

The Emergence of Private Authority in Global Governance

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1 The emergence of private authority in the international system

Rodney Bruce Hall and Thomas J. Biersteker

Traditional notions about authority in the international system derive from Weberian conceptions of the state and of the domain of international politics. There is a presumption within much of international relations theory, consistent with Weber, that the domain of the domestic is fundamentally different from the domain of the international. For Weber, the essence of the state is its ability to claim “the monopoly of the legitimate use of physical force within a given territory.”¹ Because of their claims to legitimate authority, most states “can rely on the habitual obedience of their citizens by establishing legal codes in which the threat of physical coercion is only implicit.”²

According to most traditional accounts, however, this ability to rely upon legitimate authority for habitual obedience is largely absent in the international system. International politics take place in a realm where anarchy allegedly reigns. States act in their own interest and sometimes employ force to achieve their objectives. The absence of a global state has led many observers to deny the very existence of authority, defined as legitimized power, operating within the international arena.³ States are both the source, and the exclusive location, of legitimate, public authority. This applies to the operations of states both in the realm of domestic affairs, and in the international arena. Until recently, therefore, most explanations of international behavior have concentrated on the coercion employed by states or on the self-interested motivations of individual states, to the virtual exclusion of the recognition by states of the legitimacy and authority of rules and norms operating within the international system.⁴ Not only have states been asserted to be the principal actors in the international arena, but they are also considered to be the only legitimate actors in international relations. The authority they exercise over their subjects in the domestic realm conveys to them a legitimacy and agency to interact with other states in the international society of states.

However, during the latter decades of the twentieth century, it became increasingly obvious that there were a growing number of theoretical and empirical challenges to these traditional conceptions about authority and

the international system. The concept of anarchy in the international system has been challenged and reconsidered from a variety of different perspectives.⁵ Rather than a simple Hobbesian state of nature, there is a growing recognition of degrees of order and institutionalized, patterned interaction within the international system. Forms of governance without the presence of formal state or interstate institutions have been identified in the international arena.⁶ International regimes, conventions, norms, and ideational convergence facilitate aspects of global governance. The boundaries between the domestic and the international have also begun to blur, as issues that were once solely under the purview of domestic law and politics, such as environmental standards and labor regulations, are both influenced by, and increasingly affect, international law and politics.⁷

At the same time, a growing number of actors – actors other than the state – appear to have taken on authoritative roles and functions in the international system. Many of these new actors have often been closely associated with the practices associated with the phenomenon of globalization. They include, but are not restricted to, the apparent authority exercised by global market forces, by private market institutions engaged in the setting of international standards, by human rights and environmental non-governmental organizations, by transnational religious movements, and even by mafias and mercenary armies in some instances.

While these new actors are not states, are not state-based, and do not rely exclusively on the actions or explicit support of states in the international arena, they often convey and/or appear to have been accorded some form of legitimate authority. That is, they perform the role of authorship over some important issue or domain. They claim to be, perform as, and are recognized as legitimate by some larger public (that often includes states themselves) as authors of policies, of practices, of rules, and of norms. They set agendas, they establish boundaries or limits for action, they certify, they offer salvation, they guarantee contracts, and they provide order and security. In short, they do many of the things traditionally, and exclusively, associated with the state. They act simultaneously both in the domestic and in the international arenas. What is most significant, however, is that they appear to have been accorded a form of legitimate authority.

While power and authority are closely related, authority is used here to refer to institutionalized forms or expressions of power. What differentiates authority from power is the legitimacy of claims of authority. That is, there are both rights claimed by some superior authority and obligations recognized as legitimate on the part of subordinates or subjects to that authority. Having legitimacy implies that there is some form

of normative, uncoerced consent or recognition of authority on the part of the regulated or governed, “the normative belief by an actor that a rule of institution ought to be obeyed.”⁸ This consent is the product of persuasion, trust, or apathy, rather than coercion. People, institutions, and states recognize the authority of tradition, the authority of expertise, the authority of moral claims, and sometimes even the authority of a “natural” inequality. These forms of authority “import some general claim on human trust into a social relationship in order to introduce an additional pressure for conformity beyond that which the relationship itself can exert . . . if obedience is the counterpart of power, trust is the counterpart of authority.”⁹

There is an implicit social relationship between those who claim or exercise authority and those who are subject to, or recognize, authority. The relationship is a public one, to the extent that claims and recognition of claims of authority involve an open, visible process among different agents. As R. B. Friedman observes, “there must be some public way of identifying the persons whose utterances are to be taken as ‘authoritative.’”¹⁰ Being public does not, however, imply that a state or public institution must be involved, or be wielding authority, even though they might participate in recognizing it in certain situations. It does, however, imply that the social recognition of authority should be publicly expressed. This opens the possibility for the emergence of private, non-state based, or non-state legitimated authority and the idea that “authority does not necessarily have to be associated with government institutions.”¹¹

While we proceed from the notion that the sphere of the “private” can be defined in terms of what is *not* in the realm of the “public,” this reciprocal, mutually defining relationship between public and private is only a starting point for us. We do not intend to reify this distinction. Rather, we will attempt to transcend the liberal tendency to associate the private sphere “with the individual and freedom of markets and economic exchange, while the public sphere is associated with state authority and legitimate compulsion.”¹² We recognize how problematic this dualistic identification (of the private sector with the market and the public sector with legitimate authority) can be in actual practice. Our conception of “private authority” is intended to allow for the possibility that private sector markets, market actors, non-governmental organizations, transnational actors, and other institutions can exercise forms of legitimate authority. We find it telling that at the beginning of the twenty-first century there are so many examples of sites or locations of authority that are neither states, state-based, nor state-created. The state is no longer the sole, or in some instances even the principal, source of authority, in either the domestic arena or in the international system.

