

# ACCOUNTABILITY, TRANSPARENCY, LEGITIMACY, SUSTAINABLE DEVELOPMENT AND GOVERNANCE

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## Introductory Remarks on *Pacem in Terris* and Christian Social Doctrine

In 1963 John XXIII issued the encyclical *Pacem in Terris* whose 50<sup>th</sup> anniversary we are now celebrating. The world had just overcome the Cuban missile crisis when we had been on the verge of mutual nuclear destruction. At the last minute USA and USSR had reached an agreement. As a consequence of that imminent danger one principle becomes clear in the conscience of mankind: nobody can accept the responsibility of causing an exchange of nuclear weapons that would possibly entail the end of human civilization. No political advantage and no political purpose is worth such a tremendous amount of human suffering.

*Pacem in Terris* draws in a certain sense the philosophical consequences of this political lesson.<sup>1</sup>

Those philosophies of modernity that culminate in the Hegelian/Marxian idea of dialectics have privileged the idea of a new world that has to become reality. They renounce the idea of an order based on the nature of things. The criterion of truth of a philosophy does not consist in its capacity to understand and explain reality but in its potential for change and revolutionary transformation of reality.<sup>2</sup> In the case of Marxism this new world is communism. All sacrifices are justified in order to put an end to the old capitalist world and to create the new communist world. Uncompromising, remorseless class struggle up to the utter and complete destruction of the enemy who obstaculates the progress of history is fully justified and is a primary duty for all those who really have a sincere love of humanity. History moves towards this end and the revolutionary intellectuals know the law of movement of history.

<sup>1</sup> See the Personal Message of John XXIII to J.F. Kennedy and N. Khrushchev that the Pope personally read on Vatican Radio on October 25, 1962. Two days later Khrushchev announced his decision to stop the installation of nuclear missiles in Cuba. The Papal Message had given him the possibility of presenting this decision as the result not of fear of the American might but of love of peace.

<sup>2</sup> K. Marx: *Theses on Feuerbach*, especially n. XII, in *Marx-Engels-Gesamtausgabe Abteilung IV*, Bd. 3, Akademie Verlag, Berlin 1998, p. 19-21.

The awareness of the fact that history can easily end in a nuclear catastrophe deals a deadly blow to this system of convictions. War is no more the mother but rather the henchman of all things.

John XXIII draws the conclusion that the way of the progress of mankind is not war but peace. We must all make a serious attempt to understand the good reasons of our opponents in order to arrive at a compromise that incorporates both his and our good reason and is acceptable to both.<sup>3</sup> We must learn to patiently negotiate. To negotiate, however, we must have a language in which we can communicate with one another. This language is the language of a natural order God has given to the world and of a moral order of human society.<sup>4</sup>

We must also learn to cooperate with one another. In many instances no government can really provide for the welfare of its people without the cooperation of others.<sup>5</sup> The common good of each individual state is contained in the common good of humanity. But who will take care of this common good of humanity? The different states cooperating with one another through the instrument of negotiations? Of course, but this is far from being enough. The danger looms large that the stronger will strive to preserve their positions of unjust advantage. We need some kind of authority to regulate the common affairs of the human community and to lead it towards a situation in which the human dignity of each human being is better recognized.<sup>6</sup> The encyclical does not advocate the creation of a world state although it does not exclude this possibility. It does however indicate the principles of freedom, solidarity and subsidiarity that enable human beings to live together in the *tranquillitas ordinis*, in a just order of things. All these three principles are derived from the idea of human dignity.<sup>7</sup> St Irenaeus of Lyon teaches us that the concrete living human being is the glory of God<sup>8</sup> and therefore he must be respected and cannot be sacrificed to an ideology. The common good of a community is not authentic if it does not contain also the good of each human person.

<sup>3</sup> *Pacem in Terris*, 93.

<sup>4</sup> *Pacem in Terris*, 2-3. See also Benedict XVI: *Glaube, Vernunft und Universität – Erinnerungen und Reflexionen*. See also the speech delivered by Benedict XVI at the German Parliament, September 22, 2011, where he speaks of “natural law”.

<sup>5</sup> *Pacem in Terris*, 130 and 131.

<sup>6</sup> *Pacem in Terris*, 137-139.

<sup>7</sup> *Pacem in Terris*, 8-9.

<sup>8</sup> *Adversus Haereses* 4.20.7. The stoics had arrived to a similar idea. See L.A. Seneca: “Homo homini res sacra”, man is to man a sacred thing. *Epistulae morales ad Lucilium* XCV, 33.

Rooted in the dignity of the human person is the principle of liberty or freedom.<sup>9</sup> Man is free to determine his own actions. The other face of freedom is responsibility. Man is responsible for his own actions. He is the subject and the creator of his own destiny. On the other hand, no man is an island. We all have a duty to cooperate to the good of the other in a harmonious community. We have a duty to share with others in need the goods that we have acquired. This is the principle of solidarity.<sup>10</sup> Between freedom and solidarity there is a certain tension. We know that in the first Christian community in Jerusalem they had all things in common.<sup>11</sup> We also know that when some pretended to live at the expenses of the community St Paul said: if they do not want to work they should not eat.<sup>12</sup> The principle of subsidiarity reconciles freedom and solidarity.<sup>13</sup> Each human being and each human community should face with their own forces the tasks that belong to them but should also receive the support of a broader community when confronted with odds that they cannot manage alone. Correspondingly every individual and each community must be free to act as they think fit to perform those tasks that stand at their own level and must be ready to coordinate their action with that of others and even to subordinate it to that of a broader community in performing tasks that stand at a higher level. Subordination to the broader community, however, implies a right to participate in the deliberative process through which this community chooses its course of action.<sup>14</sup>

Christian Social Doctrine at the magisterial level does not provide us with ready-made recipes for the solution of our problems. It gives us general categories that must be made operational and replenished with empirical materials through the efforts of social scientists, experts in different disciplines, politicians and citizens engaged in different areas of social activity and provided with different levels of social expertise.<sup>15</sup> In this way Christian Social Doctrine enters into the public debate and produces or helps to produce policies that make human life more human in the concrete circumstances of a given society and of a given historical period. It goes without saying that the responsibility for the analysis produced in the concrete sit-

<sup>9</sup> *Pacem in Terris*, 120.

<sup>10</sup> *Pacem in Terris*, 89.

<sup>11</sup> *Acts* 4, 32.

<sup>12</sup> *II Thessalonians* 3,10.

<sup>13</sup> *Pacem in Terris*, 139-141.

<sup>14</sup> Pius XI: *Quadragesimo Anno*, 79.

<sup>15</sup> John Paul II: *Centesimus Annus*, 59.

uation belongs entirely to those who produce it and not to the Magisterium of the Church. The epistemological level of abstraction of this contribution is situated exactly at this crossroad where Christian Social Doctrine becomes a Critical Theory of Society.<sup>16</sup> I use here the expression “Critical Theory of Society” because the end of the naive idea of progress of the 19<sup>th</sup> and 20<sup>th</sup> centuries does not imply a passive acceptance of society as it is and does not confine the social sciences to a purely descriptive role. The idea of human dignity and the principles of freedom, solidarity and subsidiarity give us criteria to evaluate existing societies and indicate possible paths to overcome the injustices that humiliate in them the women and men of our time. We want here to assess what are the steps that in the present situation can carry us further along the path indicated in *Pacem in Terris*.

“‘Our citizenship is in heaven’; yes, but that is the model and type for your citizenship upon earth”.<sup>17</sup>

1. We want first of all to make clear what is the meaning of the words we are about to make use of. These words do not stand all at the same level. Some of them hold a certain primacy. These are sustainable development and governance. Accountability, transparency, legitimacy and representation are, in one sense, parts or elements of governance.

2. Let us start with the word governance. What is governance? It is immediately apparent that there is a relation between the words *governance* and *government*. A first answer could be: governance is what government is about. With the word *government* we indicate a system of organs that govern a community. Governance is the product or the activity of government. But what is the reason why we make this distinction? What is the reason why we make this distinction *now*? As a matter of fact only a few decades ago the distinction between *government* and *governance* was not usual. The description of the organ (government) seemed then to encompass also the activity and the product of the organ.

Why is it then that we see so many articles and essays and books dedicated to governance whilst the popularity of government is clearly declining?<sup>18</sup>

<sup>16</sup> See M. Horkheimer: *Zur Kritik der instrumentellen Vernunft*, Frankfurt a.M 1967. See also of the same author *Die Sehnsucht nach dem ganz Anderen. Ein Interview mit Kommentar von H. Gummior* (Stundenbücher), Furche Hamburg 1970.

<sup>17</sup> T.S. Eliot: *Choruses from The Rock*.

<sup>18</sup> M. Senn: Some Critical Remarks on the Genealogy of Governance, in *Journal of European History of Law*, v. 1, pp. 9–13.

The growth of the studies on governance is clearly connected with the crisis of another key concept of political science: sovereignty. The sovereign imposes his will on his subjects and the system of government is the ensemble of the instruments and devices he uses to impose his will. There is a clear correspondence between the action and the result of the action. Another part of government is the study of the ways and the processes through which the will of the sovereign is formed. The result of this process is the formulation and the enforcement of one will, the will of the sovereign state.<sup>19</sup>

This paradigm does not work anymore. I dare to propose one hypothesis: the concept of governance becomes autonomous from the concept of government and acquires the significance it enjoys today because there is no longer (if it ever existed at all) the biunivocal correspondence of government and governance that the traditional (positivistic) idea of sovereignty postulates.

