

National Sovereignty & Universal Challenges: Choices for the World After Iraq

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“The world after Iraq”

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The complexity of the world’s affairs grows in parallel with its increased connectivity. Institutions will be needed to manage the new potential which this complexity creates, both within and between nations. We can hope that these structures will grow spontaneously, or we can set about their active design. Where there are serious blocks to institutional improvement within nations, or where systems have failed, then we may consider intervention. The bulk of this text consider what this entails.

Classifying the agents

The world of affairs contains many actors. We have been accustomed to think of these primarily in terms of nation states, but there are, of course, many forms of classification: by power, by affiliation, by numbers and in other ways. These many actors, new and traditional, which are being connected together by growth and new capabilities create new demands. In order to see the dimensions in which order needs to be generated, let us begin by considering some of the ways in which we can segment these actors.

- In the world of power blocks, US economic and military power is insuperable. It has no effective rivals and, given the facts of demographics, it is unlikely that any prospective configuration of the European Union could expect to meet it.
- In the world of ideas, the loose association of concepts around the idea of liberal democracy seems unlikely to be superseded by anything but a modified version of itself.
- In the world of the raw head count, the industrial powers and their populations will continue to be a shrinking minority of, on average, increasingly elderly and dependent people. The preponderance of people with technical training will, however, gradually shift to the lower income regions due to the facts of education and demographics.
- Commerce - and other forms of organisation which grow from roots other than location and precedent - will continue to develop different, distinctive centres of weight, of ownership and of accountability. The driver for this is specialisation and risk management, augmented by the extraordinary potential for IT-mediated data exchange. These forms of organisation will defer to other patterns of segmentation only where they must.
- National politics will undergo major changes in the way in which it must address its electorate. This will occur for two reasons. First, because the social divisions embalmed in the current brand of political parties are no longer the principle components around which societies vary. Second, decision-taking will be forced to recognise the existence of more voices with more detailed expertise beyond government than within it, the facts of there being engines of

multi-layered scrutiny that have much bigger communication budgets than does central government, and the death of deference.

It is also plain that this world will be more complex by almost any measure. It will have more actors, see greater volumes of activity, possess more connectivity and access more knowledge used with greater confidence. There will be an unceasing drive to best practice, however defined, wherever there is open competition. This situation would present a major challenge even if these forces were to be deployed with a framework of consensus. However, they are not. The world is heterogeneous and, despite the disappearance of ethnic dress and the seeming convergence of consumers on a world of malls, actually growing more plural and more dissected with each passing week.

The challenge

Current developments are without historical precedent. Humanity has launched itself on an experiment which requires continual improvement and the management of the down-side if there is not to be a catastrophe, or set of catastrophes in the generations ahead. We do not know how to live with an educated, technified and militarised 8-9 billion.

There is one further, unavoidable fact about the world which we are creating. More agencies within it – more people, wider economic systems, sets of criteria, information sources and filters - are being connected together than ever before, or connected in richer ways and in more depth. This is occurring in a system which already suffers from something analogous to both high blood pressure and arteriosclerosis. The pressures will increase. So will the obstructions. The components of any one part of this system have different rates of response to novel challenges. The response of economic structures and educated people is almost always much faster than institutional adaptation, even in the complex nations which are used to institutional redesign. Institutional response itself often outstrips social change, or may head off in a direction which is antithetical to the social trends of that time and place. The roots of rejectionism and religious fundamentalism grow from just such a situation.

The forces of change will cannot, however, be wished away. They are the composite outcome of many individual choices and the pursuit of liberty, of actions which are aimed to increase competitiveness in the ceaseless pursuit of best practice. The needs of the 8-9 billion people who will be living a generation hence can be met in a sustainable manner only through enormous increases in investment, efficiency and institutional competence.

