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# *Globalization, Human Security and (Global) Public Goods*

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1. Promises and discontents of globalization
2. Security of states, of commerce and (socio-economic) security of peoples
3. The triangle of human security, human development, and human rights
4. Public goods for human security: the merger of two discourses
5. Public Goods – Concept and Background
6. Global, regional, national, local public goods – decision, provision and financing
7. (Global) Public Goods and (Global) Governance

# Promises of Globalization: The increase of the wealth of nations

By means of the

**liberalisation** of markets

**Deregulation** of political rules and an institutional order of „regulation of deregulation“

**Privatisation** of public goods

By establishing a geo-economic order of **global competition** on free markets

- Commodity markets (regulated by WTO)
- Financial markets (regulated by the IMF/ WB)
- Resulting in a „compression of time and space“ (increase of productivity) and the disappearance of diversity

The role of Communication, mobility and the increase of global **Interdependence** („global village“, „global neighbourhood“)

# Discontents of globalization

- Interdependence and growing vulnerability of nations and peoples
- the inevitable greenhouse effect
- Increase of social, cultural and environmental entropy, i.e. the disappearance of diversity:
  - „There is no alternative“, „pensée unique“; Common informal law; Rating of debtors; global english as a „lingua franca“ etc
  - The global rules of „good“(global) governance
- The inevitable crises of capitalist accumulation
  - The role of financial instabilities
  - Global unemployment and the emergence of the informal sector
- The pressures of local (national) competitiveness in global competition and the pressures on the welfare state

And...

## Global transformations of institutions and their precarious informalisation

Dismantling of the welfare state and loss of economic and social citizen rights

Erosion of „normal“ industrial relations and the new powers of employers under the threats of mass unemployment

The persistence of poverty and its impact on human security: the failure of the millenium-goals

## Different aspects of security 1

# Security in an international system of nation states, i.e. „neo-realistic security“

- Security in a binary world of friends and foes
- Multilateral security systems
- Security **against....**
  - Other nation states
  - New threats (terrorism, organised crime, migration etc.)
- Security **of...**
  - Energy provision
  - Access to resources
- The limits of security provision under globalisation

# Towards a new security consensus

„The United Nations was created in 1945 above all else “to save succeeding generations from the scourge of war” - to ensure that the horrors of the World Wars were never repeated. Sixty years later, we know all too well that the biggest security threats we face now, and in the decades ahead, go far beyond States waging aggressive war. They extend to poverty, infectious disease and environmental degradation; war and violence within States; the spread and possible use of nuclear, radiological, chemical and biological weapons; terrorism; and transnational organized crime. The **threats are from non-State actors as well as States, and to human security as well as State security.**

The preoccupation of the United Nations founders was with State security.

...there are six clusters of threats with which the world must be concerned now and in the decades ahead:

- **Economic and social threats, including poverty, infectious disease and environmental degradation**
- **Inter-State conflict**
- **Internal conflict, including civil war, genocide and other large-scale atrocities**
- **Nuclear, radiological, chemical and biological weapons**
- **Terrorism**
- **Transnational organized crime“**

From: Report of the High-level Panel on Threats, Challenges and Change, United Nations New York 2004: 14passim

## Different aspects of security 2

### Commercial security

#### Commercial security and public works: the discourse of Adam Smith

“public works and public institutions must serve the purpose “of facilitating the commerce of the society”. In this understanding, public goods have an unambiguous function. They are supposed to be beneficial to “commerce”. As examples of public works Smith mentions “good roads, bridges, navigable canals, harbours &c” (19). The expenditures to finance them must be “properly defrayed” from the public revenue. But then the public institutions can be operated on a private basis, for example, by giving toll rights to canals to private operators whose interest it must be to maintain the canal, as Smith writes (20). This could be interpreted as an example of today’s ‘public-private partnerships’. Smith discusses all public institutions under the aspect of the interests of commerce: “The object of the public works and institutions... is to facilitate commerce...” (21). Embassies abroad are necessary to promote British foreign trade or to support of British trading companies. But this applies only to “civilized nations”; for “barbarous” nations the maintenance of military “forts” is envisaged to support British “commerce” (22).