There is a recognizable issue domain over which the relationship of authority is typically recognized, although the boundaries of this domain are often imprecise and subject to forms of contestation. Nevertheless, authority entails both a social relationship between author and subject, and a definable domain of action. The consent to authority is socially constructed through a variety of different political and rhetorical practices – ranging from behavioral consent to routines, norms, and public declarations of recognition.

With the advent of globalization, a great deal of attention has been focused on the authoritative role of the market and on market-based actors or institutions. Susan Strange has written that, while realists traditionally have overemphasized political structure, changes in information, communications, and financial technologies have “altered the basic relationship in any political economy – that between authority and market.”¹³ Strange contends that non-state actors, such as enterprises, transnational social institutions, international organizations, and non-governmental organizations, are increasingly acquiring power in the international political economy, and, to the extent that their power is not challenged, they are implicitly legitimated as authoritative. Ian Hurd has made a similar argument, maintaining “[t]o the extent that a state accepts some international rule or body as legitimate, that rule or body becomes an ‘authority.’”¹⁴

Authority can be exercised not only by intergovernmental institutions like the International Monetary Fund, but also “by creditor banks in negotiating debt rescheduling, or by firms choosing new locations for production and employment.”¹⁵ The mobility of capital and the competition among states as potential recipients of global capital have created a situation in which markets increasingly have the “authority to reward or punish according to their judgment of how any government manages its money supply, its fiscal deficit, its foreign debts, or, through deregulation of cozy banking cartels, improves the efficiency of its banks and its local credit markets.”¹⁶ States are often complicit in the creation of the market as authoritative. When state leaders proclaim that the “forces of the global market” give them little room for maneuver or independent policy choice, they are participating in the construction of the market as authoritative. They are not only ceding claims of authority to the market; they are creating the authority of the market.

While some suggested that the market itself is becoming authoritative, others have concentrated on the authority of private, market actors like firms, regimes, and institutions. Claire Cutler, Virginia Haufler, and Tony Porter have investigated the nature and functioning of private authority in the development of transnational private regimes.¹⁷ They define a transnational private regime as “an integrated complex of formal and informal institutions that is a source of governance for an economic issue

area as a whole.”¹⁸ Their work explores other forms of organized interfirm cooperation that are also accorded the trappings of authority.

The essays included in this book review the debates about the nature of private authority in the international political economy. Claire Cutler summarizes and extends the research she and her colleagues have conducted over the past few years in the chapter that immediately follows this one. Stephen Kobrin, Louis Pauly, and Saskia Sassen define the parameters of the debate about the nature of the market as authority in the succeeding three chapters. However, this book takes the discussion of the concept of private authority one step further, beyond the international political economy, by exploring the authoritative dimensions of other private, non-state, and non-market based actors in the contemporary international system. Essays by Mark Juergensmeyer and by Ronnie Lipschutz and Cathleen Fogel consider the moral authority of transnational religious movements and non-governmental organizations. Chapters by Phil Williams and by Bernedette Muthien and Ian Taylor describe the actions of influential private actors such as mafias and mercenary armies, which are surely more problematic locations of authority, but which are actors behaving in an apparently authoritative manner in some contexts. In the pages that follow, we consider the emergence of private authority in the international system in general terms, in markets, as market actors, in transnational movements, and among mafias and mercenaries. This is the first comparative exploration of the notion of private authority in issue areas beyond the realm of international political economy. In addition to forms of “market” authority, the volume considers the “moral” authority exercised by non-governmental organizations or transnational religious movements, and the “illicit” authority of mafias and mercenaries.

We are interested in the extent and the nature of the emergence of private locations of authority in the international system, and their implications for the future of international order and global governance. Many of these issues are related to the identification of the boundaries of state and (interstate) public authority in a contemporary international system characterized by the globalization of neoliberal ideas and practices. Where (and how) are the boundaries of public authority being challenged, and by whom? To what extent are these challenges profound or insignificant? One salient analytical cut into the emerging issue of private authority in the international political economy is the debate about whether the state is complicit in the transfer of its once sovereign prerogatives (such as the setting of exchange rates, the maintenance of a stable currency, or trade management).

Where evidence exists that functions that were once the exclusive, sovereign prerogatives of the state have devolved to the responsibility of

private actors, the question of state complicity arises. In such cases, is the state complicit in the devolution of its authority to private actors? Has the state delegated authority, enabled authority, or simply allowed authority to slip away, and for what purposes? Or is the state merely impotent to do much about this devolution of authority? Has the state no mechanism with which to combat the collusion and coordination of firms with interests in minimizing state authority through the development of “private regimes”?¹⁹ If the state is complicit in the transfer of authority to private actors, is it because state managers wish to escape domestic accountability for painful adjustments, which the requirements of macroeconomic policy coordination suggest are indicated and necessary?²⁰ Is neoliberal globalization reorganizing rather than bypassing states, sometimes with the participation of states in this process?²¹ Or is convergence among state policies inadequate to support a claim of “disciplinary neoliberalism” in the international system?²² Or, to take the question a step further, has the state been captured, perhaps through the “indifference” of domestic polities,²³ by powerful actors within domestic society, whose interests the captured state promulgates as economic, monetary, and trade policy?²⁴

These questions have important implications for some of the central debates within contemporary international relations. Disagreement about the dynamic nature of sovereignty – about the evolution (or non-evolution) of sovereignty – illustrates well some of the central disagreements between structuralist and constructivist theorists.²⁵ Constructivists and poststructuralists tend to view sovereignty as a dynamic social institution the character of which is not only historically and socially contingent, but which is also a constitutive element of the international system.²⁶ It is worth noting, in this context, that both of the editors of this volume have contributed to these arguments.²⁷ Committed structuralists, however, continue to see sovereignty as an essentially static concept, even at times an overemphasized concept.²⁸ Given that the concept of sovereignty involves claims about authority, identity, and territory, the idea that “authority” in the international system could be wielded by private, rather than public, actors has enormous implications for theorizing about the social institution of sovereignty, its salience, its changing meaning, and its endurance. The future of the sovereign state, and the resilience of its status as the principal unit of analysis of the international system, is as much an empirical as a theoretical question. The work of the contributors to this volume significantly enhances our understanding of these empirical issues.

