses of others with the aim of expanding the horizons of one's own framework of meaning and prejudice. Political agents who can 'reason from the point-of-view of others' might be better equipped to resolve, and resolve fairly, the new and challenging transboundary issues and processes that create overlapping communities of fate. In addition, the cosmopolitan project contends that, if many contemporary forms of power are to become accountable and if many of the complex issues that affect us all – locally, nationally, regionally and globally – are to be democratically regulated, people will have to have access to and membership in diverse political communities. Put differently, a democratic political community for the new millennium necessarily describes a world where citizens enjoy multiple citizenships. Faced with overlapping communities of fate they need to be not only citizens of their own communities, but also of the wider regions in which they live and of the wider global order. Institutions will certainly need to develop that reflect the multiple issues, questions and problems that link people together regardless of the particular nation-states in which they were born or brought up.

With this in mind, the cosmopolitan position maintains that democracy needs to be rethought as a 'double-sided process'. By a double-sided process – or process of double democratization – is meant the deepening of democracy within a national community, involving the democratization of states and civil societies over time, combined with the extension of democratic forms and processes across territorial borders (Held, 1996). Democracy for the new millennium must allow cosmopolitan citizens to gain access to, mediate between and render accountable the social, economic and political processes and flows that cut across and transform their traditional community boundaries. The core of this project involves reconceiving legitimate political authority in a manner that disconnects it from

its traditional anchor in fixed borders and delimited territories and, instead, articulates it as an attribute of basic democratic arrangements or basic democratic law which can, in principle, be entrenched and drawn upon in diverse self-regulating associations – from cities and subnational regions to nation-states, regions and wider global networks. It is clear that the process of disconnection has already begun as political authority and legitimate forms of governance are diffused ‘below’, ‘above’ and ‘along-side’ the nation-state.

The 20th century embraces many different forms of globalization. There is the rise of neoliberal deregulation so much emphasized from the mid-1970s. But there is also the growth of major global and regional institutions, from the UN to the EU. The latter are remarkable political innovations in the context of state history. The UN remains a creature of the inter-state system; however, it has, despite all its limitations, developed an innovative system of global governance which delivers significant international public goods – from air-traffic control and the management of telecommunications to the control of contagious diseases, humanitarian relief for refugees and some protection of the environmental commons. The EU, in remarkably little time, has taken Europe from the disarray of the post-Second World War era to a world in which sovereignty is pooled across a growing number of areas of common concern. Again, despite its many limitations, the EU represents a highly innovative form of governance which creates a framework of collaboration for addressing transborder issues.

In addition, it is important to reflect upon the growth in this century of the scope and content of international law. Twentieth century forms of international law – from the law governing war to that concerning crimes against humanity, environmental issues and human rights – have created the basis of what can be thought of as an emerging framework of cosmopolitan law, law which circumscribes and delimits the political power of individual states. In principle, states are no longer able to treat their citizens as they think fit; for the values embedded in these laws qualify in fundamental ways the nature and form of political power, and they set down basic standards and boundaries which no agent (political or economic) should be able to cross.

Moreover, the 20th century has seen the beginning of significant efforts to reframe markets – to use legislation to alter the background conditions and operations of firms in the marketplace. While efforts in this direction failed in respect to the NAFTA agreement, the ‘Social Chapter’ of the Maastricht Agreement, for instance, embodies principles and rules which are compatible with the idea of restructuring aspects of markets. If implemented, the ‘Social Chapter’ could, in principle, alter working conditions – for example, with respect to the provision of information and patterns

of employee consultation – in a number of distinctive ways. While the provisions of the Maastricht Agreement fall far short of what is ultimately necessary if judged by the standards of a cosmopolitan conception of democracy, they set down new forms of regulation which can be built upon (Held, 1995: 239–66).

These examples of changes in global politics and regulation suggest that, while globalization is a highly contested phenomenon, it has embraced important collaborative initiatives in politics, law and the economy in the 20th century. Together, these create an anchor on which to build a more accountable form of globalization. The cosmopolitan project is in favour of a radical extension of this development so long as it is circumscribed by democratic public law, that is, by the entrenchment of a far-reaching cluster of democratic rights and duties. Democratic public law sets down standards – entitlements and constraints – that specify an equality of status with respect to the basic institutions and organizations of a community and of overlapping communities of fate. The cosmopolitan project advocates its entrenchment *via* a series of short- and long-term measures in the conviction that, through a process of progressive, incremental change, geopolitical forces will come to be embedded in and socialized into democratic rules and practices (see Held, 1995: Part III).

What does this vision mean in the context of the kind of economic crisis which engulfed Indonesia, Russia and many other countries in 1997–8? I would like to address this briefly by considering some of the underlying economic and political issues involved in the crisis and some of the questions they raise about political regulation and the proper site of democratic accountability. The aim of this is to show that cosmopolitanism, as I understand it, has policy implications – in the here and now, and not just in the there and then!

The explosive growth of global financial activity and the expansion of global financial markets since the 1980s has transformed the context of national economies (see Held et al., 1999: Chs 3–5). Contemporary global finance is, as already noted, marked by high extensity, intensity and volatility in exchange rates, interest rates and other financial asset prices. As a result, national macro-economic policy becomes vulnerable to changes in global financial conditions. Speculative flows can have rapid and dramatic domestic economic consequences; and financial difficulties faced by a single institution or sector in one country can have major implications for the rest of the global financial sphere. The collapse of the Thai currency in 1997 contributed to dramatic falls in currency values across East Asia and affected currency values in other emerging markets. The rapid flow of short-term capital out of these economies also affected stock markets around the world. Given the volatile nature of financial markets

and the instantaneous diffusion of financial information between the world's major financial centres risks were generated with implications for the entire global financial system, and which no government alone could either diffuse or insulate itself from (Held and McGrew, 1998: 229–30).

