1   Outer edges and inner edges

Ian Shapiro and Casiano Hacker-Cordón

An enduring embarrassment of democratic theory is that it seems impotent when faced with questions about its own scope. By its terms democracy seems to take the existence of units within which it operates for granted. It depends on a decision rule, usually some variant of majority rule, but the rule's operation assumes that the question "majority of whom?" has already been settled. If this is not done democratically, however, in what sense are the results that flow from democratic decision rules genuinely democratic? A chicken-and-egg problem thus lurks at democracy's core. Questions relating to boundaries and membership seem in an important sense prior to democratic decision-making, yet paradoxically they cry out for democratic resolution.

One need not consider such extreme cases as Northern Ireland, the former Yugoslavia, or the West Bank for evidence supporting this contention, though they surely do. Arguments about the legal status of Turkish "guestworkers" in Germany, removing full British citizenship from members of the Commonwealth, or denying public education to the children of illegal immigrants in California are all challenging to think about as matters of *democratic* politics partly because they render problematical assumptions about who constitutes the appropriate demos for majoritarian decision. Indeed, virtually every aspect of a country's policies dealing with immigrants or minorities can be shown to involve this paradox in some way. Democratic theorists often acknowledge the existence of the difficulty, but surprisingly little headway has been made in dealing with it to date.[1]

If the controversial character of political boundaries were to diminish over time, perhaps the chicken-and-egg problem would abate as well.

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[1] As Dahl (1989: 3) puts it: "Advocates of democracy – including political philosophers – characteristically presuppose that 'a people' already exists. Its existence is assumed as fact, a creation of history. Yet the facticity of the fact is questionable. It is often questioned – as it was in the United States in 1861, when the issue was settled not by consent or consensus but by violence."

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But events show few signs of being so generous to democratic theory's troubles. The past decade has seen a resurgence of identity politics in many parts of the world, ranging from the remnants of the Soviet empire through much of Africa – not to mention in long-established democracies such as Australia and Canada. In dozens of countries around the world, insurgent groups question the legitimacy of existing boundaries, demanding that they be redrawn so as better to reflect their aspirations. Sometimes these demands are limited to requests for bounded domains of sovereignty over certain matters within national boundaries, as with the Welsh Assembly and Scottish Parliament approved by referendum in 1997. Indeed many run-of-the-mill disputes about the distribution of authority within federal and confederal systems fall into this category. Often, however, the demand has involved insistence on full secession and the creation of new national states, as with the creation of the United States of America, Pakistan, or the Slovak republic. One only has to think of the demands for an independent Quebec, a Palestinian state, an Afrikaner Volkstaat, reunion of Russia with Belarus, an independent Chechnya, or a Kurdish republic – to name a few obvious cases – to be reminded that today's world is replete with would-be secessionists and unifiers who reject the democratic legitimacy of existing boundaries and seek to redraw them.

Even when boundaries are not in dispute, the international realities of power can render democracy's edges elusive. Transnational forces in today's world can have a greater bearing on national policies than the decisions of elected governments. National political choices are often trumped by the actions of such institutions as the World Bank, the International Monetary Fund, the United Nations, or the European Union. Such institutions often have political agendas of their own, ranging from privatizing and deregulating the global economy to imposing labor law and regulatory regimes on countries to which their governments may stand opposed. Some of these international institutions are subject to attenuated forms of popular control, but it is unclear that this rises to a level that accords them much democratic legitimacy.

Moreover, democracy's edges are often blunted by transnational forces that defy even indirect popular control. The decisions of currency speculators, multinational investors, and global mutual fund managers can render domestic governments at best reactive and at worst helpless before dynamics set in motion by private players on the international stage. Britain's 1991 sterling crisis, which forced withdrawal from the European exchange rate mechanism, was a dramatic illustration. But in a host of more mundane and less visible ways, democratic governments the world over find increasingly that their taxation, welfare,

employment, borrowing, and public expenditure policies are con-
strained by what they are bound to anticipate from fickle international
investors. A poignant instantiation of this trend is the 1990s fashion for
creating independent banks that "signal" stability to capital markets – a
euphemism for ceding democratic control of monetary policy to techno-
crats whose behavior can better be predicted by investors just because
they are insulated from mechanisms of democratic accountability.