The reason is that we live in a world that is no more divided in a plurality of territories each one subject to the sovereign power of one state. The world we live in is a world in which our destiny is influenced by decisions that are not taken only by our government authorities but by other subjects whose actions are equally relevant to our welfare.<sup>20</sup> At the same time the decisions and the actions of our government influence the destiny of other peoples and individuals beyond the borders of our countries. This is one distinctive feature of globalization. We are confronted with governance that is not the product of the action of one government but is the result of the interaction of a plurality of subjects. The sovereign state produces only a part of the concrete rules that regulate our activity. On the other hand the decisions our government authorities take have consequences that do not correspond to the intentions of the rulers. Other decision-makers can invalidate or nullify, at least in part, the decisions of the sovereign. This has of course far reaching consequences on the modalities (the style) of the exercise of political power.<sup>21</sup>

Why has it become like that? Why is it so? We will consider only two main reasons of this process. The first one is globalization, the second is democratization.

<sup>19</sup> T. Biersteker, C. Weber: *State Sovereignty as Social Construct*, Cambridge University Press, 1996.

<sup>20</sup> S. Krasner: *Problematic Sovereignty: Contested Rules and Political Possibilities*, Columbia University Press, 2001.

<sup>21</sup> C. Shore: Government without Statehood? Anthropological Perspectives on Governance and Sovereignty in the European Union, in *European Law Journal*, v. 12, n. 6, pp. 709-724.

The GATT (General Agreements on Tariffs and Trade) agreements signed in Marrakech in 1994 have to a very large extent abolished customs duties and other obstacles to the free circulation of goods and services at a worldwide level (something similar had already taken place in a more radical form among the European countries belonging to the European Community later called European Union).<sup>22</sup> Goods and services produced in a state can be sold freely in another one. This increases economic efficiency, stimulates innovation, facilitates a better division of labour and accrues to the global wealth. Companies can move now from one country to another looking for places better suited for their activities. This changes the relations between economy and politics. In the world of yesterday governments had the economy of their countries under control and could impose the regulations they saw fit.<sup>23</sup> Now a company or a businessman who does not agree with the policy of his government can move his activity to another state. If he thinks the tax burden is too heavy or is not adequately compensated by infrastructure and public utilities he can easily move to another country.<sup>24</sup> He can also look for other advantages like, for example, sources of cheap labour. The politician and even the electoral body cannot impose their will on the business community. Now they must rather try to win their consent creating a favourable environment for the economic activity. The shift in the balance of power occurs also between social actors. In the globalized world the defence of labour continues to be organized on a national basis. The result is that very often companies that make use of large quantities of cheap labour move to countries where salaries are low and the protection of workers rights minimal.<sup>25</sup> In more affluent countries it becomes more and more difficult to finance expensive welfare systems whilst at the same time in many industrial sectors salaries do not grow while unemployment reaches unprecedented levels.

On the other hand in poor countries it becomes easier to attract investments, to create jobs, to stimulate the growth of the income of workers and the development of the country.<sup>26</sup> The fiscal and social legislation as well as

<sup>22</sup> D.A. Irwin: The GATT in Historical Perspective, *American Economic Review*, v. 85, n. 2 (May 1995).

<sup>23</sup> S. Gross: Handelsstaat versus Globalisierung, Anmerkungen zu Johann Gottlieb Fichtes "geschlossnem Handelsstaat", in *Tabula Rasa Jenenser Zeitschrift fuer kritisches Denken*, 31 (15 Januar 2008).

<sup>24</sup> Reuven S.: Avi-Yo Globalization Tax Competition and the Fiscal Crisis of the Welfare State, in 113 *Harvard Law Review* (May 2000).

<sup>25</sup> A. Singh, A. Zammit: Labour Standards and the "Race to the Bottom": Rethinking Globalization and "Workers Rights" from Developmental and Solidaristic Perspectives, *Oxford Review of Economic Policy*, v. 20, n. 1.

the efficiency of the public administration of the different states must now compete with one another.

It is very important to understand this state of affairs when we try to give a moral evaluation of the situation or when we suggest remedies for the social injustices of our time. Many measures that seem common sense if we consider them out of context turn out to be impractical in the really existing situation. In front of the growing inequalities in our society it seems just to demand strong redistributive policies of the states. Unfortunately this is completely out of question because the taxpayers would be incentivized to migrate to more favourable tax havens (or heavens) taking with them a large quantity of jobs and thus further impoverishing the country.

A parallel process takes place at the local level. We shall call it democratization. Local communities demand more and more the right to regulate their internal affairs on the basis of the principle of subsidiarity.<sup>27</sup> They demand that the state does not interfere with the exercise of their legitimate autonomy. This demand does not come solely from territorial communities like e.g. cities or counties. Vertical subsidiarity regulates the relations between territorial communities like, for instance, the county and the state. There is however also a horizontal subsidiarity regulating the relations of broader communities to families, voluntary associations and other non-territorial communities like for example the trade unions.<sup>28</sup> These voluntary associations and families create an enormous wealth of social relations that enrich the life of the state and closely cooperate with it for the common good of society. They are, however, increasingly jealous of their prerogatives and want to preserve in front of the state a position of relative independence.<sup>29</sup> The government must negotiate with them and must be aware of the fact that the positive or negative results of its action will be dependent on the level of cooperation it will be able to stimulate both in its territorial and in its non territorial partners.

<sup>26</sup> J.D. Sachs: Globalization and Patterns of Economic Development, in *Weltwirtschaftliches Archiv*, December 2000, v. 136, n. 4, pp. 579–600.

<sup>27</sup> R. Buttiglione: Eine philosophische Interpretation des sozioethischen Prinzips der Subsidiarität in A. Riklin und G. Batliner (Hrsg.): *Subsidiarität*, Nomos Baden Baden 1994.

<sup>28</sup> We understand here as non-territorial a community that does not encompass all the citizens living in a certain territory. The diocese is not, in this sense, a territorial community because the adherents to other confessions or religions are not members of the diocese.

<sup>29</sup> A. Colombo: *The Principle of Subsidiarity and European Citizenship*, Vita e Pensiero, Milano 2004.

The business of government is no more just to enact acts of sovereign will that will be received by society with respectful obedience but to negotiate with different and often conflicting partners in order to win their support and to make sure that the legislation will not be made void and ineffective through non-cooperative strategies of social bodies holding a de facto veto right (or veto power) on decisions that concern them. Government is, in one sense, split in two parts. On the one hand it is the exercise of sovereign power, on the other it is the attempt to coordinate and to orient norms and behaviors of (more or less) independent authorities to the common good of the community for which one is responsible.

3. This shift in the meaning of government and the emergence of the concept of governance have an effect on the meaning also of representation, legitimacy, transparency and accountability. This shift or twist of meaning becomes apparent when we ask the questions: who must be represented in representation? For whom must the action be transparent and accountable? What are the sources of legitimacy and representation?

The first answer is: the general public. This answer is correct but not sufficient.

3.1. Let us start with the legitimacy and representation pair. It is apparent that one must be responsible to the political body that has elected (legitimated) him. We know however since the times of Rousseau that there is the general will of the political body (*volonté générale*) and the particular will of the different constituencies and interest groups that converge and in a certain sense are contained in the political body (*volonté de tous*).<sup>30</sup>

Let us make an example: Heidi Hirschenhirtin sits in the European Parliament. She is German, and the active support of her electoral campaigns derives from the trade unions of a multinational company that is prominent in her region. To whom must she be accountable? Whom will she represent? The European interests? The German interest? The interest of her branch of industry? Consider also the fact that Germany is a member country of the European Union. We may suppose that the German interest is contained in the European interest. The multinational company has interests that go beyond the European borders and it is not easy to see how in this case its particular interest is contained in the broader interest. We have here a system

<sup>30</sup> J.-J. Chevalier: Jean Jacques Rousseau: ou l'Absolutisme de la Volonté Générale, in *Revue Française de Science Politique*, 1953 v. 3, n. 1, pp. 5-30.

of (potentially) conflicting interests, points of view and loyalties. Rousseau (who is the founding father of French constitutional thought but also one of the roots of modern totalitarianism) disqualifies the particular interests and wants them silenced in front of the general will. The nation is one and indivisible and each representative represents the whole nation as such. John Locke<sup>31</sup> and Thomas Aquinas<sup>32</sup> have a more differentiated view of representation. The deputy represents his constituency as well as the whole nation. He will defend the rights and interests of his constituency integrating them in a definition of the common good of the nation. We cannot determine the common good of the nation without considering the legitimate interests of the different component parts of the nation. To concur in a definition of the common good now and then the interests of a part of the political body must be sacrificed. It is important that these sacrifices be evenly distributed so that in the long run no part may consider itself unjustly and permanently prejudiced. In the federal states, as a rule, a chamber of representatives represents the people as such while a chamber of the states represents the peoples in the federation. This chamber is the place where the federated states become one federal state. We lack an adequate solution to the problem of the representation of non-territorial social interests. They find their expression in the activities of different lobbies that try to influence public decisions. There are also (for example in the European Union) consultative bodies or prescriptions for a social dialogue but they do not seem to be really effective.<sup>33</sup>

We must now consider two problems.

3.1.1. The first one regards the incorporation of the common good of the different local communities in the common good of an all encompassing broader community. It is extremely important to formulate clear rules to avoid a conflict of legitimation and representation. Let us make one example. It is a good (but often forgotten) rule that each level of government (state, county, city and so on) should levy the taxes needed for its proper functioning. It is however a legitimate concern of the broader community to guarantee equality in the fruition of some fundamental services corre-

<sup>31</sup> John Locke: *Second Treatise on Government*, par. 157 and 158.

<sup>32</sup> N. Aroney: Subsidiarity, Federalism and the Best Constitution: Thomas Aquinas on City, Province and Empire, in *Law and Philosophy* v. 26, n. 2 (March 2007).