The challenge is, therefore, how to organise the world to mitigate and manage these forces. Insofar as some aspects of the world – however dissected – will not reform themselves, it is inevitable that regulation and upgrade will, to some degree, need to be imposed. We have found that commerce does not usually self-regulate and the governments are needed to protect the commons. History shows us that corrupt, blocked or obscurantist regimes do not readily reform themselves. There is huge ignorance at the practical level as to how to build working structures within most middle income countries. There is a virtual absence of public debate about “who we

want to become.” Nationalism or borrowed ideology tends to fill the resulting gap. There is, therefore, a major challenge as to how the agents of improvement are to enable the construction of institutions which are fit for purpose.

Notes towards a solution

We forget – and superpowers tend to forget most profoundly of all - that the central institutions in any state are both tacit and intangible. Top-down designs will not do. Whatever structures are created need to harmonise with and seemingly arise from the patterns of discourse and transaction which characterise the social group which they represent. The outward patterns of anything new – mobile telephones, new democracy, consumerism – has to be embedded in the basic reflexes of the society if they are to work. This often happens in unaccountable ways. However, it is a science with which we have yet to grapple, and it is fair to say that “installing democracy” is not a meaningful military aim unless this comes with an expectation of a great deal of trial and error, name-calling and chronic civil unrest.

One can, of course, attempt to get the big issues right, and hope that “natural” institutions will follow. This is itself a long list, examples of which are the separation of powers, active management of corruption, rational allocation of resources, representative political systems at all levels of scale, fiscal and monetary probity, information transparency, access to credit, rural tenure and the like. There are all manner of desiderata in the private sector: openness to trade and external ideas, a thriving consumer culture and appropriate systems of accountability for management. There are natural targets for human capital, public health and security. Getting these issues “right” is a necessary but not a sufficient condition for progress, however. Complex economies present a myriad of options. They erode the foundations of organisations which are not actively adaptive. They operate from a deep base of information. Complex institutions are required if these are to function. Warlordism and command-and-control are primitive social forms which are capable of managing only simple economies and simple societies. These forms always fail once a given level of complexity is achieved. Complex economies demand complex institutions. One cannot command an economy made up of self-willed professionals.

This fact has a profound implication for those who wish to improve the institutions of countries which operate below their potential, or to police the new connections which global integration creates. Capacity raising equates to attempts to install new, different machinery for managing increased complexity. ***Such machinery aims both to deliver and to manages increased degrees of freedom in the system – what we call liberty, options, choice.*** It is demonstrable that societies which possess these structures achieve economic and social growth, and that these which do not, will not:

- Assessments of Africa and Asian countries in the 1950s showed that their economies were broadly similar. However, they differed substantially in their institutional integrity and human potential. This difference proved a direct predictor of subsequent differences in performance. Incomes per capita across Africa and South-East Asia were almost identical in 1950, but typically differ by two orders of magnitude today. Non-communist Asian nations with exceptional institutional performance – for example, Singapore – succeeded spectacularly, whilst those which suffered institutional distractions, for example Indonesia or the Philippines, have done less well.

- Italian city states are shown to have differed in many ways before their eventual unification. Analysis shows that institutional strength of any one of these states in the middle of the C19th is a good predictor of differential standards of living today, and serves as a sound predictor of their relative economic performance between 1980 and 2000.
- The World Bank has a well tried index of human capital which includes many features – for example measuring access to fresh water, literacy, the integrity of financial, legal and political institutions, economic inequality, female participation in education and labour and so forth. It is widely used in the development literature. This index is extremely closely allied to the level of economic development of the society in question. One should read this not to say that rich countries are kind to their citizens, but that any state which does not develop its human and institutional potential will not get rich or complex. Indexes which assess tax evasion, corruption, levels of economic risk and instability are also inversely related to the level of wealth in a nation. Once again, this is not to say that rich nations are innately stable and honest, but that a given level of complexity can only be reached once these issues have been resolved.

It is not possible to impose solutions of this sort; or anyway to do so on the basis of current understanding. Intervention may well be required in the most urgent and egregious cases. However, military power will always be an enabling secondary force, much as civil policing works on behalf of more abstract forms of organisation. The order: “Sergeant, install democracy” is not an option.