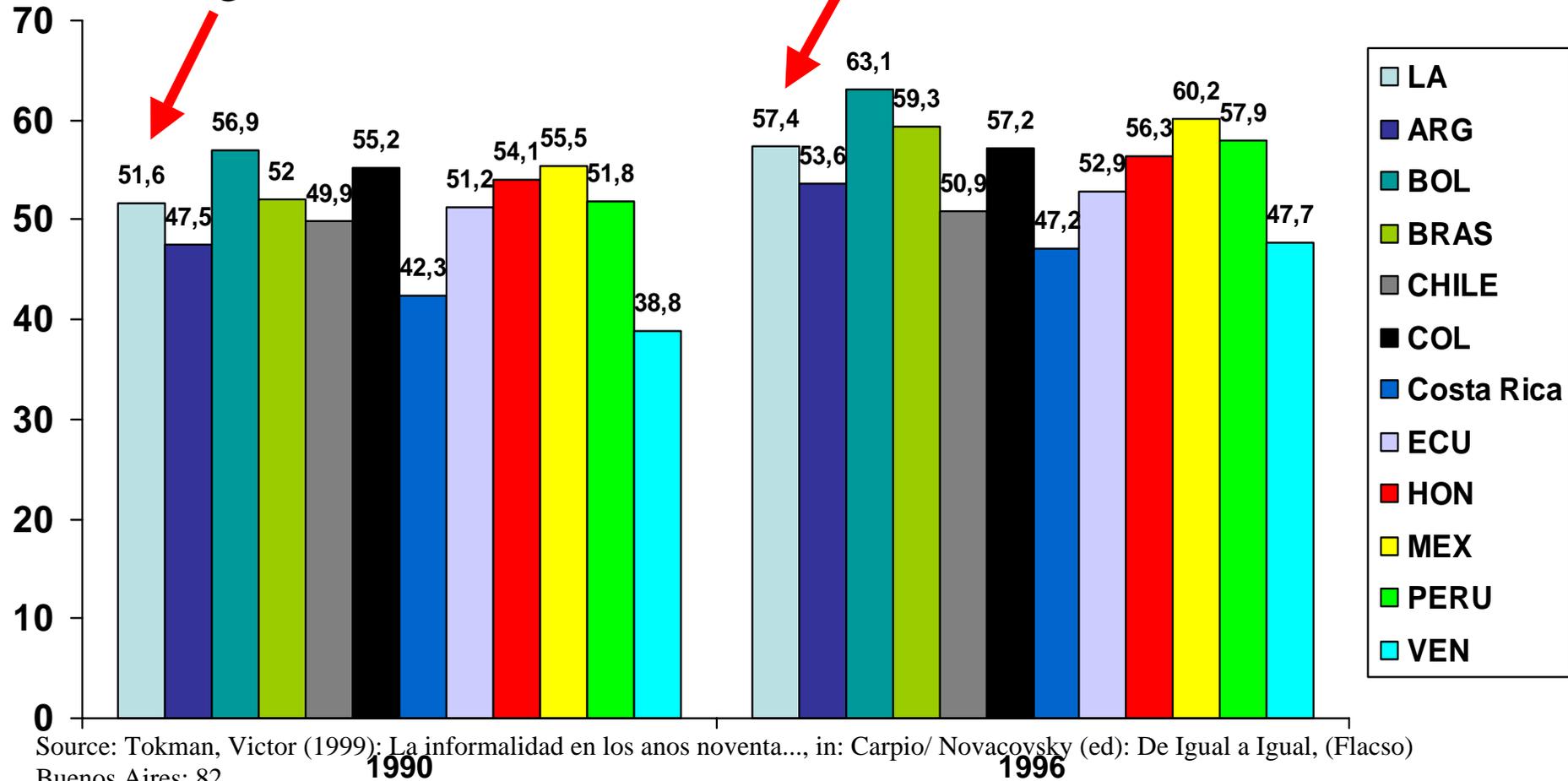
## Different meanings of security 3

# The ILO-concept of socio-economic security

- Elements of socio-economic security
  - Basic securities
    - Food
    - Shelter
    - Education
    - health
  - Economic securities
    - Income
    - Representation
    - Labour market: full employment
    - Employment: against dismissal
    - Job: niches for a career
    - Work: health and safety
    - Skill reproduction: acquisitions of qualifications
- The Global Trend of Informalisation of labour undermines these securities

# Some Figures: The informal sector in Latin America (LA) and some latin-american countries 1990-1996

New CEPAL-Data display 70% of Latin American Workers working in the Informal Sector (La Jornada 8-11-05)



# Core Labour Norms of the ILO and their development since 1948

<b>Freedom of Organisation and of Negotiation and Contracting</b>	<ul style="list-style-type: none"><li>● Nr.87: Übereinkommen über die Vereinigungsfreiheit und den Schutz des Vereinigungsrechts (1948)</li><li>● Nr. 98: Übereinkommen über die Anwendung des Grundsatzes des Vereinigungsrechts und des Rechts zu Kollektivverhandlungen (1949)</li><li>● Nr. 29: Übereinkommen zur Zwangsarbeit (1930)</li><li>● Nr. 105: Übereinkommen über die Abschaffung der Zwangsarbeit (1957)</li><li>● Nr. 100: Übereinkommen über die gleiche Entlohnung (1951)</li><li>● Nr. 111: Übereinkommen über die Nichtdiskriminierung am Arbeitsplatz (1958)</li><li>● Nr. 138: Übereinkommen über das Mindestalter der Zulassung zur Beschäftigung (1973)</li><li>● Nr. 182: Beseitigung der schlimmsten Formen von Kinderarbeit (1999)</li></ul>
<b>No enforced labour</b>	
<b>Freedom from discrimination in occupation and profession due to gender, race, religion, political position or class</b>	
<b>Prohibition of child labour</b>	

# Different aspects of security 4

## Human Security:

### Human Security in “World Reports” during the last decade

- “Our Common Future”, Report on Global Governance 1993
- UNDP, Human Development Report 1994
- UNDP, Human Development Report 1999
- High Level Panel on Threats, Challenges and Change 2004
- Commission on Human Security (Sen/ Ogatha-report) 2003

The concept of UNDP is all-embracing and includes many of the securities already mentioned

- Environmental security
- Health security
- Food security and safety
- Shelter
- Public security
- Socio-economic security

Insecurities because of global threats to these elements of HS

# Principles and Aspects of Human Security

- Security in **quotidian** life
- Security above all for the „**most vulnerable peoples**“
- Which is only possible to be provided under conditions of **multilateralism**
- in a **pluralistic world of differences and diversity**
- And under the condition of **global justice and equity**

Therefore Human Security is not only an analytical but **normative concept**

# Table of contents of the Report of the COMMISSION ON HUMAN SECURITY, Human Security Now (Sen/ Ogatha-Report), New York 2003