<sup>33</sup> J. Greenwood: *Interest Representation in the European Union*, Palgrave MacMillan 2003.

sponding to the so-called citizenship rights. It is also a legitimate concern to support economically less developed regions in order to allow them to reach an equality of conditions with the wealthier portions of the country. This implies a transfer of resources from certain regions to others.<sup>34</sup> If our fictional Mrs. Hirschenhirtin represents a country that is a net receiver in the redistributive policies her constituency will demand that she bring back home the largest possible amount of resources while of course the constituencies of net payer countries will pretend from their representatives that the transfer of their resources be reduced to a minimum. We must also consider the fact that an excess of external support may be counterproductive because it enfeebles the self-reliance of a region and creates a mentality of dependency and not of self-confident entrepreneurship. A balance has to be struck on the basis of the principles of liberty, solidarity and subsidiarity. On the basis of the principle of solidarity we say that the rich have a duty to help the poor. On the basis of the principle of liberty we say that everybody is (must be) responsible for himself and must earn his bread through his own labour. On the basis of the principle of subsidiarity we say that support is due if one cannot face a difficulty with his own forces and has the finality (in as much as possible) of allowing the poor to become self-sufficient again. It is extremely important to keep in mind these principles at the different levels of government and governance.

3.1.2. A second and equally important problem is the following: who has to make the decision in the concrete case on what is the right balance among the principles involved? The issue is particularly burning when regions with strongly differentiated levels of income and wealth must live together in the same political framework. Shall we say that a democratic assembly in which all the people of a given state are equally represented must have the unlimited right to levy taxes and redistribute the income? This may be the ideal of a religious order but is not likely to work in the government of a pluralistic political society where not all members are Christian and also Christians stand under original sin and are far from being perfect Christians or from attaining a state of perfection. If such a rule were imposed it is easy to foresee that the result would be a fragmentation of the political body. Wealthier regions will refuse to merge with less well off regions and will strive to retain or to reacquire their sovereignty. We must

<sup>34</sup> In the German Constitution this issue is considered in a. 28, n. 2. See also a. 106, n. 3 and 4, and a. 107, n. 1 and 2.

consider not only the egoism of the rich but also the greed of the poor. Aristotle<sup>35</sup> warns us that the poor may be tempted to tax the rich to the level of expropriation destroying all incentives to economic initiative and to investment and causing at the end of the day the collapse of the economic system. It is one thing to demand that the rich countries be generous and quite another to pretend that they hand over to the poor the keys of their treasury. Let us consider now one concrete example. In Europe we are confronted with the necessity of making one important step further toward a closer political union. This seems to be the easiest and most expedient way to find a way out of the present crisis and to defend the role and the legitimate interest of the Europeans in a globalized world. The most delicate part of a future European constitution will be the part regarding the financial rules of the future Union. Shall we say that the future Union has an unlimited right to levy taxes? This will hardly be the case. Traditional liberal theory<sup>36</sup> but also Thomas Aquinas<sup>37</sup> consider property to be a natural right of man. To levy taxes means to dispossess a human being of a part of his property. Is it legitimate? Of course it is. Private property is a natural right but it is not an unconditional one. There are also duties incumbent on private property.<sup>38</sup> Many legislations have however forgotten that private property is a natural right and have set no limits to the right of the state to levy taxes so that the state seems to be legitimated in taking as much money as it wants and wherever it can find it.

3.1.2.1. If private property is a natural right then the state may levy taxes only for certain purposes, for instance to provide for public services,<sup>39</sup> to give humanitarian aid to people in distress and to finance the so-called cohesion policies, i.e. policies that incentivize the economic growth of developmentally delayed territorial or social areas.<sup>40</sup> It is expedient that the

<sup>35</sup> *Politics* III, 9 and 10, and von Mises: *Kritik des Interventionismus: Untersuchungen zur Wirtschaftspolitik und Wirtschaftsideologie der Gegenwart*, G. Fischer, Jena 1929.

<sup>36</sup> J. Locke: *Second Treatise on Government*, n. 85.

<sup>37</sup> *Summa Theologiae* II-II, a. 66, n. 1 and 2.

<sup>38</sup> St. Thomas, the same *Summa Theologiae* II-II, a. 66, n. 2. It is perhaps worthwhile to remark that J. Locke has a similar argument in the *First Treatise of Government*. On the relationship between St Thomas and John Locke mediated through Richard Hooker I wish to quote an old book that can still be read with profit: A. Passerin D'Entreves: *Richard Hooker. Contributo alle teoria e alla storia del diritto naturale*. Torino 1932.

<sup>39</sup> That is services that because of their nature cannot be offered by the private.

<sup>40</sup> St. Thomas Aquinas: *Summa Theologiae* II-II, q. 62, a. 7, responsio; *In Romanos*, cap. 13, lec. 1, ad 13: 6-7.

purposes for which the money of the Union may be used be declared in the (possible) future Constitution of the European Union and that the national Parliaments be allowed to question in front of an independent organ the appropriateness of the spending decisions of the Union. A particular attention is due to cohesion policies. In these cases the member states that provide the means for these policies have a right to control the use that is made of these means. Cohesion policies cannot be policies that allow one member state to live above its means, cannot in principal subsidize current expenses but must finance investments that allow to compensate for a lack of infrastructure that cause in a member state a competitive deficit. They should not be confused with humanitarian relief expenses that are legitimate in case of need but must be considered separately.

A future European Union may take responsibility (completely or only in part, as a general rule or only in case of need) for the public debt of member states. Such an assumption of responsibility must however be balanced by a control on the budgets of the states for two purposes: 1) to control that the member state enforces a serious plan for the reduction of its debt; 2) to facilitate a global economic and financial policy of the Union that controls all macroeconomic relevant quantitative factors.

3.1.2.2. We have considered the purposes for which the taxpayers money may be spent and have also considered the controls under which these expenditures must be allowed. It seems that a consideration should be given also to the sources of wealth that may be subjected to contribution. It seems that ordinarily taxes should be levied on the production of new wealth. The production of new wealth is the result of the initiative of the individual but also of the public services the state makes available to him and he uses. It is therefore reasonable to pretend that a part of the newly produced wealth be appropriated by the state. Is a tax on accumulated wealth (patrimony) acceptable? There are good reasons to say no since it was taxed at the time of its production and it should not be taxed twice. There are however exceptional circumstances under which a patrimonial tax may be legitimate<sup>41</sup> as an exceptional measure. Patrimony can also be considered as an index of the acquisition of wealth and taxed as such.<sup>42</sup>

<sup>41</sup> For example in case of war or of very severe financial distress.

<sup>42</sup> In this case, more properly, not patrimony as such but patrimonial increase should be taxed.

3.1.2.3. The last point we want to consider is the quantitative measure of taxation. The money needed to satisfy the basic needs of the family should not be taxed.<sup>43</sup> To demand of a man what is necessary to feed and clothe and shelter his children is a hideous violation of a fundamental human right. Taxes should not be so grievous as to make the production of wealth impossible. The state cannot pretend money from a firm that is not producing but rather consuming wealth. The investments needed to preserve the competitiveness of the firm should not be taxed. They are a condition for the future life of the firm. Money spent for purposes of public utility, to provide for goods that should otherwise be provided for by the state, should not be taxed.

A reasonable amount of the produced wealth should be left to the individual who produced it<sup>44</sup> in order to give adequate incentives to the future production of wealth. If these conditions are disregarded the result will be that the sources of the wealth of a nation will be exhausted. The main source of wealth is human creativity and the human will to work (human entrepreneurship and human labour. On the issues of this and also of the previous paragraph I am much in debt to Paul Kirchhoff).<sup>45</sup>

3.1.3. We have dealt at some length with the hypothetical Constitution of the European Union because this example clarifies the entangled relationships of representation and legitimacy that have to be taken in account when we try to make *e pluribus Unum*, to transform a plurality of independent political bodies into a new political body. We have been confronted since the beginning with two models of legitimacy and representation. In the model of Rousseau the citizen completely alienates all his natural human rights to the state and receives them back from the state as citizen's rights. In the model of Locke the human subject confers upon the state only those rights that can be better exercised by the state and retains the others. We have tried to apply the model of Locke to the constitution not of the state as such but of a federal union arising out of the convergence of

<sup>43</sup> A tax exemption area corresponding to the number of family members should be provided for. See the following decisions of the German Supreme Court E 99, 246/268/273.

<sup>44</sup> See the German Supreme Court E 93, 121. All quotations of German Supreme Court decisions are given according to *Entscheidungen des Bundesverfassungsgerichtes* (shortened BVerfGE), J.C.B. Mohr (Paul Siebeck) Tübingen.

<sup>45</sup> See Paul Kirchhoff: *Bundessteuergesetzbuch, ein Reformentwurf zur Erneuerung des Steuerrechtes*, C.F. Mueller Verlag, Heidelberg 2011.

a plurality of sovereign states.<sup>46</sup> These states become aware, in the age of globalization, that a part of their sovereign rights may be effective only if exercised together. They must therefore seek rules that determine exactly which rights are attributed to the new federal entity and which remain to the member states. At the same time control mechanisms must be envisaged that protect the rights of the states against a possible threat resulting from an undue expansion of the rights of the Federal Union.<sup>47</sup> We prefer to use the words Federal Union rather than Federal State because it is doubtful whether this political entity will really be a state.

The concept of state in the modern sense of the world is becoming increasingly obsolete and the future European Political Union is likely to resemble rather the old Sacred Roman Empire<sup>48</sup> than the modern state. I mean that it will not be the expression of one sovereign will but of a plurality of sovereign wills, each one sovereign not in an absolute sense but each one in its own particular order.

