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GLOBAL ECONOMIC INEQUALITY AND THE POTENTIAL FOR GLOBAL DEMOCRACY: A FUNCTIONALIST ANALYSIS

_Andrew Strauss_

**INTRODUCTION: EINSTEIN AND FREUD**

Sigmund Freud, from whose book *Civilization and its Discontents* this volume takes its inspiration, engaged in an exchange of letters with Albert Einstein in the early 1930s. Einstein, concerned that technological advances meant that war might destroy humanity, attempted to engage Freud in a dialogue and in the forming of an organization of moral and intellectual elites to promote his cause of world government. Freud answered Einstein’s call for thoughtful correspondence, but was not optimistic about a program for world government. After all, as he had argued in *Discontents*, humans had aggressive instincts and impulses that were at odds with global harmony, and Freud was doubtful, given the then state of cultural evolution, that these could be contemporaneously overcome in the furtherance of an effective world authority.

Helping shape the distinctive perspectives of Einstein and Freud are contrasting methodological assumptions, each of which has in various guises been reflected in the Western philosophical tradition.

I would like to thank Barbara Eckman for her very helpful research assistance with this chapter.


since the time of the Greeks. Einstein, the rationalist, presupposed with Kant and many others the possibility that human behavior and society in general could be molded to the dictates of human reason. Freud, an heir to the psychological turn in our understanding of ourselves that began decidedly with Hume, and was most powerfully advanced by Nietzsche, saw our passions and other hidden forces from within our psyches as the central drivers of our social institutions.

Today most students of global institutions implicitly reject the assumptions of both Einstein and Freud. The World Federalists, who have long followed a political strategy derived from their Kantian belief that a rational response to the human condition should lead nations to suspend their rivalries and create a world federal state, are distinctly out of step. Likewise, most professional observers of global institutions (behavioral economists aside) eschew a Freudian understanding of such institutions as an amalgam of the complex psychology that make up individuals.

Rather, what is implicit in the approach of most observers today is a third method that might be thought of as that of the political scientist. This method, which can be traced back most definitively to Machiavelli, assumes that social institutions are the sum total of an underlying social dynamic resulting from a kind of reductionist notion of collective and individual self-interests often associated with Hobbes.

Functionalism, as originally conceptualized by David Mitrany in the 1930s, is informed by such an understanding. For Mitrany and his later adherents, international organizations emerge as a result of the needs of global actors to tackle specific problems that cannot be

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3 Part of Einstein’s purpose, however, in attempting to enlist Freud comes out of a recognition of the importance of the psychological dimension to the change he was promoting. See *See Why War?*, p. 2 (“The ill success, despite their obvious sincerity, of all the efforts made during the last decade to reach this goal [of a supranational organization] leaves us no room to doubt that strong psychological factors are at work which paralyze these efforts”).


solved in the absence of international cooperation. Unlike most world federalists or other rational idealists, they do not assume the workability of grand schemes for global governance, but rather, for them, global change comes about as a result of people individually and collectively pursuing concrete self-interested objectives. Thus, to take one example, for functionalists, the International Civil Aviation Organization was created by states in 1944 because they could not independently secure the safety of their newly airbound citizens over the global commons.6 Contemporary regime theorists such as Robert Keohane and Joseph Nye have further developed and refined the idea that states create international regimes in self-interested response to collective action problems.7

The thesis that I wish to develop in this chapter is that a functionalist view of the development of global institutions suggests that the structural inequalities in global income that were a primary cause of the global economic crisis of 2008, and that continue to endanger the world economy, have the potential to provide the political preconditions for a global regime that can help redress those inequalities. To do so, however, such a regime must empower the less economically well off through representation, and the regime itself must have the practical ability to influence global economic policy. Such a regime, I will argue, must be fundamentally democratic in its character. If it were to be brought into existence, a democratic regime, representative of the global public, would likely weigh in on many issues beyond income inequality. Environmental concerns, including climate change, human rights, and international conflict resolution are only a few of the areas where a parliament might be argued to have salutary value. A focus on economic inequality as a matter of great saliency today, however, presents a useful case study for both the political viability and utility of such an institution.


A strong – even compelling – case can be made that income inequality worldwide was a primary cause of the 2008 economic crisis and that it continues to endanger the global economy. The thesis that income inequality poses a danger to economic health lays claim to a distinguished pedigree. To name two of the inequality thesis’s most notable twentieth-century adherents, Marriner Eccles, a Federal Reserve Chairman during the Roosevelt administration, and the famed economist John Kenneth Galbraith, both saw the rise in inequality in the 1920s as a major cause of the Great Depression. Among the many contemporary observers supporting the view that income inequality was among the primary causes of the Great Recession, former IMF Chief Economist Raghuram Rajan makes the argument forcefully in his 2010 book *Faultlines* as does former Labor Secretary Robert Reich in his 2011 book *Aftershock, the Next Economy and America’s Future*.