Intervention, where it is effective, uses “all modes” power projection. That is, it delivers pressure to adapt, guidance on adaptation, support where there is weakness and – above all – affords or helps the emergence of a paradigm of that towards which the society is struggling. It helps a nation discuss what kind of country it wishes to be. This is, of course, a major feat of organisation where it is achieved. It requires allies to act in a deep, co-ordinated manner, one that is not to be distracted by set-backs nor blown off course by surface issues. It needs to know its own mind, and to be prepared for the long haul. What it plainly is not is a short-term, project focused or contentious activity; and neither is it meaningful if subject to the nominal authority of institutions for which its partners have no fundamental respect. Organisation is, therefore, a major challenge to the superpower’s ambitions in this regard, with or without partners.

It is not easy to see how this clarity of resolve is to be achieved. Independent interests are at stake. These will continue to bias attitudes, as was evident from the actions of the creditor nations in the Iraq war. The European Union is trying to acquire the mantle of unified, global power. Whilst its economic and social “numbers” sum to those of the US, its capabilities and its potential do not. There is, already, friction between the powers on issues of style, trade and regional authority. Exacerbated rivalry between these two blocks is a danger which is most likely to become significant in a world of slowed economic growth, with a soft Euro compensating for slow productivity improvement. There is reason to expect just such an outcome in the decade ahead.

The post-war, cold war institutions such as the UN are also a poor mechanism through which to carry this project forward. An innate assumption of formal, nominally-

democratic agencies is that its rules are universal, its sanctions triggered automatically and its justice blind. This assumption is not realistic or viable in the international arena. The major parties will not be bound to “international law”, such that their possession of nuclear weapons is placed on a level with that of an erratic dictatorship. Equally, what is apposite in respect of Iraq is not, in the real world, applicable to a major power such as China, despite its 50 million political prisoners, environmental degradation and weapons of mass destruction.

The alternative, in which difficult issues are discussed and developed *in camera* amongst allies, also presents difficulties. Its legitimacy is extremely suspect in the eyes of the rest of the world. Equally, it is easy to come to believe that one’s own interests are universal, as was evident in the latter decades of the British Empire. The world is confronted with a period in which accelerated institutional growth is essential. There will be situations where the future of many millions are plainly blocked by active opposition to this, and the temptation to intervene will be strong. The challenge to this is, essentially, threefold.

- We do not know how, technically, to create complex institutions on behalf of client states.
- We do not know how to manage the unity of our ambitions in this regard. We do not have the machinery to make rational choices, or to understand the level of necessary commitment.
- We do not know how to create the institutions which will confer legitimacy and wise guidance on these actions.

The scale of any commitment is potentially very large. The former Yugoslavia, Iraq and nations such as Liberia and Ruanda will require care that lasts for decades. Even if one accepts the need for occasional intervention, and for systematic policy which is aimed at institutional upgrade in all nations, it is plainly impossible to meet all potential commitments. It is, therefore, close to self-evident that many parts of the world will fail to make an economic and social transition to match the inevitable strains of their demographic processes.

Billions live below their potential today – factually, there must be potential Einsteins sorting through rubbish and Beethovens begging on the street. A billion people live on less than a US dollar a day. Aside from these moral demands, however, facts compel a change of style. Some 2.5 billion graduates will be alive in 2020, by no means all of them living in the old industrial world. Their arrival bring both the potential for positive developments – and increased competitive erosion, and accelerate change - but also increased friction if their aspirations are not met. Extremely dangerous technologies are abroad, and the barriers to accessing these will continue to fall. Biotechnologies, in particular, have destructive potential when put into the wrong hands, or when in sloppily-managed hands. The living environment will not support 8-9 billion at current economic levels, let alone when foreseeable economic growth occurs. We shall need a community of the rational and the adaptive when we come to solve these issues.

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