- **Chapter 1 Human security now 1**
- Security centred on people—not states 2
- Protection and empowerment for human security 10
- Interdependence and shared sovereignty 12
- Feature: Special issues in human security 14
- **Chapter 2 People caught up in violent conflict 20**
- Changes in violent conflict 21
- Adopting a human security approach 24
- Policy conclusions 33
- **Chapter 3 People on the move 40**
- Movements of people and state security 42
- Movements of people—and development 44
- Filling gaps in the institutional and normative frameworks 45
- Adopting a human security approach 46
- Policy conclusions 52
- **Chapter 4 Recovering from violent conflict 56**
- Adopting a human security approach 58
- Ensuring public safety 61
- Meeting immediate humanitarian needs 63
- Launching rehabilitation and reconstruction 64
- Emphasizing reconciliation and coexistence 65
- Promoting governance and empowerment 66
- A new resource mobilization strategy 69
- Policy conclusions 70
- **Chapter 5 Economic security—the power to choose among opportunities 72**
- Poverty and human security 73
- Adopting a human security approach 73
- Policy conclusions 90
- **Chapter 6 Better health for human security 94**
- The links between health and human security 96
- Adopting a human security approach 102
- Policy conclusions 109
- **Chapter 7 Knowledge, skills and values for human security 113**
- Connecting basic education to human security 114
- Adopting a human security approach 116