While the varied proponents of the inequality thesis have different emphasis and perspectives, they all share a common grounding in John Maynard Keynes’s depression-era upending of classical
economic theory. At the root of the Keynesian understanding is the notion that for an economy to function at full capacity, sufficient aggregate demand for goods and services must exist to absorb that capacity. If for some reason, such demand ceases to exist, producers will respond by lowering production, and cancelling or putting on hold plans to invest in expansion. Lower production and less investment means the elimination of workers who can no longer be productively utilized. In what becomes a vicious cycle, the newly jobless workers are forced to cut back on their own consumption, further reducing demand and causing further economic contraction.

The reason that high levels of income inequality affect aggregate demand and begin this unfortunate cycle is that the wealthier people become, the lower their marginal propensity to consume. Every additional dollar obtained by someone who is living at the subsistence level will tend to be spent on basic necessities, such as feeding the family or paying the rent, while an additional dollar garnered by someone of wealth, whose consumer needs are likely to already be mostly satiated, is more likely to be saved. Thus, as income becomes highly concentrated, wealth is transferred from the less well off, who will consume, to those better off, who will save, and when this happens, sustaining the Keynesian demand that drives the economy becomes problematic.


Ibid. Ibid. Ibid. Ibid.

Ibid., p. 97. There is a good deal of empirical support for this rather self-evident proposition that with increasing wealth there is a diminishing marginal propensity to consume. See for example Ulrike Stein, “Zur Entwicklung der Sparquoten der privaten Haushalte-ein Auswertung von Haushaltsdaten des SOEP,” IMK Working Paper 10 – 2009 (2009) (finding that in 2007 the top income quartile of Germans had an average saving rate of 15.8 percent, the second quartile of 9 percent, the third of 8 percent and the bottom of 4.1 percent).

As Keynes put it: “up to the point where full employment prevails, the growth of capital depends not at all on a low propensity to consume but is, on the contrary, held back by it; and only in conditions of full employment is a low propensity to consume conducive to the growth of capital. Moreover, experience suggests that in existing conditions savings by institutions and
The period of globalization leading up to the 2008 financial crisis corresponded to a period of income inequality within countries and thus very likely established the preconditions for the deficiency in aggregate global demand I have described. The most common way economists measure income inequality is with an equation that they call the Gini Coefficient. Named after Corrado Gini, the Italian sociologist who worked out its formulation, the Gini coefficient is used to measure inequality in a frequency distribution. Thus, when applied to income distribution, a Gini coefficient of zero indicates perfect equality (everyone has the same income), and a Gini coefficient of one indicates maximum inequality (only one person has all the income).

Given the premium that communist ideology put on economic equality, it is not surprising that countries transitioning away from planned economies saw their Gini coefficients rise significantly. When China, for example, abandoned its "iron rice bowl policy" following the reforms of Deng Xiaoping in the 1980's, income inequality exploded. This inequality has become even more pronounced in the last decade leading China to have a Gini coefficient higher than the United States. This rise in inequality has not been

through sinking funds is more than adequate, and that measures for the redistribution of incomes in a way likely to raise the prosperity to consume may prove positively favourable to the growth of capital." John Maynard Keynes, *The General Theory of Employment Interest and Money*, pp. 373-4.

22 Int'l Labour Org. [ILO], "Income Inequality as a Cause of the Great Recession? A Survey of Current Debates," *Conditions of Work and Employment Series No. 39* (prepared by Till van Treeck and Simon Sturn), p. 27. One reason for China's high Gini coefficient is the very well-known gap
limited to transitional economies. Developing countries generally have tended to experience a significant rise in inequality during the period of neoliberal globalization which began in 1989.23

The trend was similar in the developed world. In 2007 the American economy, for example, was roughly 60 percent larger than it was in the 1970s. Yet, the inflation adjusted income of the median male worker actually decreased over the period.24 The missing gains almost all found their way to those at the upper end of the income stratum. The wealthiest 10 percent of Americans went from appropriating around 35 percent of national income in the 1970s to a full 50 percent in 2007.25 Even more dramatically, during this period, the now infamous upper 1 percent expanded their take of national income from under 10 percent in the 1970s to 23 percent in 2007.26

Most other advanced industrial countries followed this same trajectory toward inequality. According to the OECD, its member states between relatively high urban and relatively low rural incomes, however, urban inequality in itself has increased to the point where it is almost as large as the Gini coefficient for total household incomes in the United States. See also Edward Wong, “Survey in China Shows a Wide Gap in Income,” New York Times, July 19, 2013, p. A9 (reporting on a Peking University survey finding that in 2012 households in the top 5 percent income bracket accounted for 23 percent of China’s total household income while those in the bottom 5 percent accounted for only 0.1 percent and estimating China’s Gini coefficient to be 0.49).

23 See Branko Milanovic, “Can We Discern the Effect of Globalization on Income Distribution? Evidence from Household Surveys?” World Bank Econ. Rev., 19 (2005), p. 21 (describing the increased inequality in developing countries and suggesting causal factors related to economic openness). But see, Leonardo Gasparini, Guillermo Cruces and Leopoldo Tornarolli, “Recent Trends in Income Inequality in Latin America,” in Branko Milanovic (ed.) Globalization and Inequality (2012), p. 172 (arguing that inequality has been decreasing in Latin America over the last five to ten years although it continues to be among the most unequal regions in the world).