3.1.4. We have considered the economic and financial dimensions of power. We must now at least cursorily mention the equally important domain of the cultural sovereignty of the nations. Each nation through its culture offers a unique inroad into the truth of man. The truth on man is one but the facets of this truth are many and this truth becomes concrete for us through a particular cultural development that is something unique and can in some way enrich with unexpected perspectives also the life of other men, born in different cultures.

Each culture is at the same time particular and universal. The Divine Comedy belongs to one particular nation but may enlighten the life of all men. This is the reason why culture constitutes the inalienable core of the sovereignty of a nation. Nations may renounce to their right to a sovereign state when historical and geographical circumstances make the isolated exercise of

<sup>46</sup> We have already observed that Locke stands within a more ancient tradition going back through Richard Hooker to St Thomas Aquinas. The first beginning of this tradition can be found in Aristotle's criticism of Plato in *Politics* II; at the end we find the notion of subsidiarity incorporated in the article 5 of the Treaty on the European Union. In the middle stands the encyclical *Quadragesimo anno* (1931) of Pius XI.

<sup>47</sup> The protection of the rights of the states is not a good in itself but rather an instrument for the protection of the rights of the citizens.

<sup>48</sup> Matthias Schnettger (Hrsg.) *Imperium Romanum – irregulare corpus – Teutscher Reichs Staat. Das alte Reich im Verständnis der Zeitgenossen und der Historiographie*, Mainz 2002. See also Samuel Pufendorf: *Die Verfassung des alten Reichs*. Erstausgabe 1667.

sovereignty impossible and lead them to constitute together with other nations broader political bodies. A nation can however never renounce its cultural sovereignty.<sup>49</sup> Adequate provisions have to be made in any compact uniting different nations for the preservation of the cultural identity of each of them. This is what our French friends call “l’exception culturelle”.<sup>50</sup> Particularly connected with culture is the family. All culture is an elaboration of the primary cultural experience lived in the family and the family is the first agency producing and transmitting culture. The legislation on the family should remain with the member states and they should be protected against all attempts at depriving them of their cultural rights.

3..2 Let us consider now the transparency and accountability pair. These principles seem to be simple and easy to apply but, as we shall see, this is not the case.<sup>51</sup>

The principle of transparency demands that all actions of a public power be subject to open scrutiny and no relevant information be withheld by the public authorities. Since knowledge is power and all public authorities must be accountable to their constituencies it seems to be apparent that they must answer for all their deeds.

Is it really so? Yes, of course. All relevant information must be accessible. The problem is: what is relevant information? And to whom must this information be made accessible?

Let us consider now a few examples. All important states have secret services that protect the security of the land. Shall all the information available to these services be communicated to the general public? In this case nobody will be willing to cooperate with the secret services, for instance against terrorism or against organized crime. If all secret information will be disclosed to the general public the names and locations of infiltrated agents will be known to the terrorists and they will immediately be murdered. On the other hand if secret services were left completely without control they could become dangerous for our democracies. Secret services must be transparent and accountable but in a mediated form. They must be transparent and accountable to a government authority and also to a parliamentary authority. They exercise the necessary control. They will decide what is the relevant

<sup>49</sup> R. Buttiglione: *Suwerenno Narodu przez Kultur*, in R. Buttiglione and J. Merecki: *Europa jako Pojecie filozoficzne*, RW KUL Lublin 1996.

<sup>50</sup> S. Regourd: *L’Exception culturelle*, PUF Paris 2004.

<sup>51</sup> A. Mattozzi and A. Merlo: *The Transparency of Politics and the Quality of Politicians*, in *American Economic Review* v. 97(2) May 2007, p. 311-315.

information to be given to the general public and they will exercise the necessary controls in the name and on behalf of the general public.

Something similar can be said also in other spheres of social action. A banker disposes of a lot of information he cannot and should not communicate to the public. If he did he could cause severe damage to single companies and even to the stability of the whole economic system. Not all have a right to know all. The law must clearly determine those who have a right to be informed and the limits of this right.<sup>52</sup>

There is also a general right to privacy that cannot be sacrificed on the shrine of transparency and there are cases in which the common good imposes certain restrictions to the principle of transparency.

Another issue that has to be considered regards the conditions of true and fruitful information. Information is a precondition of knowledge. It is however possible that information does not lead to knowledge if this information cannot be adequately processed.<sup>53</sup> We have had an interesting example with the famous case of Wikileaks. A great quantity of classified documents on the activities of various government agencies was published. This occasionally caused embarrassment for this or that expression contained in this or that confidential report but did not produce any significant advancement in knowledge. The reason is that these materials do not all have the same value. If a second-class attaché in the American embassy in a European state relates the last gossip in a European capital meaning that a local chief of government is a scoundrel this does not mean that this is the opinion of the United States Government. A government decision takes place at the end of a process in which an enormous quantity of material is processed and many alternative possibilities are considered. If we attribute to each preliminary act preparing the decision the same value then we make it impossible to understand what has really taken place. You arrive at disinformation through an excess of information. Transparency implies that all information is given to those who have a legitimate interest in having it. For example, government must be subject to parliamentary control. The general public exercises its control on government through the mediation of Parliament. The Parliament, in turn, must be controlled by the general public through a free press. The press, also, must be transparent. We have a

<sup>52</sup> In the case of the banker he has a duty to inform, if need be, a bank vigilance authority. See Article 19, *The Public's Right to Know*, Article 19, London, ISBN 1 902598 10 (5 June 1999).

<sup>53</sup> T.S. Eliot asks the question: "Where is the knowledge we have lost in information?" See *Choruses from The Rock*, 1934.

right to know who is the owner of a paper or a TV station and what are the interests he is connected with. The press controls government too but the government does not have a duty to provide the press with all the information that must be transmitted to Parliament.

In a democracy people are the King. In the end they have to make the final decisions, so in the end transparency must be transparency for the people and knowledge is not an end in itself. Knowledge prepares the decision.<sup>54</sup> There is a necessary link between transparency and accountability. At the end of the day the people must pass a judgment on Parliament and Government. It must be clear who is responsible for what so that in the end the people may punish or reward. The problem is when and how and through which means.<sup>55</sup>

The traditional answer is that Parliaments control governments and the people periodically express their confidence or distrust in their representatives in general elections. This is the rule in liberal democracies. A government is elected with a programme and must have the time to carry out its programme. The programme may include some bitter measures and in the moment in which these measures are taken it is possible that the opinion polls will not be favorable to the government. Opinion polls however are not general elections. If the measures taken are appropriate, in due time they will produce their effect and the people will think that, after all, the results obtained were worth the hardships sustained. The government will then pass the test of the coming elections.

Liberal democracy is mediated democracy and is opposed, as such, to direct democracy, that is democracy without mediations. A direct democracy was the Athenian democracy of the post-Periclean age that is criticized by Plato.<sup>56</sup> In a direct democracy the people<sup>57</sup> gathered in the public square take their decisions without the mediation of a ruling class that prepares the procedure, provides the necessary information, orders the succession of the questions that must be asked, and proposes the selection of electoral bodies that represent the people. The institutional system of representative democracy was constructed with the preoccupation of avoiding the evils

<sup>54</sup> J. Boersma: *Management van kennis-een creatieve Onderneming*, Van Gorcum, Assen, 2007.

<sup>55</sup> A. Sinclair: *The Chameleon of Accountability: Forms and Discourses in Accounting, Organizations and Society*, 20 (2-3) 1995.

<sup>56</sup> *The State* b.VIII ch.19-13.

<sup>57</sup> But Cicero would perhaps rather use the world mob, *multitudo*. See Cicero: *De re publica* I, 25, 39 and III, 37, 50.

of direct democracy denounced by Plato that led to the crisis and to the collapse of Greek democracy. According to Plato what dominates in democracies is blind passion, not enlightened by the discernment of reason. The great achievement of the liberal democratic constitutions was to create a system that on the basis of a democratic legitimation makes it possible to distinguish between the superficial passions of the people and their true will illuminated by reason.<sup>58</sup> In the course of the French revolution the temptation of direct democracy was impersonated by the most extreme wing of the Jacobins but in the end they were defeated. They presumed that when the people of Paris were gathered all delegated powers and offices were suspended and the people were at the same time legislators, judges and executioners, as it happened in the famous (and infamous) September days.<sup>59</sup> All successive constitutional evolution was dominated by the preoccupation to make a repetition of the September days impossible. The contradiction of this political theory lies at hand. The people of Paris are not the people of France. Representative democracy is not overcome but rather a particular kind of representation is presupposed. The people of Paris are considered to represent the whole of the people of France, of which they are just a part. It is moreover a case of representation without delegation because the people of France have not delegated the people of Paris to be their representatives. J.J. Rousseau is usually considered to be the main theorist of this direct democracy. This is true albeit only up to a certain point. Rousseau seems to be fully conscious of the fact that direct democracy can be applied only within a very small community and larger political bodies need a certain amount of representation.