- Policy conclusions 124
- **Chapter 8 Ways to advance the security of people 129**
- A global initiative for human security 131
- Addressing the basics 133
- Linking the many initiatives in a global alliance 142
- **Outreach for human security 144**

# The Erosion of (human) securities in the course of global transformations and The ambiguities of security

- Is a certain insecurity a precondition of dynamic development (as neoliberal economists presume)?
- Or is security a prerequisite of innovation and initiative (as „Schumpeterians“ suppose)?
- Privatisation of the provision of security „of“ the ones (the „included“) „against“ others („the included“)
- The crucial dilemma of drafting the line between inclusion and exclusion

# Security for all - or security for the ones and insecurity for others?

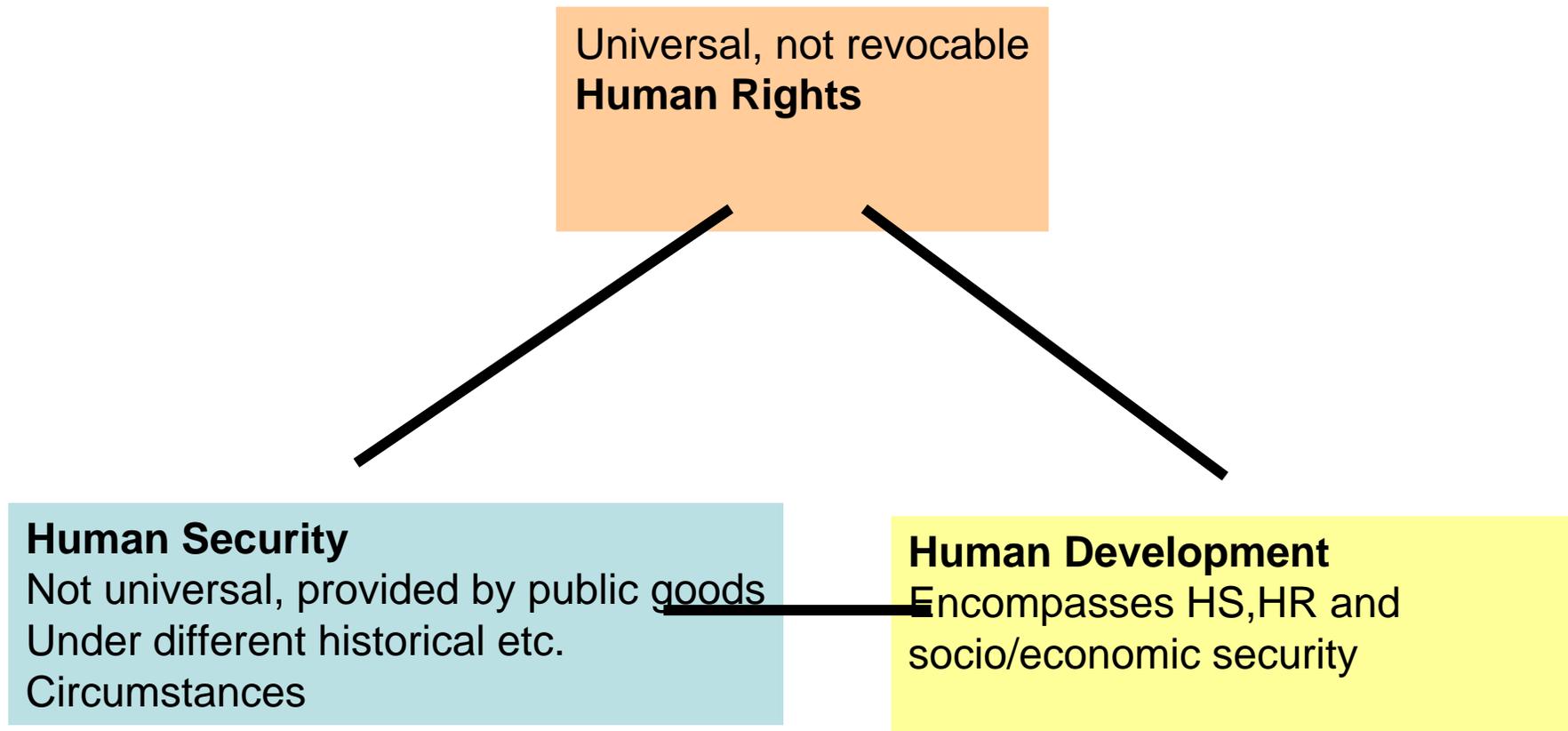
- Trade-offs and opportunity costs involved.  
Examples:
  - Security against immigration and insecurity for migrants
  - What is good for commercial security (of firms) must not be good for human and socio-economic security (of workers)
    - The contradiction between financial stability and socio-economic security
  - The built environment (infrastructure) for commercial security and its negative effects on the natural environment and environmental security
- How to resolve the distribution- or equity- problem involved?
  - The central role of democratic discourses and the participation of the public on different levels from the local to the global