Another issue of longstanding contention in international relations theory concerns the vitality, salience, and legitimacy of the state itself. Within the realm of international political economy, scholars as diverse as Saskia

Sassen, Susan Strange, Matthew Horsman and Andrew Marshall, and Ethan B. Kapstein have argued that neoliberal globalization is a challenge to the legitimacy of states. They have suggested that social (as opposed to civil and political) citizenship is in abeyance; that, while firms may have full citizenship within the nation-state, the withdrawal of social rights from the modern welfare state has resulted in the degradation of individual citizenship.²⁹ Other scholars, however, have argued that these assertions may be overstated,³⁰ and that firms seek investment in states with stronger, not weaker state capacities to provide an attractive, stable climate for investment.³¹ Still others have argued that the impact of external economic pressures is largely determined domestically, and that the effect of such pressures varies with the strengths or strategies of domestic elites and institutions.³² Once again, the empirical and conceptual work contained in the chapters that follow add significantly to our understanding of the changing nature of the state as an institution.

Our book is organized around the exploration of three different types of authority identified above: market authority, moral authority, and “illicit” authority. We begin, however, with a review of the most significant work undertaken to date on the concept of private authority. Claire Cutler (chapter 2) summarizes the most significant findings of her collaborative work with Virginia Haufler and Tony Porter, and provides an essay that extends their work on private authority beyond the realm of the international political economy. She encourages us to break from traditional approaches to international relations and to explore the salience of private subnational and transnational socioeconomic forces. She draws upon materialist ontologies in her analysis, and her insistence on the recognition of the historical contingency of social action mirrors recent constructivist scholarship on the historical contingency of sovereignty. Cutler’s theoretical insights about the nature of authority suggest that two of its most prominent features are its public nature and its identity as a social construct.³³

Market authority

In chapters 3, 4, and 5, Stephen Kobrin, Louis Pauly, and Saskia Sassen offer three insightful and interestingly divergent perspectives about the nature of market authority. In some of his previous work, Kobrin has argued that globalization has replaced vertically integrated hierarchical firms functioning within national economies with “a global, postmodern, networked mode of organization where the very concept of geographically based economies may not even be relevant.”³⁴ In chapter 3, Kobrin describes how the “external sovereignty” of state actors has been

diminished. He conceptualizes sovereignty as the state's capacity to exercise jurisdictional authority over its own affairs, and explains the reduction in sovereignty by the fusion of markets in high-tech industries brought on by prohibitive research and development costs. This confronts national governments with a tradeoff between efficiency and autonomy, and it appears that most national governments are opting for the former.³⁵ One possible outcome for state authority, he argues, is an evolution in the meaning of sovereignty that might result in the emergence of a neomedieval system of overlapping "subnational, national, regional, international, and supranational authorities."³⁶ A logical consequence of Kobrin's analysis is that the emerging authority of private institutional actors in technology and finance leaves states with a choice between *de facto* surrender of sovereign authority, or economic and technical marginalization. This implies a pyrrhic victory for those who "choose" sovereign autonomy.

In chapter 4, Louis Pauly raises important questions about whether globalization radically diminishes state power. Pauly directs our attention to the sources of neoliberal globalization, arguing that we are in the midst of an expansion of a specifically "American" vision of liberalism throughout the world. The power of this vision and the leverage provided by the expansion of the American economy has generated a grand neoliberal discourse on the blessings of markets and market solutions to national and global problems. However, Pauly reminds us that resistance to this project is only now emerging in discernible forms. He advises us to study the origins of the transnational economic order for clues that while "the logic of markets suggests globalism . . . the logic of politics remains deeply marked by distinctly national identities" (p. 78 below). Pauly also takes issue with "the language of inevitability" (p. 80 below) in the writings of both proponents and opponents of globalization, and argues that it is hardly inevitable that transnational capital actors will increasingly, or continue to, exercise a "determinative influence over a widening range of [national] economic . . . policies" (p. 81 below). For Pauly, there is nothing new in the fact that capital mobility exercises constraining effects on national fiscal, monetary, and macroeconomic policies. "[W]hat is new," he argues, "is the widespread perception that all states, all societies, and all social groups are now . . . affected" (p. 81 below).