Of course it was impossible to gather in one place the whole population of France for an exercise of direct democracy. In the last few years some theorists however contend that it is in principle possible to ideally gather the people of France or even of the whole earth in a cybernetic market square for a direct deliberation. It seems that the digital revolution makes the technical means affordable that transform direct democracy from a theoretical dream into a practical reality. There are therefore growing demands to change the status of representation. Some argue that the electoral body should be allowed to revoke their mandate to representatives who act against the will of the people. More and more the decision on difficult and divisive issues is left to referendums. The most obnoxious form of this demand for direct democracy is however contained in the

<sup>58</sup> See *Federalist Papers* n. 40 and following

<sup>59</sup> P. Caron: *Les Massacres de Septembre*, Paris 1935.

new role that opinion polls and TV have acquired in the politics of our nations. What is more democratic than an opinion poll? Let us listen to the will of the people and let us then do what the people want. If we go back to the criticism of (direct) democracy contained in the Platonic legacy we will see that the main argument is not that direct democracy cannot be applied in a broader political entity. Athens was (according to our standards) a comparatively small city and all adult males<sup>60</sup> could be easily assembled in the public square. The criticism of Plato is rather centred on the fact that the people do not have time to consider all the aspects of a problem and can be easily influenced by demagogues who solicit the disordered passions rather than the sound judgment of the people.<sup>61</sup> It is not easy to see how this objection may be overcome through an Internet democracy. The net is a source of information of great value but it lacks the instruments allowing for an adequate critical control of the information given and for a discussion leading to reasonable solutions. Opinion polls tell us the superficial sentiments of the people but not their true will. The purpose of the will is formed only after a prudent consideration of all elements involved and of all consequences that can be derived from a decision. It may easily result that the satisfaction of the immediate passion entails consequences that we do not want to face and the proper course of action is significantly different from that envisaged in the heat of immediate passion. The need for representation arises out of the specific activity needed to pass from immediate passion to mature (and mediated) deliberation. A statesman cannot always do what the people want. He must sometimes take decisions that run against the general opinion. He needs time to put these decisions to the test of reality and time to explain to his fellow countrymen difficult truths and to convince them. If we make this impossible, democracy will not last for long. Destructive decisions will be taken under the impulse of the immediate passion of the people, the people will lose confidence in themselves and in the end they will be ready to consign their freedom in the hands of a tyrant who promises to restore a minimal measure of law and order (this is exactly the teratology of democracy described by Plato in the *State*).

All too often in history direct democracy has been the preparation for dictatorship and totalitarian rule. Communism and fascism both pretended

<sup>60</sup> Democracy at that time did not consider women.

<sup>61</sup> The argument of Plato has been originally rehearsed by S. Freud in his booklet *Massenpsychologie und Ich Analyse*, in *Die Zukunft einer Illusion* (1921), Frankfurt am Main 2005.

to be new and more advanced forms of democracy and this pretension was not entirely false if you take democracy in the sense of direct democracy.<sup>62</sup>

I do not want to deny that the digital revolution may proportionate new important means to better control those in power and that a consultative democracy may usefully integrate traditional representative democracy. I wish only to warn against the naive temptation to believe that the Internet creates the ideal environment for direct democracy. This is far from being true.

3.3. One last observation on legitimacy, transparency, accountability and governance. We have seen how important for all these issues is the problem of representation. Power has to be legitimated by the constituency it represents and must be transparent to this constituency. To this constituency it must be accountable and governance is first of all the governance of a constituency. But what is a constituency? Or, rather, what are the transcendental conditions for the existence of a constituency? Thomas Hobbes explains to us that man is by nature an enemy to all other humans<sup>63</sup> and only the sheer power of fear can lead him to accept the social bond within a society. Not by chance the society envisaged by Hobbes is not ruled according to the principle of representation. One man dominates over others who accept him as their master in order to be spared by him and defended against possible aggressors. To the vision of Hobbes I shall oppose today that of Claude Lévi Strauss.<sup>64</sup> Lévi Strauss shows us how man and woman are attracted to one another and generate offspring. The family is the first human community and does not arise out of fear but out of sexual attraction and love.<sup>65</sup> The taboo of incest imposes the principle of the circulation of women. Women marry out of their original family and beget children who will be members of more than one family group, that is, they will participate of the paternal and of the maternal family. The social bond seems here to be

<sup>62</sup> J.L. Talmon: *The Origins of Totalitarian Democracy*, Britain Secker & Warburg, 1960. For a contemporary actualization see F.W. Engdahl: *Full Spectrum Dominance: Totalitarian Democracy in the New World Order*, Boxboro MA, Third Millennium Press, 2009.

<sup>63</sup> *Homo homini lupus*. See the Preface to *De Cive* (1642; English version 1647) Clarendon Press Oxford 1983. The sentence originally occurs in the *Asinaria* of Plautus. To be sure Hobbes is also well acquainted with the sentence of Seneca “*Homo homini res sacra*”. We cannot here go further into the explanation of the way in which these two principles are connected in Hobbesian philosophy.

<sup>64</sup> *Les Structures Élémentaires de la Parenté*, PUF, Paris 1949.

<sup>65</sup> Of course Claude Lévi Strauss was not the first to observe and describe this state of affairs. Consider only the magnificent overture of the *De Rerum Natura* of Lucretius: “*Aeneadum Genitrix, Hominum Divomque Voluptas ...*”.

rooted not in fear but in the very nature of man. The child belongs to his mother not out of fear but out of love and the same holds true for man and wife or for brothers and sisters and so on. They seem naturally to be part of one another. Reformulating this tradition K. Wojtyła in his article *Osoba jako Podmiot i Wspólnota*<sup>66</sup> says that man is by nature a free individual but also a member of a community. The free and unbound individual has an inborn predisposition to constitute communities binding himself through love. I beg the pardon of the reader for having made a leap back to anthropology or, even worse, to the ontology of the human person, which does not occur often in social sciences. This digression is however necessary in order to put on a firm ground the discussion of the nature of representation. In principle can a man be represented by another man? Under which conditions can a bond of representation be instituted and honoured? To represent another human being one has to have in common with the represented an interest and the vision of this interest. To have an interest in common is not just the fact that we both demand something of a third party. The representative must also be trustworthy in the sense that the interest of the represented is felt as part of the interest of the representative so much so that he will not cheat on the represented. Representation is therefore a moral relationship that is grounded in a certain vision of the human person. There is in man a potentiality to create communities (the family is the first but by all means not the only one) and just because he creates communities man can also represent them. It is not difficult to imagine a mother or a father representing the interests of their family. I do not want to deny that fear may have a role also within families. After all I am a catholic and believe in the dogma of original sin. I know therefore that nothing of what is in man is entirely pure.<sup>67</sup> We also know however that man is not entirely corrupt. Although fear may enter even into the most delicate mechanisms ruling the constitution of all human communities and also of the community of the family it cannot overshadow the preeminent role that love has in those processes.

Now all this is questioned in the so-called deconstructionist approach. In this approach all cultural reflections on the mechanisms that have brought to the constitution of social institutions are laid bare as ideological justifications of hidden power mechanisms so that man is reduced to the original

<sup>66</sup> The Person as individual and as community, in *Roczniki Filozoficzne* 24 (1976), n. 2, p. 5-39.

<sup>67</sup> We sing in our churches at Pentecost “sine tuo lumine nihil est in homine, nihil est innoxium”, without the light of the Holy Spirit nothing is innocent in man.

contradiction between his desire and the world of social institutions that have to curb this desire in order to socialize him. In order to find satisfaction, desire has to accept to be reformulated. It needs the cooperation of others and to gain it it must take a form that the other members of society may accept and for whose fulfilment they are ready to cooperate. If all this process is disqualified (deconstructed) as an imposition of social power then man remains alone. This is particularly true when the family is deconstructed<sup>68</sup> and, of course, if the family is deconstructed the political body has to be deconstructed too.<sup>69</sup>

The just demand for transparency and accountability becomes neurotic when all bonds of reciprocal confidence have been dissolved. When the moral relationships that united a community are severed then a representation becomes impossible. If each individual carries an interest of his own that is irremediably opposed to that of all others than there is no community and no representation. We trust less and less other human beings because we do not feel that we are “parts” of one another. We demand therefore to continually increase the level of control we have on our representatives without ever becoming satisfied because control cannot substitute for a bond of trust that has disappeared.

Where there are no communities there will be no constituencies and no representation.<sup>70</sup> This explains the growing demand for a democracy without representation but does not make it possible to give to it a satisfactory answer.

I wish now to reiterate one point: I do not say that we should not increase the levels of transparency and accountability of our governance systems. We have to. A transparent system is better than a non-transparent one and the dissolution of communality bonds is not only a cultural trend but a reality of our time. Men who do not feel that they are members of a community do not trust each other and have good reasons not to. The represented will not be ready to trust their representatives but also the representatives will be more inclined to cheat on the represented. I do not mean that we should not increase controls. What I mean is that 1) we have to reconstitute the social bond of representation if we want democracy to survive; 2) no form of transparency controls should substitute for controls

<sup>68</sup> I. Parker (ed.): *Deconstructing Psychotherapy*, SAGE, London, 1999.

<sup>69</sup> J. Protevi: *Political Physics: Deleuze, Derrida and the Body Politic*, The Athlone Press, London/New York, 2001.

<sup>70</sup> See Z. Bauman: *In Search of Politics*, Polity Press Cambridge 1999.

on the results. I know that in the recent past we have excessively deregulated important sectors (for instance the banking system) with perverse results. We should however not forget that overregulation is a permanent danger in most of our societies. People holding a position of responsibility should be confirmed or dismissed mainly because they have achieved or not achieved certain goals for the common good. I do not want to oppose the control on the procedures to the control on results. Both are important but a communist society relies mainly or even maniacally on the control of procedures. A free society relies mainly on the control of results. It should not happen that an official needs so much time to comply with the control system that he has no time left to struggle to achieve results or that he feels satisfied with having complied with all prescribed procedures and does not care about achieving results. After all the real great leap forward of Chinese society began when Deng said, “I do not care whether the cat is white or black. I care whether it catches mice”.

4. We now move on to the concept of sustainable development. This concept will help us better understand the shift of meaning that the government/governance pair of concepts are experiencing in our age.