## The crucial role of human development for human rights and human security:

„In describing how to meet the challenge of prevention, we begin with **development** because it is the indispensable foundation for a collective security system that takes prevention seriously. It serves multiple functions. It helps combat the poverty, infectious disease and environmental degradation that kill millions and threaten human security. It is vital in helping States prevent or reverse the erosion of State capacity, which is crucial for meeting almost every class of threat. And it is part of a long-term strategy for preventing civil war and for addressing the environments in which both terrorism and organized crime flourish.“

From: High Level Report

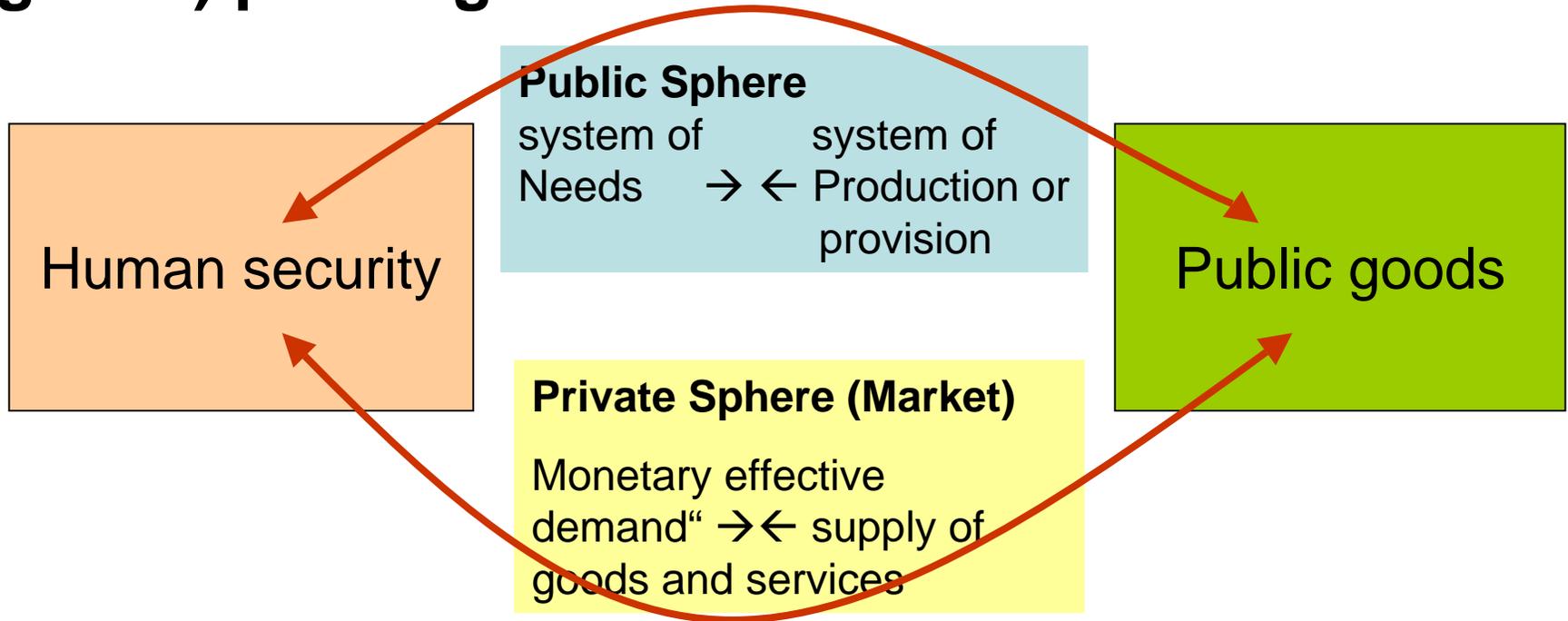
# The triangle of Human Security, Human Development and Human Rights



# Three related meanings: Certain, safe, secure

- **Certainty and uncertainty**
  - Risks of life because the future is unknown and not foreseeable. Counterstrategy: **risk-insurance** against unpleasant surprise
- **Safety and unsafety**
  - In the sense of being protected or not against negative impacts. Counterstrategy: securitisation by **precautionary protection**
- **Security and insecurity**
  - Definition of human security (UNDP 1994): „Freedom from fear“ and „freedom from want“. Insecurity because of insufficiencies in the satisfaction of basic needs. Counterstrategy: security by means of the **provision of public goods**
- The difficulties to apply these distinctions in real life
- The obvious relation between Human Security-needs and the provision of Public Goods

# The relation between human security and (global) public goods



The distinction is not always and under all circumstances possible;  
Very often „security“ is understood as a public good and vice versa;  
The concepts are intertwined  
e.g. food **security** is also conceived as a **public good**

# Public Goods for Human Security

- They are not subdued to market competition and conflicts on distribution
- They are inclusive, not exclusive
- They are not object of rivalry in consumption
- They originate positive external effects
- They are the outcome of publicness, i.e. of public discourses and public decisions

## **A Definition by Robert Musgrave:**

„Goods have a special potential for being public if they have **nonexcludable benefits, nonrival benefits**, or both“

„Goods are de facto public if they are nonexclusive and available for all to consume“

„Global public goods are goods with benefits that extend to **all countries, people, and generations**“

*Musgrave: „Global equity – an all-encompassing public good“ (in: Kaul, XII)*

# The standard-definition: Private, Public, Positional, and Club goods

	Rivalry in Consumption	Non-Rivalry in consumption
Excludability	<p>Pure private Good/ marketable commodity Private property rights (e.g. private money)</p>	<p>Club good („for members only“ who payed for the provision) assigned user rights (e.g. tennis club)</p>
Non-excludability; Inclusiveness	<p>Common pool resource/ Positional Goods (Negative effects of the numbers of consumers on the quality of the good, e.g. a public park or public museum)</p>	<p>Pure public good (e.g. knowledge; financial stability)</p>

Public goods are also characterised by positive external effects

“The UN Millennium Declaration shows that the international community’s vision of the global public domain focuses on