24 See Robert B. Reich, Aftershock, p. 19 (extrapolating earnings figures from Bureau of Economic Analysis and U.S. Census Bureau figures).


26 Ibid.
had an average Gini coefficient of 0.29 in the mid-1980s. By the late 2000s, however, this average had increased by almost 10 percent to 0.316, having risen in seventeen of the twenty-two OECD countries for which sufficient data is available. It grew by more than 4 percent in Finland, Germany, Israel, Luxembourg, New Zealand, Sweden, and the United States. The only exceptions were Turkey, Greece, France, Hungary, and Belgium which registered either no increase or small declines in their Gini coefficients.

Certain high Gini coefficient countries, most notably Germany, Japan, and especially China, lacking sufficient internal Keynesian demand to absorb their excess production, attempted to compensate through exports.

The United States in particular was a net absorber of global surplus production. Given its own increasingly unequal distribution of income, and the corresponding financial constraint on those middle and poorer Americans, with the highest marginal propensity to consume, such consumption had to be financed. As is now well known, such financing to a great extent took the form of easy access to consumer credit, most characterized by home mortgage loans.

In the expansion of consumer credit, the United States was again not alone. In the years leading up to the Great Recession, consumer debt soared throughout the industrialized world. According to the International Monetary Fund, between 2002 and 2007, the ratio of household debt to income went up by an average of 39 percent until peaking at 138 percent. In Denmark, Iceland, Ireland, the Netherlands, and Norway, debt rose to more than 200 percent of household income.

27 OECD, Divided We Stand: Why Inequality Keeps Rising (2011), p. 22.
28 Ibid. 29 Ibid.
30 Ibid.
32 Raghuram G. Rajan, Fault Lines, pp. 21–45. A significant part of global surplus production was (and continues to be) absorbed by the U.S. government financed by large federal deficits.
34 Ibid.
Of course, global aggregate demand could not be maintained indefinitely by consumers taking on higher and higher levels of debt, and when the inevitable happened, and consumers began to default (triggered by the subprime home mortgage collapse in the United States), the demand necessary to fuel the economy could no longer be sustained. The most enduring economic contraction since the Great Depression was upon us. Some governments stepped in to create demand with old fashioned Keynesian fiscal (government spending) and monetary policy (central bank lowering of interest rates to encourage consumption and investment), but maintaining the political will for those policies has been an uphill battle. Now, in this period of economic difficulty, both those who have been disadvantaged by the increasingly unequal distribution of income, as well as those who have been advantaged, have a joint interest in reviving the global economy. It is to understanding the practical case for global democracy as an impetus to sustaining such a revival that I will now turn.

II GLOBALIZATION AND THE PROBLEM OF UNEQUAL DISTRIBUTION OF INCOME

The increasing inequality of income around the world that we have just chronicled poses significant questions of distributive justice. One does not have to go so far as John Rawls – whose famous difference principle holds that income disparities are only justifiable to the extent they improve the lot of the least well off – to recognize the ethical challenge posed by such large-scale inequality.35 The argument that I wish to make in this chapter is not, however, fundamentally normative in character. Rather, with reference to functionalist analysis, I intend to demonstrate that such income inequality provides an economically instrumental rationale for global democracy.

Significantly contributing to the income inequality phenomenon is the globalization system that allows industrial enterprises to raise funds on global exchanges and sell their products to global markets.

regardless of where they set up shop. The result is a mismatch between the realm of the nation-state, whose confines limit the mobility of most workers, and the transnational realm of footloose commerce. While workers with specialized skills in global demand can command generous salaries, less skilled workers, the supply of which is in global surplus, have lost negotiating leverage. The advantage goes to firms that can keep their compensation in check by transferring production offshore, or by buying from global suppliers, who themselves must keep compensation low to match foreign competitors.\textsuperscript{36}

Is there a way around globalization's tendency toward exacerbating income inequality? The model of industrial relations that became most accepted in the twentieth century would answer that question by looking to governments to establish worker protection laws establishing minimum wages, making termination of employment and plant closings difficult, and securing collective bargaining rights.\textsuperscript{37} The ability of governments, however, to maintain pro-worker industrial policies of this kind has itself come under assault by the same competitive dynamics of globalization that pits workers against workers around the globe. Countries must compete for investment capital, and countries with more stringent worker protections find themselves at a competitive disadvantage.\textsuperscript{38} The example of worker protective sclerotic France is often held out as one to be avoided if governments want to attract the international capital that allows their economies to flourish.\textsuperscript{39}

\textsuperscript{36} See for example Joseph E. Stiglitz, \textit{The Price of Inequality: How Today's Divided Society Endangers our Future} (2012), p. 60 (maintaining that, “[t]he threat of capital outflow, should workers get too demanding about rights and wages, keeps workers’ wages low”).