A cosmopolitan political approach to economic and financial crises distinguishes itself from both liberal market solutions, with their constant emphasis on unburdening or deregulating markets in the hope that they might better function in the future, and national interventionist strategies, which champion the primacy of national economic management without giving due attention to regional and global policy options and initiatives. What are the targets that a cosmopolitan approach could pursue?

First, the extension of legislation to reframe markets is necessary in order to counter their indeterminacy and the massive social and environmental costs they sometimes generate. The ground rules of the free market and trade system have to be altered in subtle and less subtle ways. Ultimately, this necessitates entrenching new regulatory terms – about child labour, trade union activity, social matters (such as childcare and parental leave) and environmental protection – into the articles of association and terms of reference of economic organizations and trading agencies. Only by introducing new terms of empowerment and accountability throughout the global economic system, as a supplement and complement to collective agreements and welfare measures in national and regional contexts, can a new settlement be created between economic power and democracy.

Second, new forms of economic coordination are indispensable. Organizations like the IMF, the World Bank, the OECD and G-7 all operate with separate agendas. Policy-making is fragmented. A new coordinating economic agency, working at both regional and global levels, needs to be created. This is not as fanciful as it might at first seem, especially in the light of the establishment of new multilateral bodies after the Second World War and, most recently, the WTO. Where exactly a new economic coordinating agency should be located (at the UN, or elsewhere?) is a matter for debate. But the primary issue is to recognize the need for a new transnational economic authority that is capable of deliberating about emergency economic situations, the dynamics of international capital markets and the broad balance of public investment priorities and expenditure patterns. The brief of such a body would be to fill a vacuum; that is, to become a coordinator for economic policy that is set at global or regional levels or is not set at all, at least not by public authorities.

Third, it is important to develop measures to regulate the volatility of international financial markets and their speculative pursuit of short-term gains. Taxes on turnover in foreign exchange markets, the retention of capital controls as a policy option and a substantial increase in the regulation and transparency of bank accounting and of other financial

institutions are necessary measures if international short-term capital markets are to be amenable to democratic intervention.

Such initiatives must be thought of as steps towards a new 'Bretton Woods' system – a system that would introduce accountability and regulation into institutional mechanisms for the coordination of investment, production and trade. If linked, fourth, to measures aimed at alleviating the most pressing cases of avoidable economic suffering – by radically reducing the debt of many developing countries, by generating new economic facilities at organizations like the IMF and World Bank for development purposes and, perhaps (as George Soros has suggested), by creating new international credit insurance funds – then the basis would be created for entrenching capitalism in a set of democratic mechanisms and procedures.

But none of these developments alone will create the foundations for adequate democratic regulation unless they are, fifth, firmly linked to measures to extend democratic forms and processes across territorial borders. Such a positive policy of democratization might begin in key regions by creating greater transparency and accountability in leading decision-making centres. In Europe this would involve enhancing the power of the European Parliament and reducing the democratic deficit across all EU institutions. Elsewhere it would include restructuring the UN Security Council to give developing countries a significant voice in decision-making; deepening the mechanisms of accountability of the leading international and transnational public agencies; strengthening the enforcement capacity of human rights regimes (socioeconomic as well as political), and creating, in due course, a new democratic UN second chamber. Such targets point the way towards laying the foundations for forms of accountability at the global level. In short, they are necessary elements of what I earlier referred to as a cosmopolitan conception of democracy. Faced with overlapping communities of fate citizens in the future must become not just active citizens of their own communities, but also of the regions in which they live and of the wider global order.

Conclusion

If globalization refers to those processes that underpin a transformation in the organization of human affairs, linking together and expanding human activity such that it encompasses frameworks of interregional and intercontinental change and development, then many of our most cherished political ideas – which formerly centred on nation-states – need to be recast. It is beyond the brief of this article to pursue these issues at any length. But if we live in a world that is marked by enhanced forms of global politics and multilayered governance, then the efficacy of national

democratic traditions and national legal traditions is challenged fundamentally. However this challenge is specified precisely, it is based upon the recognition that the nature and quality of democracy within a particular community and the nature and quality of democratic relations among communities are interconnected, and that new legal and organizational mechanisms must be created if democracy and political communities themselves are to prosper.

It would be wholly fallacious to conclude from this that the politics of local communities or national democratic communities will be (or should be) wholly eclipsed by the new forces of political globalization. To assume this would be to misunderstand the very complex, variable and uneven impact of regional and global processes on political life. Of course, certain problems and policies will properly remain the responsibility of local governments and national states; but others will be recognized as appropriate for specific regions, and still others – such as elements of the environment, global security concerns, world health questions and economic regulation – will be seen to need new institutional arrangements to address them. Tests of extensiveness, intensity and comparative efficiency can be used to help filter and guide policy issues to different levels of governance (see Held, 1995: 236–7). But however such issues are precisely filtered, the agenda facing political theory in the face of regional and global shifts is now clearly defined.

The history of democratic political thought and practice has been marked by two great transitions. The first led to the establishment of greater participation and accountability in cities during antiquity and, again, in Renaissance Italy; and the second led to the entrenchment of democracy over great territories and time spans through the invention of representative democracy. From the early modern period to the late 19th century geography could, in principle, be neatly meshed with sites of political power and authority. Today, we are on the cusp of a third great transition (cf. Dahl, 1989). Democracy could become entrenched in cities, nation-states and wider regional and global forums, or else it might come to be thought of as that form of national government which became progressively more anachronistic in the 21st century. Fortunately, the choice remains ours.

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