Pauly finds the state to be complicit in some of the devolution of its authority to the vagaries of the market, because markets have always served as a way to "obscure distributive issues" (p. 82 below) in democratic societies. Markets help to diffuse the blame for negative economic outcomes for the losers in domestic society, and the United States appears to be extending this arrangement to the international arena. There is good

evidence to support the argument that the nearly universal global relaxation of capital controls and attendant moves to market-based decision-making procedures in the formulation of national economic policy have generated confusion among those who suffer the consequences of such policies about just who is to blame. Matthew Horsman and Andrew Marshall have consequently concluded that “the nation-state can no longer be held accountable on the very issues which so directly and persistently affect the daily lives of those that it purports to represent, mirror, sponsor and protect. Once the citizen discerns this trend, the exercise of authority by the state is undermined and authority necessarily shifts.”³⁷ Pauly, while recognizing the problem of legitimacy,³⁸ does not agree that these conclusions necessarily follow. If history is any guide, he argues, national citizens lay responsibility for financial crises and for their resolution squarely at the door of national governments. This suggests that governments failing to respond with any and all means, including capital controls and even economic closure, would not remain long in power. Because markets ultimately require stable political and institutional foundations, Pauly insists that it remains the case that “markets [a]re a tool of [state] policy, not a substitute for it” (p. 86 below). Like hegemonic stability theorists,³⁹ Pauly argues that the system requires a crisis manager to guarantee the stability of markets, and we can be certain that some state or international institution would always step in to fill this role should a crisis arise. When markets fail, “[a]gents of legitimate public authority” take back “regulatory power, or . . . markets collapse” (p. 87 below).

Saskia Sassen has argued that citizenship for the average person has been devalued by globalization, both in terms of the tangible, social benefits of citizenship, and in terms of the right to affect policy at the polls, or the political benefits of citizenship.⁴⁰ If consumptive power and capital are the new criteria for a full franchise, this situation disenfranchises the poor, who lack these assets.⁴¹ Sassen retains her concern with issues of global economic justice in chapter 5, but she also articulates an analytical perspective that differs in important respects from that of both Kobrin and Pauly. She maintains that the global economy simultaneously transcends the authority of the national state, yet is at least partly implanted in national territories and institutions. She suggests new analytical methods for studying the relationship between globalization and state sovereignty. She points out that economic globalization materializes partly in national territory, and she develops a description of the international system in the era of globalization that comprises an entire set of governance mechanisms. Some of these are centered on the state, and some within a burgeoning private legal framework that is developing within national legal frameworks, but threatening to manifest itself independently.

According to Sassen, globalization is partial and particular, rather than universal. It is a system of power that is generating new norms, thus striving to generate legitimations and legalities. While globalization generates a new space for crossborder transactions, Sassen finds it more interesting to focus on how the governance of this crossborder space is moving from national legal frameworks to the interstate system than to concentrate on the volume, speed, density, and novelty of transactions. The new strategic actors in the system, and the new bases of systemic legality, are all private actors: firms, accountancy agencies, and standards setters. Sassen contends that the globalization of liberalism and the “privatization” of economic processes involves the relocation of regulatory functions from public to private authorities.

Sassen agrees with Pauly that the state is at least complicit in this process. She describes how governmental institutional structures are transformed in the process of working with intermediaries. Changes are often manifest initially as minor alterations in national legal codes such as, when in response to currency crises, financial service firms generate changes in state depository systems to normalize these institutions with international standards. From these examples, Sassen illustrates how a focus on the proliferation and consequences of information technologies may obscure the more interesting issues of how private actors employ these technologies in the work of producing and reproducing the organization and *management* of a global production system and a global marketplace.

The emphasis on mobility of capital and the deterritorialization of economic transactions in so much of the globalization literature obscures the extent to which the apparatus of private governance of the global economy is strongly territorialized or geographically “embedded” in global cities and export processing zones. Sassen reminds us that, while economic activity has indeed become spatially dispersed, the high-level management and control functions of these activities are increasingly contained within what Sassen has elsewhere referred to as “global cities,”⁴² which she characterizes as strategic sites for the production of these specialized functions to run and coordinate the global economy. Global cities such as Tokyo, New York, London, and Sao Paulo are the sites from which the larger production function is geographically dispersed. It is decision-making by private actors in these financial centers that can lead to changes in the national institutions and laws of states seeking access to their financial products. This is the basis of their private authority.

In redirecting our attention, back to distinctions between the locations of production and the locations of authoritative decision-making, Sassen helps us to understand why crossborder financial flow statistics

are not always useful, either for understanding globalization conceptually, or for studying changing authority relations. She indicates that authority relations have changed qualitatively, though some analysts might dispute this claim. Nevertheless, Sassen sees an emerging governance role for private firms and supranational organizations in the international economy. Her analysis raises two fascinating questions, the answers to which might help illuminate the emerging structure of authority relations. The first question is: how is authority constructed and constituted by the discursive justifications of the state in the process of ceding its sovereign perquisites to private and other supranational actors? The second question is how (and whether) the content of state authority has changed.

Pauly's analysis raises an equally important and related question. He contends that, while it is easy to delegate authority to financial markets in relatively good economic times, when downturns come, states, as the only agents of legitimate public authority, will take back regulatory power. They will do so in their own interest, to avoid financial market collapse and attendant social unrest. Pauly appears to argue that private authority is a contingent and fleeting phenomenon, visible only until the next major global economic downturn. However, to the extent that intermediaries between private actors and the state generate institutional changes within states, might these, per Kobrin's analysis, lead to macrostructural changes of the global financial architecture itself? The question then becomes whether the state can ever take back regulatory authority once it has been surrendered.

Moral authority

As Claire Cutler argues in chapter 2, private regimes entail both "formal and informal institutions that [are sources] of governance for an economic issue area as a whole" (p. 29 below). Non-governmental organizations are private actors that can serve important epistemic and legitimation functions in formulating transnational policy decisions, regime rules, principles, and decision-making procedures. Beyond the realm of the international political economy, non-governmental organizations associated with transnational social and religious movements provide other sources of authority that not only legitimate challenges to the existing international order, but also suggest alternative conceptions of the bases for future orders.⁴³

In chapter 6, Ronnie Lipschutz and Cathleen Fogel draw upon Lipschutz's earlier work on non-governmental organizations as sources of transnational civil societies⁴⁴ to argue that NGOs function as private authorities in the emerging privatization of environmental regulations.

