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UNU-WIDER Entrepreneurship, Sovereignty, and Violent Social Conflict

Entrepreneurship, Sovereignty, and Violent Social Conflict

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The role of the sovereign state in driving and resolving violent social conflict remains central to studies of peace and governance. Based on a co-authored paper, this article considers the role that territorial-based sovereignty plays in violent social conflict and global governance, finds it problematic, and suggests a way in which the sovereign state-centric global system can be augmented to better address violent conflict. In particular, three new concepts are introduced into the global governance lexicon: non-state sovereign entrepreneurship (NSE), non-territorial sovereign organizations (NSOs), and inclusive governance networks (IGNs).

The Collusive Cartel of Sovereigns

The modern concept of a sovereign state rests on at least three fundamental attributes. First, the sovereign has legitimate authority. This refers to socially acknowledged and accepted power, not just to the potential arbitrary and monopoly use of coercive force. Ultimately, authority derives from some legitimizing source, both internal (acknowledgment and general acceptance by the people ruled) and external (recognition by other sovereigns). Second, the sovereign has supremacy. There is no authority above a sovereign. All authority within a sovereign's realm is inferior to it, and external authority exists only to the degree that a sovereign state conditionally accepts it by agreement with other sovereign states. And third, the sovereign has defined territory over which it exercises its supreme rule.

Today, sovereignty is understood as self-rule of a people over a given territory, however that rule is culturally sanctioned and operationally exercised. The central purpose of sovereignty is to facilitate governance within the realm, that is, to promulgate laws, issue regulations, establish rules, and devise enforcement mechanisms. Sovereigns operate as *de jure* equals to each other. The international system then consists of an assemblage of such self-ruling, territorially defined, mutually exclusive sovereignties. They protect their internal realms from each other by what amounts to a collusive cartel of sovereigns. No institutions exist above them to exercise legitimate, binding authority. All agreements among them are made as equals, are voluntary, and are revocable.

Deficiencies of State-centric Global Governance

For at least two reasons, this global governance framework no longer suffices to address certain problems effectively, efficiently, and reliably. First, mutually recognized sovereign rights increasingly clash with the often atrocious lack of exercise of sovereign responsibilities within, between, and among states. For example, the ability to exercise sovereign rights constitutes a "grand prize" to be captured in the reasonably safe knowledge that other sovereigns will abide by their mutually agreed obligation not to intervene in each other's affairs. This encourages a dynamic whereby supremacy over territory may be violently contested by groups with little regard for those living within the contested territory. Good intentions notwithstanding, any "Responsibility to Protect" can falter precisely because - as a close reading of the relevant UN documents reveals - it is ultimately and wholly subject to the supreme authority of the individual sovereign state over its own affairs.

Second, the absence of effective, efficient, and reliable countervailing political, commercial, and cultural institutions within or outside the sovereign state leaves state neglect or abuse of its self-acknowledged responsibility uncontested. Commercial society and civil society are subsumed under the powers of sovereign states and the international organizations they form, and this creates an imbalance such that an increasing number of increasingly important intrastate and trans-boundary issues can no longer be addressed by states in a timely and peaceful way.

Rebalancing Global Governance

Problems of local or global governance, including violent conflict within and between states, thus can be ascribed not merely to the faulty exercise of state sovereignty but to its very existence.

Ultimate solutions must address governance beyond the state and do so with what we call inclusive governance networks (IGNs), characterized by the inclusion, alongside states, of commercial and civil society as equally legitimate - and sovereign! - actors. Yet virtually the entire academic and public discussion regarding global governance is carried out in terms of the Westphalian-type, sovereign state-based, and state-centric system. But unlike global civil and commercial society, the members of that system are, ironically, the least global players. They cannot but act with merely local, parochial interests in mind. Thus, by design, state-based global governance is always likely to fall short of what is needed. Myopia prevails over utopia.

What is needed is an enforceable, rules-based global structure that balances the respective strengths of political, civil, and commercial society, the first operating through power, the second through moral suasion, and the third through markets. Indeed, humanity's very conception of sovereignty must return to its pre-1648 sense: universal assertion of authority and universal assertion of supremacy, but in a non-territorial way. (For example, religious doctrine generally asserts universal authority and supremacy over the faithful, wherever they may be located.) The question arises of how this can possibly be achieved today. Our suggestion looks to non-state sovereign (civil society and commercial) entrepreneurs and entrepreneurship. This refers to trans-boundary, non-state actors as they impinge on and aim to supplement, even supplant, certain powers of sovereign states.