The modern age has been led by the idea of unlimited development. Through science and technique man can master the whole earth and take the place of God as the creator of a new world wholly dependent upon himself and not upon God. This is the myth of Prometheus that is celebrated in the famous poem of Goethe<sup>71</sup> and has a very significant role also in the philosophical reflections of the young Karl Marx.<sup>72</sup> To be sure the myth of unlimited development is accompanied since the beginning by the myth of the limits of development due to the scarcity of disposable natural resources. Malthus<sup>73</sup> prophesized that, in a comparatively short period of time, mankind would starve because the growth of population would outpace the growth of agricultural resources. A couple of centuries have since elapsed and we are still far from having reached this absolute limit. The club of Rome in 1972 had foreseen in the coming decades the exhaustion of non-renewable

<sup>71</sup> J.W. Goethe: *Werke Hamburger Ausgabe*, in 14 Bänden v. I Gedichte und Epen I, p. 44-46, München 1998

<sup>72</sup> See the Preface to his doctoral dissertation: *Differenz der demokritischen und epikureischen Naturphilosophien* (1841) in K. Marx, F Engels: *Werke* v. 40, Berlin 1968.

<sup>73</sup> T.R. Malthus: *An Essay on the Principle of Population*, (1798) c. 1, p. 13, in Oxford World Classics.

resources.<sup>74</sup> On the basis of the thought of Malthus and later of the club of Rome a lifeboat ethics has been advocated.<sup>75</sup> The followers of this lifeboat ethics have contended that we are already too many and we must resort to all possible means (first of all obligatory contraception and unlimited abortion) in order to restore a reasonable relationship between the size of the human population and the amount of disposable natural resources.<sup>76</sup>

The expected collapse did not take place. Why? The pessimistic forecasts did not take into account two factors.

The first is that the tremendous growth in human population was a result of reproductive patterns adequate for an age in which most children died when they were young. A mother of six could easily see only two of her children arriving to adult age. In a comparatively short period of time families have readjusted the number of their children to the new situation caused by the progresses of medical science.<sup>77</sup> In many countries we are now confronted with the opposite problem. We have too few children and the young workers entering the labor market cannot sustain the weight of the growing numbers of old people retiring from work. The result is the crisis of our pension systems.<sup>78</sup>

The second factor the club of Rome did not take into account is human creativity.<sup>79</sup> What is a resource for man is not a fixed quantity, determined a priori and for all ages. The advancement of learning and the impulse of entrepreneurship discover now and again new resources and better ways of making use of those that were already known.

New fertilizers have multiplied the fertility of our lands. New energy sources have been disclosed, old oil wells considered to be exhausted are in production again due to new technologies, new machines produce the same services with less energy...

<sup>74</sup> D.H. Meadows and others, *The Limits to Growth*, Universe Books, New York 1972, but this too has not happened. See also D. Gardner: *Future Babble: Why Experts Predictions Fail And Why We Believe Them Anyway*, McClelland and Stewart, Toronto 2010.

<sup>75</sup> You can find this idea also in the *Mein Kampf* of Adolf Hitler: *Mein Kampf*, 2 v. Franz Eher München 1925-26, especially the chapter Ostorientierung oder Ostpolitik. It provides the justification of the Nazi demand for a *Lebensraum* of the German race.

<sup>76</sup> G. Hardin: Lifeboat Ethics. The Case against Helping the Poor, in *Psychology Today*, September 1974.

<sup>77</sup> The widespread practice of abortion has had a comparatively minor role in this process.

<sup>78</sup> H.W. Sinn: The pay-as-you-go pensions system as fertility insurance and enforcement device, in *Journal of Public Economics*, v. 88, n. 7-8, p.1335-1357, July 2004.

<sup>79</sup> M. Novak: The Creative Person, in *Journal of Business Ethics* 12 (12) 1993 p. 975-979.

This state of affairs, however, provides only a partial confirmation of the Prometheist mind. Nature cannot be indefinitely manipulated. The byproducts of our industrial factories and of our traffic jams pollute the atmosphere and in general the environment we live in. The growth of terrible diseases like cancer is dependent upon the immission of dangerous substances in the atmosphere. Allergies also are proliferating and we are all now conscious of the dangers related to the hole in the ozone belt surrounding our planet earth or to global warming. Malthus was wrong but Marx was not right. The former exaggerated and the latter underestimated the creative power of man. In his encyclical *Centesimus Annus* John Paul II says that man is endowed with a creative power given to him by God. This creative power must however be exercised on the basis of the first creation of God, respecting the fundamental structure of his creation and at the same time bringing to completion the destiny of beauty and goodness inscribed in its order (par. 37). This vision, that is, the vision of Vatican Council II and of Christian Social Doctrine, seems better suited to explain the reality we have been experiencing in these last decades. We can find new resources or better ways to use the resources we have, but we cannot do whatever we want. We also have the responsibility of preserving the general preconditions for human life on earth and the levels of beauty of creation that have been achieved.

In the last few years we have been moving from the idea of limits of development to that of sustainable development.<sup>80</sup> Development is sustainable when in the long run it increases and does not diminish the possibilities of the earth to sustain human life and at the same time preserves and protects and does not destroy the level of beauty of the natural environment God has created and men have taken care of through their labor. It is important here to remember that in the beginning God and not man created heaven and earth. These words of the Holy Scripture in the *Book of Genesis*<sup>81</sup> have a profound meaning not only for Christians but for all those who believe in God and, I dare say, even for those who do not believe in God. They mean that man is not God and is not the absolute master of nature. Nature has rules, we are a part of nature and we must abide by the laws of nature. If we presume to impose on nature our arbitrary will we will pay, in the long run, a high price: the destruction of nature and of man himself. We rediscover here an old concept, the concept of the law of nature. The law of nature is

<sup>80</sup> United Nations 1987, *Report of the World Commission on Environment and Development*, General Assembly Resolution 42/187, December 11, 1987.

<sup>81</sup> 1,1.

the law of the nature of the person, it is at the same time a personalistic law. Personalistic law is however related to the general system of the laws of nature<sup>82</sup>. It is impossible to locate exactly the first beginnings of this concept. Most likely it has accompanied in one way or another the whole development of human civilization. We find it clearly formulated by the stoics and in Roman law.<sup>83</sup> It stands in the centre of the liberal tradition with John Locke and was used against the Catholic Church, accused of relying on the authority of tradition rather than on the law of nature, by the enlightenment that led to the French revolution.<sup>84</sup> Oddly enough today the dominating culture considers the law of nature a dogmatic presupposition of the Catholic Church. This is a clear sign of the dialectics of enlightenment analyzed by Horkheimer and Adorno.<sup>85</sup> Enlightenment begins with the criticism of religion in the name of reason and ends with nihilism and the self-criticism of reason. After the rebuttal of metaphysics reason remains without criteria to tell true from false or right from wrong. If we put man in the place of God we cannot explain the reasons why nature has rights that must be respected in the light of a law that stands above the arbitrary will of man.

Let us go back now to the *Book of Genesis*. It tells us that in the beginning God created heaven and earth but it also tells us something else. God has made man in His image and likeness. We consider here only one aspect of this “image and likeness”. God is creative and has endowed man with a creative power that is similar to his own. Man is not just one element of nature. Man has command over nature, gives to plants and animals their names and has the task and the duty to complete a nature that God has left to him, in one sense, unfinished. The power to complete includes a duty to respect the general structure of nature that is given through the creative act of God. In this sense man is inferior to God and cannot change what God has already established. The likeness to God finds here a limit. Perhaps this is the meaning of the prohibition to eat the fruits of the tree of good and evil that was set in the Garden of Eden. In another sense, however, that very prohibition introduces into a deeper dimension of the likeness to God. God is faithful to Himself. God is absolute beauty and justice and he cannot disavow in His creation justice and beauty, that is Himself. The will of God is

<sup>82</sup> See A. Szostek: *Natura, Rozum, Wolność*, Red. Wydawnictw KUL, Lublin 1989.

<sup>83</sup> J. Finnis: *Natural Law and Natural Rights*, Clarendon Press, Oxford 2011 (2<sup>nd</sup> ed., 1<sup>st</sup> ed. 1980). Later it was accepted by the Christians and recast by St Thomas Aquinas (*Summa Theologica* I-II, q. 90-96).

<sup>84</sup> Voltaire: *Traité sur la tolérance*, Genève 1763.

<sup>85</sup> *Dialektik der Aufklärung*, Querido Verlag, Amsterdam 1947.

never arbitrary, it is always obedience to Himself as the Son is obedience to the Father until death, even death on the cross. The essence of God is self-sacrificing obedience to truth and not egoistic self-assertion and exercise of arbitrary power.

In completing the work of creation man has the duty to respect the pre-given structure of creation not only because he is not God, because of the limits of his likeness to God, but also, and even more, because he wants to increase this likeness and wants to become perfect like the Father in Heaven. The obedience to Truth and to God does not contradict creativity but is its purest form. The most creative act of man is an act of perfect obedience to God.<sup>86</sup>

5. God has created the earth and has entrusted it to man, so that man can live of the fruits of the earth and at the same time take care of the preservation of this earth, of its beauty and its potentiality to foster and support life.

God has entrusted the whole earth to the whole of mankind in order that it support the life of all men. Men have divided the earth among themselves, creating the particular domains of different states and the private properties of different individuals. This is just and correct and corresponding to the will of God insofar as it is a concrete and efficient way to take care of the earth, to cultivate its resources and to support in the end the life of all mankind. On the contrary, if it becomes a way to forfeit and sequester the goods of the earth in such a way that a part of mankind is deprived of the possibility of making a decent living, then it becomes a grievous sin against God.<sup>87</sup> On the private property of individuals and on the particular sovereignty of the states weighs a social responsibility for the whole of mankind. This regards social justice among individuals and among human communities as well as the common task of the preservation of the natural environment that makes it possible for human (and also non human) life to flourish. Private property as well as the sovereignty of the different states must be instruments to better take care of the resources of the earth so that all men can make a decent living. This is not only an ethical demand. It is also a precept of natural law. What is the difference between an ethical demand and a precept of natural law? J. Austin taught us that a norm is a command backed by the threat of a sanction.<sup>88</sup> In the case of natural law the sanction is immanent in the violation of the precept. The in-

<sup>86</sup> K. Wojtyła: *Osoba i czyn*, PTT Kraków 1969.

