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Remarks: Fostering Peace and Development

Excellencies, Ladies and Gentlemen. It is a great honor to be part of this dialog on diversity, peace and development. Let me thank the Institute for Strategic and International Studies, along with Chairman Mohamed Jawher Hassan for their warm welcome and hospitality.

Our chairman asked us to think about the relationship between peace and development – how are they related and what might be done to ensure that the achievement of either does not impede progress on the other.

Let me start with an observation about the international situation within which the potential for peace and development must be considered: the striking emergence of political/economic questions as central axes for struggle, both within and between countries. The central questions today are not political if by that we mean able to be address by governments acting alone at home – or by the normal routines of diplomacy. Nor are they economic if we mean problems to be addressed by market forces operating in the shadow of wise regulation.

The prospects for peace and development must be considered against the background of this transformation. The globalization of production, distribution and finance have reduced the policy autonomy of national authorities to address either economic or political questions within the domain of their territorial jurisdiction and mandate.

As a result, the most significant strategic issues are both political and economic and are being fought out nationally and internationally at the same time.

How will economic growth be distributed within and between nations? How will the gains and vulnerabilities that come with trade be distributed? In today’s massive global value chains, how will the opportunity to generate and retain rent, and the opportunity to “upgrade” to higher value modes of production be distributed?

In this, classic “economic development” questions have become everyone’s questions. The central questions for policy makers in the developed world should be familiar: identifying a
national economic strategy for participation the global economy, mobilizing resources for competitive advantage in a global economy, managing the internal and external imbalances that result to avoid being undermined by social instability or vicious cycles of economic dualism.

These are not struggles between “business” and “government” or “public” and “private” The axes of conflict run orthogonally to these ideologically freighted alternatives. Governments are diverse, divided. All are available in some ways to instrumentalization by economic players. Public forces are as prone to shield private action as to regulate it. And business is also diverse and divided. Upgrading here or defining the market standard my way means some else’s competitive advantage has eroded.

At the same time, there is an increasing awareness of asymmetries – not everyone is equally vulnerable. Things turn at different speeds, people get left out, nationally and internationally. Some are too big to fail – others too small to count. Countries feel this way, regions on the periphery of growth centers feel this way. I know the middle classes in my own country feel this way.

Unfortunately, in responding to this challenge, the public hand everywhere has become a force multiplier for leading sectors, nations, regions. Harnessing “national” resources around national leaders. How many political parties now promise to make their nation, their city, their region a leader in “green” “high tech” “knowledge based” products? But these are niche market dreams – just like cornering the market on low wage assembly. For most people and most places, it can’t be done. Moreover, a global economy generates dynamic dualisms of its own– you can get caught in the downdraft, can downgrade – or be downgraded.

This is the key point: the national development strategy common to countries everywhere today of mobilizing resources behind leading sectors exacerbates dualism both within and between nations, making conflict more, not less likely. It threatens to make national economic development seem like a zero sum game. The result is more populist and nationalist political movements – more attention to national economic leaders, and further asymmetry.

As a result, economic development as it is currently being pursued increasingly threatens political conflict. This is not a matter of “rising powers” not wanting peace – quite the contrary. Everyone understands that conflict threatens development.

It is only possible to say that peace and development go hand in hand if development is something you can do at home so long as the world is stable and you are left alone. But this is not how it is. Development is something you – and everyone else – do in a dynamic relationship with others.

We can anticipate more, not less conflict as the global economy comes to be ever more integrated. Over the last decades we have seen an astonishing global process of factor price equalization. With it has come a withering of the public hand everywhere. And a rise in political populism/nationalism as a framework for interpreting what is happening and what should be done in response. Economic competition has become political competition.
The wild horse to be ridden by policy-makers at all levels today today is the dynamic of dualism between sectors, regions, industries, and nations. The key objective for political economic policy at the national AND international level ought to be to productively link those who lead with those who lag in reciprocal and virtuous cycles rather than allowing growth here to impoverish there in the hopes that one day the losers could be compensated – or will just get used to it.

Unfortunately, there is no global policy process or platform for riding this wild horse. No constituted space for the resolution of these political/economic competitive struggles. The policy process is itself fluid, subject to capture and instrumentalization. It is itself as much a matter of struggle as cooperation or problem solving.

How did we get here? We have constructed a world in which economics and politics are pursued on different scales – if you like, in different metaphorical spaces. The economy has become global, organized as an infinitely scalable horizontal structure of mobile products and factors of production, while political order remains lashed to local and territorial governments.

The result is a rupture between a vertically oriented politics and a horizontal arrangement of economy and society. Political and economic leadership have drifted apart. People don’t feel politics can deal with economics of importance to them – no wonder they are attracted to other centers of meaning, often precisely those excluded from mainstream political life: religion, ethnicity, extremism.

Managing minority identities and alternative traditions of social meaning has been an enormous institutional challenge. Globally, the emergence of “nation states” were part of the toolkit for managing the alternatives. Public and private institutions have developed their own machinery for managing diversity. Across the world, we see these tools reaching a limit.

That old question – will the center hold? – must be asked again. The widespread strategy to reinforce the dynamics of dualism is hardly reassuring. Meanwhile, political and economic life pull away from one another? The technical management of global economic affairs on the one hand, and a media centered form of politics as gladiatorial spectacle and allegorical morality tale on the other.

Think of the territorial disputes which have become political flash points throughout this region. The mixture of political spectacle and economic interest threatens peace and development. There are certainly ways to defer, delay and depoliticize areas of dispute. It would be better to link the interests, political and economic, in productive collaborations.

At the global level, turning things around would require reconnecting political and economic life piece by piece. Linking economic life to community and territory while generating transnational political constituencies for new solutions. This could mean disaggregating and rearranging economic and political interests to LINK leading and lagging in productive and reciprocal upward spirals. This means addressing “disputes” not simply by splitting the resources and getting on with it, but looking for opportunities for dynamics of collaboration which pull divergent political and economic interests into productive engagement.
If we are hoping to take this direction, one thing we can say is that law is increasingly the vernacular and currency of BOTH struggle and settlement. It should be possible to think about addressing local ethnic struggle, national political struggle, and international conflicts over sovereignty and resource allocation as opportunities to rearrange interests and incentives to link leading and lagging political economic regions, populations and nations in mutually productive chains.

This is all much easier said than done – I look forward to the discussion.