\textsuperscript{38} See for example Joseph E. Stiglitz, \textit{The Price of Inequality}, p. 60. (“Competition across countries for investment takes on many forms – not just lowering wages and weakening worker protections. There is a broader ‘race to the bottom,’ trying to ensure that business regulations are weak and taxes are low.”)

Alternatively, countries could compensate those who have wound up on the wrong side of the global income divide by resorting to redistributionist social welfare programs that were also held out as a model in the twentieth century.40 Unfortunately, however, governments are similarly hampered in their capacity to tax global enterprises to fund such programs by the ease with which they can relocate to more tax friendly jurisdictions that globalization makes possible.41

These kinds of constraints on the abilities of individual governments to act alone means that the most promising strategy to counter increasing inequality in the age of globalization are ones that globally harmonize worker protections and other social welfare policies. But putting such policies in place has been elusive. Despite efforts in the International Labour Organization, the World Trade Organization and even the G20, at the end of the day, the political will has not been sufficient to create strong global social welfare standards. On its face, this is paradoxical. If those lacking in economic privilege had the political clout to secure the implementation of strong worker protection and redistributionist policies in many countries during the twentieth century, then why couldn’t they aggregate their clout to convince governments collectively to harmonize such policies?

While the answer is not simple, the unique dynamics of the interstate politics that defines the international system is of primary importance. Before the onslaught of globalization, the battle for worker protections and redistributionist policies were fought separately in each state. If the forces opposing such policies were successful in one country, it had little impact on the ability of other countries to pursue such policies. Now, because the competitive dynamics of globalization described above mean that any harmonization initiative must secure the participation of all states (or at least all of the states with any significant productive potential) the forces opposing such

41 See generally Joseph E. Stiglitz, *The Price of Inequality*, p. 278. ("Our system of global competition encourages firms to locate on the basis not of global efficiency but of tax competition ... [i]t distorts the global economy and undermines the ability to impose fair taxation on capital."
initiatives have gained a significant advantage. If they can capture policy in just a few, or even one of the states that are necessary for a harmonization agreement, they can effectively veto the ability of the rest of the world to maintain such policies.

To make matters even harder for the forces of worker protections and equitable redistribution, the architecture of the global system is not congenial to the ability of citizens to coalesce transnationally. Within national parliamentary systems, those citizens in the middle and lower income strata constitute a large percentage of the electorate, generally allowing them to wield considerable power at the ballot box. What is more, through the pluralist democratic structures that are adjunct to parliamentary process, such citizens can overcome geography as well as their many other ethnic, religious, and ideological cleavages to join forces on behalf of their common economic interest.

The role of citizens in the international system is quite different. Because international law is created by states, rather than through parliamentary voting by citizen elected representatives, the interstate system does not facilitate opportunities for citizens to formally participate in the law making process. Without any institutional structure for bringing disparate communities together, language, ethnicity, religion, culture, nationalist ideology, and distance all conspire to make a collective response on behalf of common economic interests extremely difficult. For the most part, this means that the voices of those in the middle and lower income strata are subsumed by those of their governments, regardless of whether such governments are captured by the interests of the wealthy or compromised in their ability to respond to inequality by the dynamics of globalization.

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42 For example, political parties and interest groups that lobby legislative bodies.
44 For one of the classic works discussing the limits of citizen politics in the international system, see Margaret E. Keck and Kathryn Sikkink, *Activist Beyond Borders* (1998). Other scholars have focused on participation by civil society organizations and epistemic networks in the international system. For some of the more influential works on participation by civil society organizations see Jessica T. Mathews, "Powershift," *Foreign Aff.*, Jan./Feb. 1997, p. 50; Jackie Smith, *Social Movements for Global Democracy* (2008).
III FUNCTIONALISM

Pioneered by David Mitrany, whose writings spanned the period from the 1930s to the 1970s, functionalism was an attempt to find an intermediate position in international relations theory between what it regarded as the utopian legacy of Woodrow Wilson's belief in legally engineered grand transformations of the global institutional order and a bleak realist understanding that saw states as immutably locked in a Hobbesian competition that tended toward war. Functionalism held that international organizations could gradually play an ever greater role in human affairs as both governments and sub-state actors came to realize that regulatory matters requiring transnational cooperation could best be addressed at the transnational level through international organizations.

A defining characteristic of functionalism is the nature of these organizations. They are to be designed to address the discreet problems that arise in defined areas of governance. By way of examples, Mitrany pointed to the need globally to coordinate intercontinental shipping, aviation and broadcasting. Thus, Mitrany's vision was of a myriad of distinct international organizations all functioning independently in their own realms. As these organizations took on increasing importance, functionalists believed that this would create a spillover effect. Political actors would gradually come to shift their political loyalties and activities to the international realm.

