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**A CHALLENGING OPPORTUNITY:
TRANSNATIONAL GOVERNANCE
FOR AN INCLUSIVE SOCIETY**

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ADDRESSING BIG ISSUES

**“Good you sociologists get together, you will have to
solve a lot of problems”**

Taxi driver, Brisbane 2002

“Sociology should guide the governments”

Ina Cronje, Kwa-Zulu Minister of Education, Durban 2006

“The Social is back!”

Ari Sitas, Durban 2006



UNLEASHED „GLOBAL CAPITALISM“

Main sources of the current globalisation*)

- The collapse of the Soviet Union and the economic „opening“ of China
- World-wide industrialisation and exploitation of natural resources
- Economic globalisation is re-iterated and enforced by gradual socio-cultural globalisation (life styles, attitudes, demands, ... „coca-colonisation“)

*) „Manchester Capitalism“ was the term coined to indicate unleashed capitalist development in 19th century UK. A first wave of globalisation was crushed by WW I - at time when e.g. Werner Sombart called for „taming capitalism“.

The model case of global markets and consequences

- USA, strong economy dominates a weak state
- Advancement of the US to be one hegemonial power
- Increasing disparities *between* poor and rich regions of the world**), yet also *within* wealthy states and metropolitan areas (poverty, migration, conflicts)

**) „Radermacher-Quota“ concerning income distribution among world population:
Income of the poorest 20% : Income of the 20% on average = world-wide merely 0.15; most prosperous countries show between 0.45 and 0.65. Sweden, Austria, and (previous) FRG temporarily went over 0.65 (F. J. Radermacher, 2002; re. balance between efforts and security)



THE DECLINING POWER OF NATION STATES

Tax systems inadequate to generation of wealth

- Taxes rely pre-dominantly on labour & its productivity (as established in the Industrial Society).– Knowledge: „capital“ of 21st c.?
- Large corporations pay less taxes than SMEs
- Creating real value-added („real economy“) is minor to creation of wealth by mere financial transactions.

Overshooting de-regulation of markets

- Competition among states to attract big companies (i.e. major employers) by tax reduction and other benefits
- Less revenues from income tax because of flat-tax and „group-taxing“ multi-national enterprises
- Privatising infra-structure*): Cost of failures are borne by the public

*) public investment in education, health, roads etc. are accounted for only as **costs**, **not** as part of GDP (in the sense of „national wealth“). Thus privatising infrastructure automatically increases GDP without creation of any value-added.



TRANSNATIONAL GOVERNANCE

Since long ...

- statehood is based on the formation of “nations”
- “nation-building” is still going on in many regions of the world
- there a bi- and multilateral agreements/treaties
- there are international organisations
- there is international law

... and there are, and were

- multi-ethnic states (S. Africa, USSR, Austro-Hungarian Monarchy)
- British Commonwealth
- Commonwealth of Independent States

**So, what is “trans-national” governance ?
What is unique concerning the European Union ?**



HISTORY HAPPENS

„Nation-states will survive, but not so their sovereignty“, Manual Castells, 1998

Unprecedented achievements of the European Union

- Downsizing national competencies
- Building up “social cohesion” across nations

The potential of Europe

Europe gave birth to the concept of the “nation state” [legal combination of sovereignty, territory and national identity] in the wake of the Peace Treaty of Aachen after the “30-yr. War” (1618-1648).

The EU is an offspring of a peace project after WW2, initiated by Jean Monnet and Robert Schuman (European coal and steel community, 1951).

The current choice:

1. Proceed to a fully developed transnational political *and* social system, capable to re-incorporate the economy in societal processes and prevent the exclusion of major segments of the population (“parallel societies” etc.).
2. Give way to the tide of misleading economic pressure asserted by irresponsible money-makers, become a loose trade association of powerless, weak nation states in a globally segmented world, vulnerable to war and crime.