<sup>87</sup> *Centesimus Annus* 30.

<sup>88</sup> J. Austin: *The Province of Jurisprudence Determined*, John Murray, London 1832.

tegrity of the natural environment is a precondition for human life on earth. If we do not take care of it, life (at least human life) will disappear. If we create a social or a world order that makes decent living impossible for large masses of human beings they will wage war against us and this will bring the human community to self destruction, especially in an age that disposes of an abundance of instruments of mass destruction.

6. We have tried to clarify the keywords of our issue: governance and sustainable development. In this section we will try to put them in relation to one another.

God has entrusted the earth to all men and they carry a common responsibility for the future of the earth and for the future of mankind. This responsibility has two sides. It regards the defence of a proper ecological balance in the world of nature. It regards also the construction of a world order that allows all men to participate of the goods of the earth and to make a decent living. It is clear that this common responsibility must be exercised by all men together and that we need adequate instruments for this purpose. Which instruments? Some say that we need a world government and that the whole earth should be ruled as if it were a single sovereign state.<sup>89</sup> I think this answer is wrong for several reasons.

I do not know whether a world government is really desirable.<sup>90</sup> We often deplore an excess of government in our states. Are we sure that we really want to add a new level of government with a new and overarching set of regulations? Will it not reduce the space of legitimate freedom of the existing states and, in the last instance, of persons?

Some of those who advocate a world state want to enforce strong redistributive policies at a world level. The aim is laudable but how strong should these policies be and which kind of redistributive policies do we want to enforce? We have already cursorily dealt with this issue in considering the possible new constitution of the European Union. In summing up the results of our inquiry I think we must start with a theological consideration. We live in pluralist societies and in a pluralist world in which not all are Christians. Can we devise a political framework that demands a level of generosity that would be difficult to find in a thoroughly Christian and

<sup>89</sup> D. Archibugi: *The Global Commonwealth of Citizens. Towards Cosmopolitan Democracy*. Princeton University Press, Princeton 2008.

<sup>90</sup> R. Dahl: Can International Organizations be Democratic? A Skeptic's View, in I. Shiro and C. Hacker-Gordon (eds.) *Democracy's Edges*, Cambridge University Press, Cambridge 1999 pp.19-36.

very pious society? Moreover Christians are affected by the consequences of original sin like all men. The ideal of a society in which all live off reciprocal charity and work for nothing is the ideal of a religious order but can hardly become the model of a worldly, albeit Christian, society. In a worldly pluralistic society a limit to redistributive policies is set by the need to provide adequate rewards for entrepreneurship, risk assumption and hard work if we do not want to bring economic growth first to a standstill and then to a collapse. This also has a moral and anthropological value: men should shape their own destiny through their own efforts; it corresponds to their dignity to be the free agents of their fortunes. All this should never become a justification for greed or social injustice. It does not question the opportunity of redistributive policies. It only aims at making concrete the discussion on the levels and measures of redistributive policies.

A second issue of redistributive policies at world level regards the recipients of these policies. We all belong to the same human family but this family is articulated in a plurality of states, of nations and of local communities with different histories, economic systems and living conditions. A level of income that entails poverty in one country may mean comparative welfare in another. Moreover we have a more direct moral obligation to those who stand nearer to us (family, relatives, fellow countrymen) than to those who are less directly connected to us or live far away. We should however never forget the parable of the Good Samaritan.<sup>91</sup>

A third issue regards the how, the modality of redistributive policies. The greatest redistribution of wealth in recent times (and possibly in world history) has taken place in these last decades since 1994. It was not the result of a redistribution policy in the traditional sense of this word. For many years, since the sixties and the war on world poverty declared by John F. Kennedy, the western and more affluent countries have spent a sizable amount of money on different programmes to increase the wealth of the so-called underdeveloped countries. The results have not been exceedingly positive. The rich have continued to grow richer and the poor have become poorer. In the nineties a different approach was put to test. Poor countries were allowed to participate (more or less fully) in the world market, customs were wiped out, barriers were lowered, markets were opened. This globalization received strong criticism in the beginning. It was considered a device to allow the rich to better exploit the poor. After a few years however it became apparent that the coun-

<sup>91</sup> Luke 10, p. 25-37: if someone is in need and helpless and nobody takes care of him then the moral responsibility of not letting him die falls on me. See John Paul II: *Dives in Misericordia* IV.

tries that entered the path of globalization experienced sustained economic growth. The gap between the rich and the poor has diminished. Since 1980 China's growth rate has never fallen below 7%, with the exception of only two years, and has reached a record of 15.2%. In developed countries in the last few years we have often had negative growth rates and a 2% increase would be considered as a very good result. India and quite a few other underdeveloped countries are treading the same path. Redistributing the opportunities to participate in a fair competition on the world market has turned out to be more effective than just redistributing income or resources. Mobilizing the creativity and the energies of the poor is better than giving them subsidies. It better corresponds to an idea of human dignity and responsibility and to the natural human desire to creatively shape one's own destiny. We do not deny the fact that globalization also creates growing inequalities within the developing countries and new injustices. We only say that globalization has set in motion a process of real development in the underdeveloped countries and a more equal distribution of wealth among world countries.

The reasons why it is doubtful whether a world government is desirable are also those that make it very difficult to find the consent needed to create it. Will the different countries accept to give sovereign power to an almighty world government? Not very likely. Rich countries, for example, will be afraid of redistributive policies that may reduce their wealth.

We reach a similar answer if we consider the same issue from the point of view of the preservation of the natural environment. Here the main difficulties may come from developing countries. Developed countries levy a high toll on the global consumption of natural resources. If we freeze existing levels of consumption this may easily mean that we make it impossible for developing countries to substantially increase their standards of living. On the other hand strictly controlling and restricting pollution in developed countries whilst developing countries are allowed to increment their level of environment contamination is of no use in front of the global dimension of our problems. In the last few decades we have moved productions with a high pollution level from developed to developing countries with a small impact on the global levels of contamination.

To make a long story short a global government seems to be at the same time desirable and undesirable, necessary and impossible. What should we do?

The answer may perhaps be found in the word *governance*.<sup>92</sup> We have a plurality of subjects endowed with a theoretically sovereign power. If each

<sup>92</sup>T.A. Boerzel and T. Risse: Governance without a State: Can it work?, in *Regulation and Governance*, 2010, 4, p. 113-134.

one of them exercises this power in a selfish, uncontrolled and uncoordinated way the result may be a global disaster and none of these subjects will be able to reach its legitimate goals. To attain its purpose each subject must consider the likely reactions of other sovereign powers. It is in the common interest to reach forms of coordinated exercise of the sovereign power so that the policies of the different states do not obstruct but rather support each other. A further step is the construction of forms of common exercise of sovereignty.<sup>93</sup> In order to make effective or even possible the exercise of sovereignty we must in some areas put together our sovereignty. This may lead in the end to the constitution of a new sovereignty *sui generis* of regional communities of nations or even of the global community of nations.

This demands, of course, a qualitative shift in the meaning of the word “sovereignty”. In our time we see a transition from absolute to relative sovereignty. No one is absolutely sovereign but each one is sovereign in its own order. This stands as a clear contradiction to the idea of the state as it was categorized in a certain overblown European continental tradition. The state is not a worldly God but a political institution.

We have examples of governance that go beyond that idea of sovereignty. One example may be taken from the Italian Constitution that solemnly declares that Church and State are, each one in its proper order, independent and sovereign.<sup>94</sup>

Another example is of course the European Union. Under more than one point of view and in more than one area the sovereignty of the States and the sovereignty of the Union are so intertwined that they can only be exercised together.<sup>95</sup>

The whole system of the United Nations with its network of interrelated organizations, the regional organizations like the Mercosur or the Pacto Andino, the G8 and the G20, with highly differentiated levels of efficiency and reliability also constitute examples of this new international trend. Rather than imagining a new world government we should perhaps concentrate our attention on the existing systems of world governance in order to see what is working in them and what is not, and why.

One system that is working is the WTO. It is responsible to a large extent for the globalization of world economies and for the enormous growth of

<sup>93</sup> C.C. Joyner: Legal Implications of the Concept of the Common Heritage of Mankind, in *International and Comparative Law Quarterly*, v. 5, n. 1 (January 1986) p. 190-199.

<sup>94</sup> a. 7.