The primary implements of functionalist analysis were taken up in the 1950s by Ernst Haas and others to both explain and predict the transfer of rule-making authority from national governments to the

45 See generally David Mitrany, *The Progress of International Government*.
48 See Leon Lindberg, *The Political Dynamics of European Economic Integration* (1963), p. 5 (explaining from the functionalist perspective, "[p]olitical integration is the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new centre, whose institutions possess or demand jurisdiction over the pre-existing national states").
European Union in what came to be called neofunctionalism. Neofunctionalism has in many ways defined the European integrationist project. Whether in neofunctionalism’s prescription for step-by-step incrementalism that has become the European project’s hallmark, or the early strategic primacy given to the technical governance of economic arrangements, the neo-functionalist canons read like manuals to the construction of what today has become the European Union.

Knocked around by the inevitable vicissitudes of a bold movement toward continental integration, neofunctionalism eventually fell out of favor. The most defining moment came in the 1970s when Haas, himself, declared that the theory was obsolete. After the so-called “empty chair crisis,” precipitated by French President Charles de Gaulle having put the brakes on the pace of integration in the mid 1960s, neofunctionalism's influence began to wane.

49 For Haas’s classic book inaugurating neofunctionalism, see Ernst Haas, The Uniting of Europe (1958). For other influential works, see Leon Lindberg, The Political Dynamics of European Economic Integration and Philippe Schmitter, Neo-Neo-functionalism (2004).

50 For example the French Schuman Declaration of May 9, 1950 (proposing the nascent institution that would one day become the European Union) embodies the neofunctionalist notion that narrowly tailored technical institutions of an economic nature could evolve far beyond their humble beginnings: "Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity. The coming together of the nations of Europe requires the elimination of the age-old opposition of France and Germany. Any action taken must in the first place concern these two countries. With this aim in view, the French Government proposes that action be taken immediately on one limited but decisive point. It proposes that Franco-German production of coal and steel as a whole be placed under a common High Authority, within the framework of an organization open to the participation of the other countries of Europe. The pooling of coal and steel production should immediately provide for the setting up of common foundations for economic development as a first step in the federation of Europe, and will change the destinies of those regions which have long been devoted to the manufacture of munitions of war, of which they have been the most constant victims."


51 See Ernst Haas, The Obsolescence of Regional Integration Theory (1975).
1960s, Haas became disillusioned that the predicted transfer of loyalties had not materialized in his expected timeframe.\(^{52}\) Regardless of the vagaries of their fashionability, most of the insights from functionalism and neofunctionalism are more or less taken for granted today among the architects of Europe’s future and are now subsumed into what has become regime theory and constructivism.\(^{53}\)

In fact, looking back almost a century since functionalism’s founding, the theory’s early adherents seem almost prescient in their presaging of the development of the international system generally over the course of the twentieth century. The organizations that had universal pretentions such as the League of Nations and the United Nations have generally not lived up to their founder’s aspirations, and grand schemes for world government, fashionable in the periods following both world wars, never came close to getting off the ground. What has been successful have been functionally focused international organizations such as the World Trade Organization, the Bretton Woods organizations, the World Health Organization, the International Labour Organization and the like. While the United Nations lays claim to many as nominally part of the “UN family,” in reality most important international organizations are created by independent treaties and function independently of the United Nations in all important matters. As functionalism predicted, these organizations were established because of a perceived need to address concrete problems of a transnational nature and have tended to accrue greater powers incrementally over time. They have also had important spillover effects on the global system as a whole. As the current saliency of the discussion over fragmentation demonstrates, these organizations have developed a complex ecology that has evolved into an institutional order commonly thought of as our system of global governance.


\(^{53}\) For an argument that neofunctionalism accurately predicted how European legal as opposed to political integration would proceed, see Anne-Marie Burley [Slaughter] and Walter Mattli, “Europe before the Court,” *Int’l Org.*, 41, (1993), p.47.
For our purposes, what can be most productively distilled from functionalism and neofunctionalism are the insights that the greatest political impetus for the establishment of a new international organization are concrete problems that can be most effectively addressed internationally, that single regimes are more likely to be politically viable than overarching constitutional schemes, and that over time such organizations are likely to grow in influence as they gain the loyalties of their constituents. As I will now discuss, these insights from functionalism can help us understand why the creation of a Global Parliamentary Assembly (GPA) is now a viable political project.

IV FUNCTIONALISM, INEQUALITY, AND THE VIABILITY OF A GLOBAL PARLIAMENTARY ASSEMBLY

Critics claim that a GPA is a utopian project that cannot be realized. In making this assertion they conflate the introduction of an independent functionalist representative institution of limited powers with grand legalist schemes for comprehensive world government. They confuse the step-by-step organic vision of global institutional development that the functionalists saw as the practical way forward with the revolutionary one that they considered unworkable. Certainly, a parliament of a plenary nature is a unique kind of functional institution, different from more narrowly-focused organizations designed to address discreet areas of governance. Nevertheless, it meets the

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functionalist test of being a self-contained entity with its own specific mission, and after over half a century of proliferating functional organizations, global system coherence can be most effectively achieved by an institution whose function is to link these organizations. Mitrany, himself, anticipated the potential need for such an institution and prescribed that it be conceived with reference to the same functionalist principles as apply to the initiation of other international organizations:

As the whole sense of this particular method is to let activities be organized as the need for joint action arises and is accepted, it would be out of place to lay down in advance some formal plan for the coordination of various functions. Coordination too, would in that sense have to come about functionally.