## 10 global public goods:

- **Basic human dignity** for all people, including universal access to basic education and health care.
- **Respect for national sovereignty.**
- **Global public health**, particularly communicable disease control.
- **Global security** or, put differently, a global public domain free from crime and violence.
- **Global peace.**
- **Communication and transportation** systems harmonized across borders.
- **Institutional infrastructure** harmonized across borders to foster such goals as market efficiency, universal human rights transparent and accountable governance, and harmonization of technical standards.
- **Concerted management of knowledge**, including worldwide respect for intellectual property rights.
- **Concerted management of the global natural commons** to promote their sustainable use.
- **Availability of international arenas** for multilateral negotiations between states as well as between state and nonstate actors.”

From: Kaul, Inge/ Conceicao, Pedro/  
Le Goulven, Katell/ Menonza, Ronald U.:  
Providing Global Public Goods:  
Managing Globalization, Oxford 2003

# Public goods extend to

- **Material infrastructure**, built environment, general conditions of production
  - It must be constructed
- **Immaterial infrastructure** (habits, rules, law)
  - It must be enacted or issued
- **Commons**: natural commons, cultural commons
  - They are inherited and must be protected and conserved
- Public goods are hierarchically ordered. Some are a prerequisite before others can be beneficial (Kanbur et al)

# The publicness of public goods and the role of social movements

- The public is discursively construed, in a contested field
- The role of social movements **for**
  - The protection of the public provision of public goods
    - Health services
    - Education
    - Water
  - The preservation of eco-systems
    - Clean air and water
    - Biodiversity
    - Cultural heritage
  - Against the privatisation of the spheres of the earth by using them as a dump site for solid, liquid or gasic privately produced waste
- The discourse on „the social costs of private enterprise“ (K. W. Kapp) and the decisive role of „**public bads**“ . Movements **against** public bads (environmental movements)

# Different discourses on Public Goods in social sciences

- **General conditions of production** (Classical Political Economy from Smith to Marx to O'Connor) and the role of the state
- The **spatial and temporal fix**, the „built environment“ and the impact on the accumulation of capital (e.g. Harvey)
- **External economies and diseconomies** (From Marshall and Pigou to Coase) and the theory of market failures
- The concept of public bads and the effects of „joint production“ on welfare (**thermodynamics**)
- The **Commons and their regulation** (Hardin; Ostrom)
- The **Politicisation of public goods** (Kaul et al) and the role of new social movements
- **The need for multidisciplinary and varieties of approaches**

# Public Goods: from Local to Global

Users/ Consumers	Goals/ Objectives	Means/ Public Goods	Providers/ Producers Level
Human Beings	Human Security	Natural and cultural global commons; human rights; Human development	<b>Local to global public</b>
Citizen	Democratic Participation	Procedural democracy: State of law; legitimation of power; accountability; Substantial democracy: access to education, health etc.	Local, <b>National</b> Partly Macro-regional public
Economic Actors/ Firms	Commercial Security	Public works; material and immaterial infrastructure	<b>Local; National; Macro-regional; global public/-private</b>
Political/ Military Actors	Security against....	Energy security; security against organized crime; migration; law enforcement; military power	<b>National;</b> macro-regional public

# Public Goods: Providers and Financing: From local to global

Public Providers	Public Financing	Private Providers	Private Financing
<b>Global</b>	Contributions PPP	Global funds; TNCs	Cross border leasing; privatisation
<b>Macro-Regional</b>	Contributions; Taxes	TNCs	privatisation
<b>National</b>	Taxes on revenue; fees	TNCs; firms; social organisations	privatisation
<b>Micro-Regional</b>	Taxes; , fees	Firms; social organisations	privatisation
<b>Local Communities</b>	Taxes and Fees	Firms; social organisations	Donations