EMERGENCE OF THE EUROPEAN UNION

Stages and context of the emergence of the EU²⁵⁺

- 1945 The ruins of post-WW-II Europe: „Forced opportunity“ for a new Europe?
- 1948 OEEC - Organisation for European Economic Co-operation
- 1949 European Council - Oldest political body in Europe (45 MS)
- 1951 Six countries coal and steel treaty
- 1957 Treaty of Rome - European Economic Community (B, D, F, I, Lux, NL) all^p
- 1960 EFTA - European Free Trade Association
- 1979 First enlargement (DK^p, IE^r, UK^p), first direct election to Europ. Parliament
- 1981 Second enlargement (GR)^r
- 1986 Third enlargement (ES^r, PT^r)
- 1992 Treaty of Maastricht to change the EC into EU (new legal framework)
- 1995 Forth enlargement (AT, FI, SE) all^p
- 1997 Treaty of Amsterdam
- 1999 Euro-zone (11 MS, GR joins 2001; DK, SE and UK opt out)
- 2000 Treaty of Nice to prepare for “Eastern enlargement”
- 2002 Euro implemented as actual currency in 12 MS
- 2004 Fifth enlargement (10 new MS) all^r
- 2004 EU Council agrees on a draft proposal for a “European Constitution”
- 2005 14 Member States ratified, people’s referendum in Spain +70% yes; France and NL voted (ca. 55%, 62%) no
- 2007 Sixth enlargement (BG, RO) expected, Slovenia implements the Euro
[^r net receiver from EU budget; ^p net payer to EU budget, UK with „rebate“]



IMPACT ON GLOBALISATION

Can Europe make a difference?

- 2004: GDP in USA and EU in absolute figures almost equal up (EU > USA)
- EU represents a market of 455 mio. inhabitants (GDP/capita < USA, gap closing)
- Economic growth in new member states above average
- Structural Funds and established methods of co-ordination could provide model features for the Global Marshall Plan
- Europe owns social traditions, strong economies in strong states (e.g. Sweden)
- Extending economic accounting (productivity of information processing, knowledge, technology)
- Taxes on revenues from trading derivatives, currencies, speculation etc., combined with incentives to produce financial flows in favour of production of goods and services, education, health and social care
- Success of the EU as „supranational Union“ depends on more investment (2% instead of currently 1% GDP/EU)
- Necessities are political will, and to make the „project“ Europe a convincing perspective beyond elites



IMPROVEMENT OF GOVERNANCE BY DEMOCRACY

Democracy by Representation („Traditional Nation State“)

Separation of powers in nations; not all actors included

- Superiority of executive and administrative powers over legislation
- Management by elections
- „Myth“ of „the people“ and insufficient expertise

Regulatory Democracy („European Union Reality“)

Dominant roles of EU-experts and purpose-lead „agencies“

- Responsibility scattered
- Intransparent management of tasks
- Higher degrees of „symbolic politics“, but less relevance and identity

Emergent model: „Responsive Democracy“
Plurality of participation, including components of direct democracy (referenda), transnational identities and solidarity



Ref.: J.Pollak/P.Slominski, 2003: Europäische Demokratie am Schnittpunkt von parlamentarischem und regulativem Modell; in: Monika Mokre et al., Europas Identitäten. Mythen, Konflikte, Konstruktionen; Frankfurt/M.-N.Y., Campus (pp. 257-279).

REVERSE THE TREND TO INCREASING DISPARITIES

Relative increase of disparities

- Unbalanced distribution of revenues from economic growth
- Decreasing welfare effects of additional growth
- „Expanding cake“ and related hopes disguise increased disparities as just lagging behind

Absolute increase of disparities

The rich get more, the poor receive less of the cake (polarisation)

Both ways of increasing disparities hinder social mobility

„World sociology“ should seek measures to

- to identify thresholds when disparity leads to downward mobility, and
- to distinguish between accumulation of individual mobility and collective mobility

Low income disparities facilitate upward social mobility

Since 30 years disparities grow faster in the US than in the EU¹⁵ - except in the UK. Among 26 states with well developed industries, USA rank 24th, just ahead of Russia and Mexico. (LIS 2002)



INCLUSIVE SOCIETY

An inclusive society ...

- appreciates diversity,
- counter-acts tendencies toward growing disparities, and
- enables (at least: inter-generational) upward social mobility.

Impact typology of social mobility in and between societies

Scope of mobility \ Trend of mobility	Individual mobility Positions of one or x individuals [percentages] in social strata	Collective mobility Groups, communities, peoples, nations, state populations
Upward mobility	Inclusion	Liberation
Downward mobility	Deprivation	Exclusion



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