In this period of authoritarian resurgence, if the international system is to meaningfully further democracy by example (rather than mere rhetoric), it is appropriate that a representative parliament would play this coordination role. Because it is well established in the popular imagination that parliaments promulgate laws and oversee agencies of government, a GPA, once realized, would be poised to evolve over time into playing a central role in the international system as the vertical link to the citizenry and the horizontal link between the various international organizations.

True, however, to the functionalist understanding of how the international system develops incrementally, the GPA should not initially be given formal powers of law-making and oversight. At this point in history such a bold grant of authority would almost certainly be rejected by governments jealous of their own prerogatives. In accepting such a concession to reality, the question then becomes

55 "The question will be asked . . . in what manner and to what degree the various functional agencies that may thus grow up would have to be linked to each other and articulated as parts of a more comprehensive organization. It should be clear that each agency could work by itself, but that does not exclude the possibility of some of them or all being bound in some way together, if it should be found needful or useful to do so." David Mitrany, A Working Peace System, p. 107. That indeed is the test.

56 Ibid.
whether a GPA lacking in formal powers could actually have an impact on income distribution and by extension the global economy.

I have rehearsed arguments above that globalization has exacerbated the problem of economic inequality, that the resulting lack of aggregate demand threatens the health of the global economy, and that the domestic realm is limited in its ability to redress the problem. A GPA could provide the political underpinnings for such redress. Unlike the current configuration of power, a GPA would facilitate citizens' ability to organize transnationally, and it would overcome the capacity of those who wish to maintain the economic status quo to block equality initiatives by winning the day in single jurisdictions. Able to coalesce in the parliament's democratic space, supporters of greater economic equality could petition the organization to endorse their programs. Despite the GPA's lack of formal powers, as the world's only body with a direct claim to represent the global citizenry as a whole, its decisions would likely be very influential and serve as reference points for discussion and debate.

As the planet's organized citizenry began to reconfigure itself beyond the limitations of separate and discreet orbits around national parliaments into a new common orbit around a GPA, over time the parliament's formal powers might well come to reflect this new political reality. Not only would the organized citizenry be inclined toward supporting the legal force of legislative results that were fashioned in response to their input, but an existing GPA could powerfully lobby governments on behalf of expanding its own powers. In a world where democratic elections have become the litmus test for legitimate governance at the local, provincial and national levels, GPA's claim to exercise increasing authority in the name of the global citizenry would be hard to resist.

If a parliament would give an effective global voice to those representing the less economically well off, then wouldn't those powerful elements of the economic elite whose wage costs and tax burdens have been kept low by the current global configuration of power resist the GPA based upon their perception of self-interest? No doubt many would. As I have discussed, however, everyone has a shared interest in a global economy that can function at as close to full capacity as possible. It is said in the United States that President Franklin
Roosevelt "saved capitalism" by using Keynesian tools to create a social safety net and stimulate demand in response to the Great Depression.\textsuperscript{57} Many in the moneyed class opposed Roosevelt, but with his core of support among the working class, enough believed it to be either ethical or in their own enlightened self-interest to support him, for his plans to be implemented. As this discussion of economic inequality reveals, a GPA is at least in part about establishing a global political structure that could support a social safety net, and the same dynamic could at some point potentially play out in its creation.

It is one thing, of course, for a functional argument to be useful and viable as a practical political project and quite another to actually get the institution off the ground. The potential organizational catalyst for such a parliament has been building primarily around the German based, Campaign for a United Nations Parliamentary Assembly.\textsuperscript{58} The organization holds conferences, issues papers, and builds political support for an international parliament. To date, over 1,000 past and present national parliamentarians and other moral authority figures have endorsed the Campaign's call for a parliament associated with the United Nations.\textsuperscript{59}

Mirroring these organizational developments has been a growing academic discourse. In addition to the work that Richard Falk and I have done proposing a GPA, leading scholars of cosmopolitan democracy such as Daniele Archibugi and David Held are widely cited,\textsuperscript{60} and many others have contributed to the broader discussion of global democracy.\textsuperscript{61}

\textsuperscript{57} See Arthur M. Schlesinger, Jr., \textit{The Age of Roosevelt: The Crisis of the Old Order; The Coming of the New Deal; and The Politics of Upheaval} (1959) (arguing famously that Roosevelt saved capitalism from self-destruction and preserved democracy from authoritarianism of both the left and right).

\textsuperscript{58} See the Campaign's website at www.unpacampaign.org/

\textsuperscript{59} http://en.unpacampaign.org/support/index.php.

\textsuperscript{60} For representative works, see Daniele Archibugi and David Held (eds.) \textit{Cosmopolitan Democracy: An Agenda for a New World Order} (1995); Daniele Archibugi, \textit{The Global Commonwealth of Citizens: Toward Cosmopolitan Democracy} (2008).