Lipschutz and Fogel illustrate how private organizations serve as sources of “eco-labeling” certification and establish standards of “sustainable forestry” recognized by firms (p. 133, 134 below). Lipschutz and Fogel illustrate the manner in which NGOs, as well as multi- and transnational coalitions and alliances, corporations, and corporate associations have taken upon themselves “normative, functional and instrumental responsibilities.”

Provisionally, we can see at least three different ways in which private authority is exercised by NGOs. First, there is the authority of the agenda-setter. One might object that this is “power” granted to, or gleaned by, certain privileged NGOs by virtue of the locations of their headquarters, the placement of their primary officers, and/or their access to governmental decision-makers. However, this objection deals only with the lobbying activities of a minority of NGOs. Further, this objection fails to recognize that the success that some NGOs enjoy in these lobbying efforts is due in no small part to their success in manipulating the choices and policy preferences of average citizens at the grassroots level of organization. If the perspectives and policy prescriptions of some NGOs did not enjoy popular support, and the genuine popular legitimacy by which power becomes authority, no lobbying success would be enjoyed in most states.

The second way in which private authority is exercised by NGOs is by virtue of their authorship, or expertise. Many NGOs provide expert advice as part of their effort to influence policy preferences. To the extent that they are seen as credible providers of technical expertise or information that is difficult to acquire, compile, organize, or analyze, they may enjoy the authority that accompanies authorship. One good illustration of this is Amnesty International’s annual human rights report, which amasses, organizes, and analyzes evidence of human rights violations in remote, repressive, difficult-to-reach countries, as well as accessible and ostensibly open and democratic ones.⁴⁵

A third way in which private authority is exercised by NGOs is associated with their emancipatory and normatively progressive social agendas, or their ostensible objectivity or neutrality as non-state actors. This is a form of “moral authority.”⁴⁶ For the purposes of our discussion, as convenient shorthand, we will refer to the authority that accrues to those with expertise, as well as that which accrues to those who act in an emancipatory or normatively progressive fashion as “moral authority.” However, we will also apply the term to movements whose transcendental religious ideas and aspirations may be deemed normatively regressive by those reared in the culture of the secular democratic West, and/or may lead them to acts of religious violence that are normatively repulsive to most people. We do so because those social actors who generate transnational

religious movements are advancing a claim of transcendent moral authority as a justification for their actions and designs.

In this context Mark Juergensmeyer in chapter 7 provides an analysis of the resurgence of private violence in the form of terrorism, particularly the private violence of transnational religious networks. Juergensmeyer's contribution builds on his earlier work, which conceptualized the causal significance of religious networks for authority relations in a national context.⁴⁷ Here, he examines the issue transnationally. In his earlier work Juergensmeyer identified the rise of religious nationalism as a response to the challenges of the post-Cold War world, and as an assault on Enlightenment ideology and the secular political bases of national identity. Juergensmeyer sees these movements as a response to the weakening political, ideological, and economic bases of the secular national state.⁴⁸ Thus there are grounds for theorizing that these movements are an attempt to invoke the private authority of transnational belief systems to fill the ideological and political vacuum created by the delegitimation of these state structures. Ironically, Juergensmeyer sees a resuscitation of the declining ideology of nationalism by its ancient foe, religion, as an unintended consequence of these efforts.

In chapter 7, Juergensmeyer reassesses the increasingly transnational character of religious violence and retheorizes religious terrorism as the public performance of violence, rather than merely as a symbolic act of delegitimation of the secular national state. The state is delegitimated to the extent that very public, destructive, and consequently highly visible acts of terrorism demonstrate the inability of the secular national state to protect the citizenry and, consistent with the requirements of Weberian empirical statehood, to exercise a monopoly over the legitimate use of physical force. Highly visible religious violence is, in this context, relevant to the issue of private authority because it is a very clear public demonstration of a highly "private" capacity for violence, with claims to a higher authority than that of the state.

Juergensmeyer's findings are fascinating, in part because they are based largely upon primary source interviews with participants in acts of terrorism, such as with the men serving sentences for convictions for the 1993 bombing of the World Trade Center in Manhattan. His interviews provide him with evidence that some transnational religious networks employ terrorist violence as public demonstrations of non-state (private, in our lexicon) power. Had both towers of the World Trade Center collapsed onto neighboring buildings rather than imploding, as they did in the 2001 attacks, as many as 200,000 people might have lost their lives. This figure is highly symbolic, as it is roughly the number of people who lost their lives in the US atomic bombings of Hiroshima

and Nagasaki in 1945. In the ideology of the attackers, a loss of 200,000 American lives in the World Trade Center would constitute a symbolic retribution, and restore the lost pride of marginalized people by attacking a highly visible symbol of American power. In the anti-Zionist ideology of this particular Islamic terrorist network, the choice of targets was doubly symbolic as they viewed the World Trade Center as a center of a Jewish financial conspiracy victimizing Arabs and adherents to Islam.

There is a strongly visionary stance to these transnational movements. They are predicated on epistemological foundations that are not merely transnational but, in the view of their adherents, transcendent. Ramsey Yousef, who is in prison for conspiring to bring down twelve American airliners (and their passengers and crews) in a single day, is a member of a vaguely transnational group with a distinctly transnational identity, who see themselves as part of a global confrontation of Islam with “the infidel.” Juergensmeyer notes similarities in the Japanese cult, Aum Shinrikyo. Osama Bin Laden, who remains highly sought by US authorities, serves as an example of a form of transnational religious terrorist-entrepreneur, funding terrorist operations all over the globe that he does not directly control. Juergensmeyer notes that even religious nationalist groups (with an interest in imposing their regimes on specific territories) have transnational networks of support. Thus transnational religious networks can serve as sources of private authority due to their capacity to incite passionately committed, highly dramatic, and visible (however destructive) social action on the part of globally far-flung subjects of their authority.