<sup>95</sup> B. de Witte: Sovereignty and European Integration: the Weight of Legal Tradition, *Maastricht Journal of European and Comparative Law* 145 (1995).

the formerly underdeveloped countries. It deserves to be strengthened and defended against attempts to disrupt it or reduce the extent of its activity.<sup>96</sup>

One agency that is not working (not because of their own fault but because of the lack of an adequate impulse from its member states) is the International Labour Organization. The protection of workers rights remains mainly organized on a national basis whilst the international capital is fully globalized. An asymmetry on a world scale has arisen and we see on the world market the competition between free labour and slave labour. Capital and jobs migrate from countries with a high level of protection of workers rights to countries where this protection is minimal or non-existent.<sup>97</sup> We need a world initiative similar to the General Agreements on Tariffs and Trade that brought to the establishment of the World Trade Organization. We need a General Agreement on Wages and Labour for the protection of workers rights on a world scale. This protection, of course, must be flexible. Lower labour costs enhance the competitiveness of developing countries, and forbidding competition on labour costs would condemn poor countries to renounce to all hope of development. This does not imply that minimal levels of protection of workers rights cannot and should not be established. A significant role falls here to the trade unions and their international organizations. In most cases it is better that appropriate measures of defence of workers rights are reached through a free bargain. To have a free bargain between capital and labour, however, you must have free trade unions.<sup>98</sup>

Another area in which we feel a lack of international governance is fiscal coordination among the states. Here again we must stress the fact that a reasonable level of fiscal competition among states is positive and should be allowed. Fiscal competition is a fundamental instrument to attract investments to countries that need increased job creation. On the other hand we see that some states have fiscal regulations especially suited to attract capital unwilling to pay taxes in the countries where the revenues have been generated, to shelter purely speculative financial operations and to facilitate money laundering in the service of organized crime. After the recent financial crisis of 2007 there has been growing concern over these issues and

<sup>96</sup> B. Ruddy: The Critical Success of the WTO: Trade Policies of the Current Economic Crisis, *Journal of International Economic Law* v. 13 (2010) n. 2, p. 475-495.

<sup>97</sup> D. O'Rourke: Outsourcing Regulation: Analyzing Nongovernmental Systems of Labor Standards and Monitoring, *Policy Studies Journal*, v. 31, n. 1 (March 2003) p. 1-29.

<sup>98</sup> L. Mosley and S. Uno: Racing to the Bottom or Climbing to the Top? Economic Globalization and Collective Labor Rights, *Comparative Political Studies*, v. 40, n. 8 (August 2007) p. 923-948.

an increased demand for the strengthening of international cooperation in this area. It is doubtful whether an adequate response has been generated as yet. If it becomes too easy for the wealthy to elude the duty to pay taxes it becomes more and more difficult to finance an adequate level of welfare in favour of the poor and of the less well off.<sup>99</sup>

We live in a world economy. Most barriers to the free movement of goods and services have been stamped out. As a result the power of the state to govern its own economy and foster its growth has been essentially diminished. In a previous stage in the development of world economy Keynesian theories dominated in the debate on economic policies. Keynes suggested stimulating economic growth through an increase in the public demand of goods and services. When there are high levels of unemployment and entrepreneurs do not have the confidence needed to borrow money and make new investments then the state should borrow the money laying idle in the banks and use it for public investments or even just to pay salaries in the public sector or any kind of different allowances. Public spending creates an additional demand for goods and services, entrepreneurs are stimulated to make new investments and hire more workers to satisfy this growing demand, unemployment is reabsorbed and general welfare increases.<sup>100</sup>

There is one fundamental condition for the functioning of the system. Each monetary unit borrowed and expended by the state must generate an amount of consumption and investment significantly superior to one. Let us make an example: the worker hired by the government spends his salary on goods and services. The companies that sell those goods and services are stimulated to hire other workers and make new investments. There is an inversion in the general expectations, a new positive mood, and economic growth is resumed. The new workers will pay taxes and in a comparatively short time these new revenues will enable the state to pay for the money borrowed and to restore a balanced budget. The relation between the money spent by the state and the global stimulus received by the economy is the so-called Keynesian multiplier.<sup>101</sup> If the multiplier is not high enough the growth of the fiscal revenues will not be sufficient to pay for the state

<sup>99</sup> S. Hauptmeier, F. Mittermeier and J. Rincke: *Fiscal Competition over Taxes and Public Inputs. Theory and Evidence*. European Central Bank, Working Papers Series n. 1033, March 2009.

<sup>100</sup> J.M. Keynes: *General Theory of Employment, Interest and Money*, MacMillan London 1936.

<sup>101</sup> R. Kahn: The Relation of Home Investment to Unemployment, *Economic Journal*, June 1931.

debt and the result will be an unacceptable level of inflation or the bankruptcy of the state.

In a world market Keynesian policies based on the stimulus of the demand do not work for the simple reason that the multiplier is too low. If one state sets on a course of deficit spending in order to stimulate demand a large part of the new income so generated will be used to buy foreign goods, imported from other countries. The stimulus effect will not benefit the taxpayers but other economies.

This is one of the reasons why Keynesian policies have become increasingly old-fashioned<sup>102</sup> and the attention of the economists has been concentrated rather on supply-side economy, suggesting policies that increase the competitiveness of the different economic systems.<sup>103</sup> In this perspective the stimulus for growth comes mainly from exports. But if all want to sell who will buy? If all want to export who will import? Up to now the great buyer has been the United States of America. Facilitated by the sheer size of their economy and by the role of the dollar as world reserve currency the United States have provided the consumers' demand for the world system. They have however accumulated an enormous debt and it is increasingly apparent that we have to make significant changes in the whole system of international economic relations.

Can we think of a world system led by the demand of developing economies that stand in need of investments to attract in the sphere of modernization large parts of their countries where poverty still reigns? Can we think of a world in which China spends its large surplus to better the living conditions of its people instead of buying American debt and also stimulates in the process a higher growth of the so-called developed countries? The enormous adjustments required demand a high level of confidence and co-operation among the major economic players.

Can we think of new policies to support growth that stimulate world economy through coordinated initiatives of all the major countries? The Keynesian multiplier could perhaps work if policies to stimulate the demand

<sup>102</sup> The other is that some Keynesians have put unilateral emphasis on supporting the demand. Deficit spending should rather be oriented towards investments that increase the general efficiency and competitiveness of the economic system.

<sup>103</sup> The decline of Keynesian hegemony begins with the discovery of the fact that increased budget spending may generate inflation instead of economic growth. See M. Friedman: *The Role of Monetary Policy*, in *American Economic Review* 68 (1) 1968, p. 1-17.

were adopted on a world scale. We could complement policies that increase competitiveness with policies that stimulate the demand.<sup>104</sup>

We clearly need a better governance of the whole system. The instruments that we have<sup>105</sup> are clearly not adequate to the task and need to be reformed.<sup>106</sup>

7. We live in a world that has become more and more complicated and difficult to decipher. In this world many truths are counterintuitive. At the end of the 15<sup>th</sup> century Christopher Columbus, the discoverer of the Americas, had some pains at explaining to the councillors of Queen Isabel of Castilla his idea of “*buscar levante por el poniente*” (reaching the east while sailing westwards). He was right but his truth ran contrary to the immediate evidence of the senses and detecting this truth required a certain level of intellectual abstraction. One had to realize that the earth is not flat but round. We find ourselves in a similar situation when we are confronted with the intricacies of today’s world.

This state of affairs causes a problem both to the Church and to democracy. In front of the growing levels of inequality both the bishops and the men on the street want politicians to intervene with strong redistributive policies. Politicians may share the moral disdain of their bishops and of their electors but must warn them: redistributive policies may be counterproductive if they diminish competitiveness and the attractiveness of a country for foreign investments. The result may easily be more unemployment and more poverty. Jobs and investments may easily flee to more favourable countries. Good redistributive policies<sup>107</sup> are desirable but, under the prevailing conditions in our countries, attainable only within comparatively narrow limits. This is the effect of globalization and only if we first govern globalization will we be able to promote more generous welfare policies. The economy has escaped the control of politics because the market is global and policies remain national or at most European.

<sup>104</sup> This new situation has brought about a certain return to Keynes. See J. Stiglitz: *The Non Existent Hand*, in *London Review of Books* 32 (8) p. 17-1, April 2010. It is a review of R. Skidelsky: *Keynes: The Return of the Master*, Allen Lane 2009.

<sup>105</sup> The G8 and G20 encounters of the chiefs of state and chiefs of government of the economically most important states.

<sup>106</sup> R. Baldwin and D. Vines: *Rethinking Global Governance in Light of the Crisis: New Perspectives on Economic Policy Foundations*, CEPR London 2012.

<sup>107</sup> Good means not in contradiction with the principle that each one must be the maker of his own destiny.

Shall we go back to the past and repudiate globalization in order to give politics absolute control over the economy? This seems hardly to be a possible solution. Globalization has had tremendous positive effects for the poor of the earth. There are of course terrible inequalities and tremendous injustices in the developing countries but now they are really what their name promises: they are developing and can better their situation through the work of their hands. To disavow globalization would push the world towards an age of conflicts and poverty and war.

Globalization, on the other hand, seems to encounter growing obstacles and it becomes more and more difficult to resist the pressure of those who perceive themselves as the losers of globalization.

Perhaps globalization needs to be completed. After the globalization of the markets we need a globalization of rights and a globalization of politics. This could also redress the balance between politics and economy.

Does this mean that we envisage a world state? Even worse, a world socialist state that completely controls the economy and with it all other aspects of human life? Of course not. A world state is not possible and is not desirable. What we need is a world governance that respects the rights of the individual states and also those of the market and of civil society and helps all these communities act in such a way that each one of them does not encumber but rather supports the other in the attainment of its legitimate ends.

What comes to the fore in this perspective is the idea of subsidiarity and liberty. To acquire the conceptual tools needed to understand the problems of this new stage of globalization we must divest ourselves of the habit of considering all political relations in terms of sovereignty and of a sovereign law set by a sovereign state. We are trespassing the border of what may be thought of with the panoply of the old positivistic idea of law. In this new realm no one has the competence of competences and a plurality of entities must dialogue with one another in order to determine the limits of the competences of each one of them. This is the new task of politics: not (just) to impose one's sovereign will but rather to understand the legitimate demands of the different social players and arrive at a creative synthesis. In which language shall these different social instances dialogue (and even argue) with one another? I dare say that today we are almost compelled to rediscover the principles and the language of natural law. A post-statal international political order demands also a post-statal overarching concept of law.