\textsuperscript{61} The literature in the field has grown large. For a representative sampling of works by those both supporting a parliamentary approach and those opposing
Finally, and most importantly, the project for the first time has found its way onto the United Nations agenda. Both the United Nations Human Rights Council and the General Assembly have begun considering the matter. In October of 2011 the Human Rights Council adopted Resolution 18/6 calling for “the promotion of a democratic and just international order,”\(^62\) and in December of 2012, the General Assembly adopted Resolution A/Res/67/175 on “the promotion of a democratic and equitable international order.”\(^63\) In their respective resolutions, each of the bodies in very general language affirms that a democratic and equitable international order requires “the promotion and consolidation of transparent, democratic, just and accountable international institutions in all areas of cooperation, in particular through the implementation of the principle of full and equal participation in their respective decision-making mechanisms.”\(^64\) The latest General Assembly resolution A/Res/68/175 passed in December 2013 goes further, and in more specific language declares that everyone is “entitled to a democratic and equitable international order,”\(^65\) and that among the requirements of such an order is “the

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64 H.R.C. Res 18/6, ¶ 6(g), UN Doc. A/HRC/RES18/6 (October 13, 2011); H.R.C. Res 18/6, UN Doc. A/HRC/RES18/6 (October 13, 2011). G.A. Res. 67/175, ¶ 4(g), UN Doc. A RES/67/175 (December 20 2012).
65 G.A. Res. 68/175, ¶ 5, UN Doc. A RES/68/175 (December 20, 2013).
right to equitable participation of all, without any discrimination, in
domestic and global decision-making." This places within the realm
of international discussion how all seven billion citizens on the planet
can equitably participate in global decision-making without discrimina-
tion outside of some sort of parliamentary structure.

The Human Rights Council in its resolution 18/6, decided to
establish a mandate for an independent expert on the promotion of
a democratic and equitable international order in part to, "identify
best practices in the promotion and protection of a democratic inter-
national order at the local, national, regional and international
levels," and the General Assembly in its resolution calls for cooper-
ation with the independent expert.

The independent expert, Alfred de Zayas, in his subsequent
reports to both the Human Rights Council and the General Assembly
has called for consideration of a parliament. He wrote, for example, in his report to the General Assembly:

Among other civil society initiatives, the launching of a World
Parliamentary Assembly or United Nations Parliamentary
Assembly is worth exploring. As former Secretary-General
Boutros Boutros-Ghali stated: "A United Nations Parliamentary
Assembly – a global body of elected representatives – could
invigorate our institutions of global governance with
unprecedented democratic legitimacy, transparency and
accountability." The idea is to remedy democracy deficits by
giving voice to global public opinion, including citizens in global
decision-making through elected officials. Such an Assembly
could be set up by a vote of the General Assembly under

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66 G.A. Res. 68/175, ¶ 5 (h), UN Doc. A RES/68/175 (December 20, 2013).
67 H.R.C. Res 18/6, ¶ 14 (b), UN Doc. A/HRC/RES18/6 (October 13, 2011).
69 Independent Expert on the Promotion of a Democratic and Equitable
International Order, Report of the Independent Expert on the Promotion of a
Democratic and Equitable International Order, Alfred-Maurice de Zayas, delivered
70 Independent Expert on the Promotion of a Democratic and Equitable
International Order, Report of the Independent Expert on the Promotion of a
Democratic and Equitable International Order, Alfred-Maurice de Zayas, delivered
Article 22 of the Charter or it could be created on the basis of a new international treaty between governments, followed by an agreement linking it to the United Nations. Neither mechanism requires Charter amendment or reform. Global decisions would gain greater legitimacy through citizen input and involvement in an independent World Assembly with consultative functions, or in a United Nations Parliamentary Assembly representing people as well as states.71

De Zayas recommends Article 22 of the Charter and an independent treaty as the two most viable vehicles for creating the GPA. I agree.72 The Charter under Article 22 provides that “the General Assembly may establish such subsidiary organs as it deems necessary for the performance of its functions.”73 Article 22 has the advantage that, unlike the treaty process, a General Assembly resolution could bring the GPA into being without the cumbersome requirement of state ratification.74

Resorting to Article 22, however, is not without its own drawbacks. Perhaps most significant, garnering the requisite support for the approval of the GPA within the General Assembly is likely to require problematic political concessions. A lowest common denominator parliament, for example, might allow for authoritarian regimes to appoint members to the GPA, or even worse, orchestrate elections that would produce sham results. This would undermine the legitimacy of the organization and compromise its ability to act as a counterweight to authoritarianism.75

This is why Richard Falk and I have favored the GPA being initiated as an independent treaty body76 adopted by whichever

71 Id ¶ 23 and 24.
73 UN Charter, art. 22.
75 Ibid.
76 Professor Falk and I have made the case for a treaty-based approach in several publications, including Foreign Affairs and The Nation. See Richard Falk and Andrew Strauss, “Toward Global Parliament,” Foreign Aff., 80 (2001), p. 212;
internationally progressive countries were willing to be pioneers. Countries that are truly supportive of the GPA's democratic mission are likely to create the best, most democratic organization. Even twenty to thirty such countries (as long as they are economically and geographically diverse) would be enough to found the GPA, and opposing countries in the General Assembly could not stand in their way. Once the parliamentary initiative gained momentum, their less enthusiastic peers in the United Nations would have an incentive to take part rather than be sidelined, and there might even come a time when it would be politically untenable for authoritarian governments to deny their people the right to vote in the only globally elected body.