Illicit authority

Chapters 8 and 9 explore the nature of private authority associated with forms of organized violence. We refer to the form of private authority exercised by mafias and mercenaries as “illicit” authority because the activities of these groups violate domestic and international legal norms. However, these groups often enjoy a legitimate social recognition to the extent that they step into a power vacuum left by a weak state and provide public goods that the state fails to provide. In chapter 8, Phil Williams explores challenges to state authority by transnational criminal organizations (TCOs) in both the domestic and the international arenas. Several states, not least Russia, appear helpless to collect adequate tax revenue or stem endemic corruption that hinders the provision of social services and the administration of the rule of law. Many functions that one would

expect the sovereign state to perform are instead executed by domestic organized criminal associations, who may thereby legitimate themselves in the eyes of a domestic populace as an alternative center of social organization. The inability of other states to discern where the government begins and where the mafia ends in a state the size of Russia has its own implications for the salience of private authority for international order. Evidence that TCOs are developing strategic alliances to avoid domestic and transnationally coordinated efforts to curtail their activities suggests an even greater challenge to state authority, which bears further study.⁴⁹ Williams's chapter explores the challenge of TCOs to state authority in this context.

In chapter 10, Bernedette Muthien and Ian Taylor provide an analysis of the emergence of corporate mercenaries⁵⁰ and "private" policing, and consider the implications of these phenomena for shifting authority relations and the decline of state control over the means of violence.⁵¹ As private actors acquire the resources and the motives to contract for security services at home and abroad, for both defensive and offensive purposes, they acquire the capacity to back "private authority" with physical force. The implications of such developments for the Westphalian conception of state sovereignty are sobering.

Phil Williams's work on TCOs intersects with the work of both Kobrin and Sassen in highly interesting and germane areas. His work is oriented toward explaining the transnationalization of criminal organizations, and he studies the covert side of social and organizational phenomena that are more overtly evident in Kobrin's work. Williams provides us with a study of illicit, network-based, transnational criminal enterprises, in contrast to Kobrin's analysis of the global networks of wholly licit, transnational corporate and financial enterprises (TNCs). Williams suggests that TCOs share many characteristics and emulate many of the "business practices" of their more legitimate TNC counterparts. The aim of TCOs is profit, the same as TNCs, but their means is crime. They diversify their enterprises and their assets, just like TNC conglomerates. Colombian drug cartels have, for example, diversified from cocaine into heroin, and Williams suggests that it becomes very easy to speak of the Cali drug cartel as the world's most successful transnational firm to the extent that their profit margins and aggregate profits engender the title. Transnational criminal organizations are engaged in the formation of strategic alliances in ways that appear to emulate the recent strategies of TNCs.

Like Saskia Sassen, Williams emphasizes the role played by "global cities," which he portrays as breeding grounds for criminal cosmopolitanism. Global cities are often embarkation points for immigrant

communities drawn to them by many of the negative, as well as positive, externalities associated with the globalization process. These immigrant communities, he suggests, are natural environments for the birth of illegal enterprises, since they are often composed of marginalized people who develop self-support mechanisms within their culturally isolated communities by illicit means, if licit means are unavailable. Immigrant and diaspora communities provide opportunities for both recruitment and cover for these illicit activities. He reminds us that TCOs rely upon the capacity of immigrant and diaspora communities to launder their profits through a thriving global financial services system that is headquartered, as Sassen reminds us, in global cities.⁵² Thus, though TCOs threaten the state capacities of certain countries, they scarcely constitute a threat to the international financial system. Moreover, Williams suggests that the relationships between TCOs and states are not uniformly adversarial. He provides us with a taxonomy of the attitudes of states toward TCOs, which appear to range from hostility and opposition, to tacit acceptance and even active collusion. His taxonomy and analysis of the relationships between TCOs and those states on the more permissive end of this spectrum has important implications for the nature of the emerging private authority of TCOs.

In their analysis of the resurgence of private political violence, Bernedette Muthien and Ian Taylor examine the reappearance of mercenaries and private armies. They have become increasingly conspicuous in Africa, where problems of state capacity and state legitimacy have often been most severe in the late twentieth century. Their account of the evident willingness of transnational market actors to back their designs with private military force potentially provides us with a frightening glimpse of a future characterized by the creeping substitution of the authority of the sovereign state with that of private actors. This most graphic of illustrations of the nascent emergence of private authority in security affairs underscores the importance of examining the emergence of private authority in international issue areas beyond the realm (however important) of international political economy.

In the concluding chapter of this volume, chapter 11, we summarize many of the most theoretically salient findings of our contributors. We examine the sources and bases of market, moral, and illicit authority, and we also generate a subtypology of each of the three major forms of private authority discovered in the work of our contributors. We attempt to provide preliminary responses to several of the questions raised in this introductory essay, and conclude with discussions of the conditions under which market authority, moral authority, and illicit authority might be reversed, and the implications for future research.