Two Key Insights

Two key insights are, first, that non-state sovereign entrepreneurs (NSEs) already have formed non-territorial sovereign organizations (NSOs) - sometimes in embryonic or hybrid form that share authority with state sovereigns - and, second, that NSOs are neither just non-governmental organizations (NGOs) nor

sovereign states. Instead, like states, NSOs are invested with authority and exercise supremacy, but, like NGOs, are without defined territory. A striking commercial example of an NSO providing effective global governance is given by ICANN, the Internet Corporation for Assigned Names and Numbers. A private non-profit public-benefit corporation, ICANN's mission is "to coordinate, at the overall level, the global Internet's systems of unique identifiers and in particular to ensure the stable and secure operation of the Internet's unique identifier systems" (www.icann.org/en/general/bylaws.htm#I). ICANN's scope of activity is global, acting as the ultimate rule making body in designing and assigning Internet domain names, a task that is vital to Internet stability. Governments have no direct decision making powers in ICANN.

Within this NSO, the private corporation takes on the role of state sovereigns, while state sovereigns participate only through non-voting observer status, the exact inverse of the way the state-centric system works. Yet the rules of ICANN are just as enforceable on the states as are the rules of state-based governance organizations like the International Telecommunications Union (which handles the telephone but not the Internet networks). The majority of ICANN's board members are selected by a Nominating Committee which seeks "to ensure that the ICANN Board is composed of members who in the aggregate display diversity in geography, culture, skills, experience, and perspective". Criteria of nationality and statehood are excluded deliberately.

NSOs are unlike civil or commercial society NGOs. The latter are subsumed under and subject to the state, or to multistate organizations formed by sovereign states. NGOs possess neither rule-making authority nor supremacy to exercise enforcement, often seeing their roles as limited to influencing, advocating and campaigning. For example, Amnesty International and international business associations are influential global civil and commercial society actors, but unlike NSOs they have neither a broadly legitimating source from which they derive rule-making and rule-enforcing authority nor supremacy over their issue domain. Crucially, however, unlike sovereign states, both NGOs and NSOs are non-territorial, and indeed often trans-boundary global, organizations. Unlike states, NSOs are not beholden to location specific parochial interests.

Peace Through NSOs?

Apart from religions and ICANN, other potential NSO examples include the International Organization for Standardization, the International Chamber of Commerce, the International Accounting Standards Board, the Fédération Internationale de Football Association, the Olympic Movement, the Kimberley Process Certification Scheme, and - certainly at its inception- the International Committee of the Red Cross, which within a year of its formation in 1863, was instrumental in getting states to agree the First Geneva Convention, effectively "outsourcing" rule-making and enforcement to subsidiary state bodies. More recently, FIFA credibly warned sovereign states such as Chad, Peru and Poland to change official state behavior with respect to the national football associations, and the ISO, a private, non-profit organization, successfully manages to co-opt states to endorse and adopt its many industrial, management and other standards.

The ubiquitous symbol of the Olympic Movement - five multicolored, interlocking rings - represents the unity of diverse peoples of different lands, rather than subjects of different states. Like the Red Cross, the Olympic Movement was formed as a distinct counterpoint to warring sovereign states and the destruction they wrought. States compete to remain in the good favour with the Olympic Movement, just as states aspire to that new symbol of statehood - a domain name granted by ICANN and ISO. The Kimberley Process Certification Scheme to supervise the flow of conflict diamonds is an example, albeit imperfect, of the kind of rebalanced tripartite arrangement among political, civil, and commercial society - an inclusive governance network (IGN) - that we suggest has become necessary to deal with global governance problems today.

Non-state Sovereign Entrepreneurs and Entrepreneurship

Like states, all NSOs assert authority and exercise supremacy over their issue domain as they see fit. (The issue domain becomes the "equivalent" of physical domain, or territory.) Their relative success may stem, in part, from a choice by states not to contest the rise of NSOs. Be that as it may, at a minimum their existence suggests that in cases where state sovereigns are unwilling and/or unable to see after their self-acknowledged responsibilities within and across territories, the establishment of non-territorial sovereign organizations through the efforts of what effectively are non-state sovereign entrepreneurs such as Pierre de Coubertin (Olympic Movement) and Henry Durant (Red Cross) may constitute a hitherto unrecognized way - a genuine social science discovery - by which to create alternative, complementary, and/or parallel non-territorial structures and institutions that effectively, efficiently, and reliably address some of the state-based governance failures that afflict our world today.

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