The treaty agreed to by the founders would establish the legal structure for elections to be held within their national territories including a voting system and electoral districts. In addition, an operational framework for the GPA, including its mandate and limitations on its powers would be included in the treaty as would a provision for future accession by other countries. Any country could later join the GPA so long as it was willing to meet its obligations under the treaty, the most important of which would be to allow its citizens to vote representatives to the GPA in free and fair elections.

The treaty could include provisions defining the GPA's initial role vis-à-vis the United Nations, and once established the parliament


77 A standalone treaty organization whose membership may not be the same as the United Nations is not a novel concept. Most major international bodies such as the Bretton Woods organizations, the World Trade Organization and the World Health Organization, to name but a few, have been created in this way. Most significant, this approach was used to establish the International Criminal Court, whose membership famously does not include the United States, nor for that matter Russia or China (though Russia is a signatory). In the case of the International Criminal Court, specific treaty provisions align that organization’s processes with those of the United Nations. Most significant are terms providing for the Security Council to refer criminal cases to the Court.
could enter into a relationship agreement with that body. Though begun independent of the United Nations, the GPA would be meant to strengthen it. Part of the GPA's treaty-based responsibilities, for example, could be to weigh in with its own vote on issues such as global income inequality. General Assembly resolutions are themselves largely recommendatory, and by insinuating a democratic voice into the process, the resolutions that passed both bodies would be more noticed and deemed more legitimate. Backed by the weight of popular authority over time, perhaps the General Assembly and the GPA could evolve together into a truly bicameral legislative system capable of producing binding legislation.

V CONCLUSION: RETURNING TO EINSTEIN AND FREUD

While Freud did not accept the presumed supposition that a compelling case for a world authority to avoid war could in itself be the impetus for such an authority, he did maintain a dynamic view of history. Influenced profoundly by German Romanticism, he believed that human civilization evolves as the individual psyche evolves, in the eternal struggle between the instincts of love (Eros, sexuality, that which unites) and death (aggressiveness and destruction). In this sense Freud and Einstein, together with the politically scientific functionalists, all share a common perspective that embraces the reality of historical change. And, by almost any measure, we are living in a time of tremendous historical dynamism.

Viewed from the vantage point of the individual human psyche, today more of us on the planet than ever before have access to the

78 The UN Charter provides that: “The Economic and Social Council may enter into agreements with any” agency “established by intergovernmental agreement and having wide international responsibilities.” UN Charter art. 63, para. 1; ibid. at art. 57, para. 1. These agreements “define[ ] the terms on which the agency concerned shall be brought into relationship with the United Nations[,]” and “shall be subject to approval by the General Assembly.” UN Charter art. 63, para. 1.

79 See Sigmund Freud, Civilization and its Discontents.
education that allows us, in Freud's terms, to be "strengthening the intellect" so as to "master our instinctive lives."\textsuperscript{80} Seen alternatively from Einstein's rationalist orientation, the increasingly rapid globalization of the planetary social order that technology has wrought has intensified the reflective case that we create a viable international system. Similarly, as I have argued in this chapter, in this globalized world, the dynamics of the functionalist variant of the political scientific tradition leads self-interested actors in the direction of collective action.

The extent to which the dynamism of the system will translate into any particular global institutional innovation is unknown. If planetary civilization, however, is to continue the long-term trend toward parliamentary democracy and toward greater planetary social integration, then presumably these two trend lines will at some point converge in the establishment of a globally democratic institution. That day may not be as far off as some people might imagine. For decades now the international community has been experimenting successfully with transnational parliamentary institutions, the most well-known of which is the citizen elected European Parliament.\textsuperscript{81} Our functionalist study of the role that income inequality could play in the establishment of a GPA provides a framework for understanding the social mechanisms animating such an institutional development and presages the role that such an institution could play.

\textsuperscript{80} Ibid., pp. 11–12. For example, according to the World Bank, in just the short period between 2004 and 2012, the worldwide percentage of children enrolled in secondary school increased from 63 percent to 73 percent. See The World Bank, Working for a World Free of Poverty, School Enrollment, Secondary, available at http://data.worldbank.org/indicator/SE.SEC.ENRR/countries/1W?display=graph.

\textsuperscript{81} That democratic body has come to have significant powers as one of the three law-making institutions of the European Union. Among the more well-known of the other institutions are: the citizen-elected Central American Parliament, in operation since 1991; the ten-year-old Pan-African Parliament, composed of members elected by African national parliaments; the Council of Europe's parliamentary assembly composed of members of national parliaments; and the Organization for Security and Cooperation in Europe, the North American Treaty Organization and Mercosur parliaments also composed of national parliamentarians.