NOTES

- 1 Max Weber, "Politics as a Vocation," in H. H. Gerth and C. Wright Mills (eds.), *From Max Weber: Essays in Sociology* (London: Routledge & Kegan Paul, 1948), pp. 77–78.
- 2 Michael Joseph Smith, *Realist Thought from Weber to Kissinger* (Baton Rouge and London: Louisiana State University Press, 1986), p. 25.
- 3 Helen Milner, "The Assumption of Anarchy in International Relations: A Critique," *Review of International Studies*, 17 (1) (1991), 67–85.
- 4 Ian Hurd, "Legitimacy and Authority in International Politics," *International Organization*, 53 (2) (Spring 1999), 379–408.
- 5 Nicholas Onuf and Frank F. Clink, "Anarchy, Authority, and Rule," *International Studies Quarterly*, 33 (2) (1989), 149–73; Milner, "Assumption of Anarchy"; and Michael E. Brown, Sean Lynn-Jones, and Steven E. Miller, *The Perils of Anarchy: Contemporary Realism and International Security* (Cambridge, Mass.: MIT Press, 1995).
- 6 Friedrich Kratochwil, *Rules, Norms, and Decisions: On the Conditions of Practical and Legal Reasoning in International Relations and Domestic Affairs* (Cambridge: Cambridge University Press, 1989), and James N. Rosenau and Ernst-Otto Czempiel (eds.), *Governance Without Government: Order and Change in World Politics* (Cambridge: Cambridge University Press, 1992).
- 7 Robert Keohane and Joseph Nye, *Power and Interdependence* (Boston: Little Brown, 1977).
- 8 Hurd, "Legitimacy and Authority," 381.
- 9 Leonard Krieger, "The Idea of Authority in the West," *American Historical Review*, 82 (2) (April 1977), 259.
- 10 R. B. Friedman, "On the Concept of Authority in Political Philosophy," in Joseph Raz (ed.), *Authority* (Washington Square, N.Y.: New York University Press and Oxford: Basil Blackwell, 1990), p. 64.
- 11 *Ibid.*
- 12 A. Claire Cutler, "Locating 'Authority' in the Global Political Economy," *International Studies Quarterly*, 43 (1) (March 1999), 64.
- 13 Susan Strange, "Territory, State, Authority, and Economy: A New Realist Ontology of Global Political Economy," in Robert W. Cox (ed.), *The New Realisms: Perspectives on Multilateralism and World Order* (Tokyo: United Nations University Press, 1997), p. 9.
- 14 Hurd, "Legitimacy and Authority," 381.
- 15 Strange, "Territory, State, Authority, and Economy," p. 4.
- 16 *Ibid.*, p. 11.
- 17 A. Claire Cutler, Virginia Haufler, and Tony Porter (eds.), *Private Authority in International Affairs* (Albany, N.Y.: SUNY Press, 1999).
- 18 Cutler, Haufler, and Porter, "Private Authority and International Affairs," in Cutler, Haufler, and Porter, *Private Authority and International Affairs*, p. 13.
- 19 Cutler, "Locating 'Authority' in the Global Political Economy," 62.
- 20 Louis W. Pauly, *Who Elected the Bankers? Surveillance and Control in the World Economy* (Ithaca, N.Y.: Cornell University Press, 1997).
- 21 Arguments to this effect stem from analysts as diverse as the Marxists to more mainstream classical and liberal political economists. See, for example,

- Leo Panitch, "Rethinking the Role of the State in an Era of Globalization," in James H. Mittelman (ed.), *Globalization: Critical Reflections. International Political Economy Yearbook*, vol. 9 (Boulder, Colo.: Lynne Rienner, 1996), pp. 83–113; Thomas M. Callaghy, "Globalization and Marginalization: Debt and the International Underclass," *Current History*, 26 (613) (November 1997), 392–96; and Pauly, *Who Elected the Bankers?*
- 22 Louis W. Pauly and Simon Reich, "National Structures and Multinational Corporate Behavior: Enduring Differences in the Age of Globalization," *International Organization*, 51 (1) (1997), 1–30.
- 23 Stephen Gill, "Globalization, Democratization, and the Politics of Indifference," in Mittelman, *Globalization*, pp. 205–28.
- 24 Robert Wade and Frank Veneroso, "The Asian Crisis: The High Debt Model Versus the Wall Street–Treasury–IMF Complex," *New Left Review*, 228 (March/April 1998), 3–24.
- 25 The salience of modern Westphalian sovereignty to the structure and to the patterns and practices of international politics within the contemporary international system go back at least as far as John Ruggie's early critique of Kenneth Waltz. See John Gerard Ruggie, "Continuity and Transformation in the World Polity: Toward a Neorealist Synthesis," *World Politics*, 35 (2) (January 1983), 261–85.
- 26 See Cynthia Weber, *Simulating Sovereignty: Intervention, the State and Symbolic Exchange* (Cambridge: Cambridge University Press, 1995); Jens Bartleson, *A Genealogy of Sovereignty* (Cambridge: Cambridge University Press, 1995); Thomas J. Biersteker and Cynthia Weber (eds.), *State Sovereignty as Social Construct* (Cambridge: Cambridge University Press, 1996); and Rodney Bruce Hall, *National Collective Identity: Social Constructs and International Systems* (New York: Columbia University Press, 1999).
- 27 See Biersteker and Weber, *State Sovereignty*, and Hall, *National Collective Identity*.
- 28 Note especially Krasner's comparatively lonely, but unrepentantly structuralist argument: Stephen D. Krasner, *Sovereignty: Organized Hypocrisy* (Princeton, N.J.: Princeton University Press, 1999).
- 29 See, for example, Louis W. Pauly, "Capital Mobility, State Autonomy, and Political Legitimacy," *Journal of International Affairs*, 48 (2) (Winter 1995), 369–88; Susan Strange, *The Retreat of the State: The Diffusion of Power in the World Economy* (Cambridge: Cambridge University Press, 1996); Saskia Sassen, *Losing Control? Sovereignty in an Age of Globalization*, 1995 Columbia University Leonard Hastings Schoff Memorial Lectures (New York: Columbia University Press, 1996), pp. 31–58; Mathew Horsman and Andrew Marshall, *After the Nation-State: Citizens, Tribalism and the New World Disorder* (London: Harper-Collins, 1994); Ethan B. Kapstein, "Workers and the World Economy," *Foreign Affairs*, 75 (3) (May/June 1996), 16–37.
- 30 See Robert Wade, "Globalization and Its Limits: Reports of the Death of the National Economy Are Greatly Exaggerated," in S. Berger and R. Dore (eds.), *National Diversity and Global Capitalism* (Ithaca, N.Y.: Cornell University Press, 1996), pp. 60–88.
- 31 Peter Evans, "The Eclipse of the State? Reflections on Stateness in an Era of Globalization," *World Politics*, 50 (1) (1997), 62–87.