# Aspects of the provision of (global) public goods

- „**Political decisionmaking**: Concerned stakeholders decide which goods to produce, how to shape them, how much of each to produce, and how to distribute their net benefits
- **Production**: Policy decisions on the production of goods are implemented. This process has two parts: financing and management
  - **Financing**: Efforts are made to foster an adequate allocation of resources – private and public – to global public goods
  - **Management**: Strategic management actions assemble goods so that they are delivered in a frictionless, efficient, effective manner“

(Kaul et al)

# The global financing of local, national and regional public goods: The articulation between the global, the national, and the local level

- Development assistance and the case of regional development banks
- Financial innovations for financing the privatisation of public goods and services: Cross border leasing and private equity funds
  - The role of the tax legislation in the USA
  - The liquidity of financial funds after the crisis of emerging markets and the burst of the new economy-bubble
  - The fiscal crisis of European cities
  - The legal possibilities to lease, to head-lease and to release public establishments (e.g., theaters, waste incinerators, sewage systems, local underground system etc.)
  - The ignorance of the public
  - The dangers included in contracts with a deadline of up to 99 years for the future provision of public goods
- Articulation between global finance, local, national and regional provision of public goods
- Role of private actors and public entities; PPP

# The Challenge for Global Governance

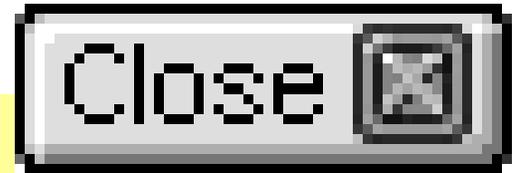
- The necessities of organizing the provision of (global) public goods against the insecurities imposed by globalisation
- Public goods are necessary for the acquisition and realisation of citizen's rights
- The importance of the publicness of decisions-making procedures, of open discourses on the provision of public goods
- The organisation of a collusion of actors on different levels: from global to local and the high importance of regional public goods
- However:
- The poverty of nations and the fiscal crisis of the states very often leads to the privatisation of public goods and thus to new border lines between those included and those excluded
  - The countervailing power of private actors against the provision of public goods: The pre-dominance of the discourse on privatisation of public goods
  - The inclination of public institutions and of their representatives to prefer market solutions and therefore to privatise public goods and services

# (Global) public goods under the pressure of privatisation: The preconditions

- **Technical** possibilities:
  - devices for the excludability of private access (Pay TV)
  - The isolation of genetic resources and the technical construct of Exclusion
- **Juridical** developments
  - The development of property rights on the global level (TRIPS, TRIMS, CBD, GATS etc.)
  - Patents and licenses in international agreements
- **Economic** developments
  - The liquidity of financial markets
  - Financial innovations (private equity funds; cross border leasing etc.)
  - The guidelines and pressures of international organisations and institutions (GATS; IMF-conditionality)
  - The fiscal crisis of the state and the neglect of public goods and services
  - Soft private norms are targeted as to replace hard state law: guidelines, self-obligations, codes of conduct etc.: example Global Compact

....And last not least...

Hegemony of **neoliberal ideology**. The dominant academic and political discourse prefers the privatisation of public goods as far as possible



More on this issue in the lecture of **Birgit Mahnkopf** on „**The impact of privatization of essential services and infrastructure on substantial democracy**“



# Conclusion

- Public goods can be understood as the means serving a common goal, i.e. providing **security** for peoples.
- Security is understood as human security, commercial security, security against external threats. Security is an ambiguous issue since security of the ones can be accompanied by insecurity of others
- Since there also are negative and detrimental cross-border effects (e.g. the contagion effect of a financial crisis or the fall-out of a nuclear disaster like Tchernobyl or the spread of diseases etc.) common measures of hedging against them can be interpreted as regional or global public goods
- Public goods are provided in a public, discursive process of decision making
- Their privatisation is technically and juridically possible and economically enforced
- The provision of public goods is a case of public action of civil society organisations; business actors normally enforce privatisation