- 32 Linda Weiss, *The Myth of the Powerless State* (Ithaca, N.Y.: Cornell University Press, 1998); Stephan Haggard and Sylvia Maxfield, "The Political Economy of Financial Internationalization in the Developing World," *International Organization*, 50 (1) (1996), 35–68; and Geoffrey Garrett, "Global Markets and National Politics: Collision Course or Virtuous Circle?," *International Organization*, 52 (4) (Autumn 1998), 787–824.
- 33 Cutler, "Locating 'Authority' in the Global Political Economy," 62–63.
- 34 Stephen J. Kobrin, "The Architecture of Globalization: State Sovereignty in a Networked Global Economy," in John Dunning (ed.), *Governments, Globalization and International Business* (Oxford and New York: Oxford University Press, 1997), p. 154.
- 35 For a penetrating analysis of the social tensions created by this tradeoff, see Dani Rodrik, *Has Globalization Gone Too Far?* (Washington, D.C.: Institute for International Economics, 1997).
- 36 Kobrin, "Architecture of Globalization," p. 162.
- 37 Horsman and Marshall, *After the Nation-State*, p. 217.
- 38 See Pauly, "Capital Mobility, State Autonomy, and Political Legitimacy."
- 39 See, for example, Charles Kindleberger, *The World in Depression, 1929–1939* (Berkeley: University of California Press, 1986), and Timothy J. McKeown, "Hegemonic Stability Theory and Nineteenth-Century Tariff Levels in Europe," *International Organization*, 37 (1) (Winter 1983), 73–91.
- 40 See Sassen, *Losing Control?*, pp. 36–39. Following T. H. Marshall's notion of the "social citizenship" of the welfare state, Sassen argues that, unlike civil and political citizenship, social citizenship is under pressure by globalization (ibid., p. 37). We argue that political citizenship may be under pressure as well. See T. H. Marshall, *The Right to Welfare and Other Essays* (New York: Free Press, 1981).
- 41 Horsman and Marshall, *After the Nation-State*, p. 261.
- 42 See especially Saskia Sassen, *The Global City: New York, London, Tokyo* (Princeton, N.J.: Princeton University Press, 2001 [1991]), and Sassen, "Global Financial Centers," *Foreign Affairs*, 78 (1) (January/February 1999), 75–87.
- 43 For treatments of widely diverse transnational social movements, see Benjamin Barber, *Jihad vs. McWorld: How Globalism and Tribalism Are Reshaping the World* (New York: Ballantine Books, 1995); Arjun Appadurai, *Modernity at Large: Cultural Dimensions of Globalization* (Minneapolis and London: University of Minnesota Press, 1996); Mark Juergensmeyer, *The New Cold War? Religious Nationalism Confronts the Secular State* (Berkeley: University of California Press, 1993); Craig N. Murphy, "Seeing Women, Recognizing Gender, Recasting International Relations," *International Organization*, 50 (3) (Summer 1996), 513–38.
- 44 See especially Ronnie D. Lipschutz, "Reconstructing World Politics: The Emergence of Global Civil Society," *Millennium: Journal of International Studies*, 21 (3) (Winter 1992), 389–420, and Lipschutz with Judith Mayer, *Global Civil Society and Global Environmental Governance* (Albany, N.Y.: SUNY Press, 1996).
- 45 See, for example, Peter Willetts (ed.), *"The Conscience of the World": The Influence of Non-Governmental Organizations in the UN System* (Washington, D.C.: Brookings Institution, 1996).

- 46 Rodney Bruce Hall, "Moral Authority as a Power Resource," *International Organization*, 51 (4) (Autumn 1997), 591–622.
- 47 See Juergensmeyer, *The New Cold War?*
- 48 Mark Juergensmeyer, "The Worldwide Rise of Religious Nationalism," *Journal of International Affairs*, 50 (1) (Summer 1996), 1–20.
- 49 Phil Williams, "Transnational Criminal Organizations: Strategic Alliances," *Washington Quarterly*, 18 (Winter 1995), 57–72, and Williams, "Transnational Criminal Organizations and International Security," *Survival*, 36 (Spring 1994), 96–113.
- 50 See, for example, Simon Sheppard, "Foot Soldiers of the New World Order: The Rise of the Corporate Military," *New Left Review*, 228 (March/April 1998), 128–38.
- 51 Janice E. Thomson, *Mercenaries, Pirates and Sovereigns* (Princeton, N.J.: Princeton University Press, 1996).
- 52 Note, for example, the recent evidence of penetration of Russian TCOs' money laundering activities into one of the largest, best-capitalized transnational banks headquartered in New York.