The contributors to the present volume all speak to dimensions of this
reality. Some deal with the conventional boundary problem, advancing
possible solutions to the chicken-and-egg paradox it engenders. Some
are concerned with recasting the relations between democracy's decision
rules and its edges, to diminish the paradox's significance or make it
disappear. Some focus on transnational institutions, asking whether and
how they might be subjected to more meaningful popular control or
otherwise rendered legitimate within the ambit of democratic principles.
Some take up secessionist aspirations, and the role of transnational
institutions in undermining, or fostering, national democracy. Some
consider the capacity of democratic institutions, whether domestic or
international, to manage the environmental dangers that exhibit little –
and decreasing – interest in national boundaries. And some suggest that
the search for democracy's edges should lead us to reconsider the
meaning of democracy itself, drawing on developments in fields as
distant from the contemporary practice of political theory as the founda-
tions of cognitive science. All are concerned to further our under-
standing of a perennial but neglected dimension of democratic theory
that has been thrown into sharp relief by the evolving power fluidities of
the late twentieth century.

I.   Outer edges

In chapter 2, Robert Dahl makes the case that democracy's outer edges
are likely to remain coterminous with those of the national state. Under-
standing democracy to require, at a minimum, a measure of popular
control over decision-making, he argues that there is an inverse relation-
ship between efficacious popular control and consequential decision-
making. Whereas small groups can offer extensive popular control of
their decisions to their members, such groups will often be ineffectual in
determining outcomes in the world. By contrast, large entities may be
consequential in the world, but are difficult to control democratically.
Nation states are sufficiently large that meaningful democratic control of
them is exceedingly difficult, but Dahl argues that it is at least possible
in some areas. He thinks it instructive, when thinking about democracy

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in international organizations, to note that foreign policy is one of the most difficult areas in which to achieve democratic control at the national level. What is at stake in foreign policy decisions is often by its nature inaccessible, and far removed from voters' everyday experience. The result is that popular control is limited to a kind of reactive activism. When foreign policies such as the United States' pursuit of war in Vietnam begin to have a widespread impact on people's daily lives they may rise up and oppose them; the rest of the time the policies will be left in the hands of elites.

International organizations such as the United Nations are substantially immune from even the limited popular control that is characteristic of foreign policy in national democracies. As a result, Dahl contends that we should not regard them as democratic at all. Better we should see international organizations for what they are: bureaucratic bargaining systems. This does not mean, for Dahl, that international organizations are undesirable. They may serve valuable purposes, perhaps indispensable ones. Indeed, some international organizations such as the UN may promote national democracy in parts of the world where it is presently lacking. Even in these cases, however, the international institutions themselves are unlikely to be democratic by Dahl's criterion. An important resulting challenge, that Dahl thinks has not yet been satisfactorily tackled by anyone, is to come up with plausible criteria for evaluating the legitimacy of undemocratic international institutions.

James Tobin brings an economist's perspective to bear on Dahl's challenge in chapter 3. He notes that most international institutions are not democratic in Dahl's sense because they result from treaty agreements among participating nations which generally have equal voting power regardless of their domestic populations. Tobin suggests a perspective for thinking about their legitimacy, drawing on the work of Hirschman (1970). Whether our sense of an institution's legitimacy should be linked to how democratic it is depends on the institution for Tobin. In particular, if the costs of exit from it are low, requiring it to operate democratically may be unnecessary and even unwise. Allowing members of transient groups a say in democratic governance may reasonably be judged unfair because of their different stakes in the collective decision. Like Dahl, Tobin sees the demands of international competition between national states as undermining democracy, particularly when this involves handing over monetary, exchange rate, and even fiscal policies to independent authorities so as to insulate them from the demands of electoral competition. Because there is no escape from the effects of international monetary and exchange rate regimes in the modern world, on Tobin's logic they ought to be subject to

democratic control. The fact that they are not contributes to what is sometimes termed the "democratic deficit" of legitimacy in contemporary politics, and exacerbates domestic sources of democracy's erosion such as the role of money in shaping the public agenda.

Elmar Altvater furthers the skeptical critique of transnational democracy in chapter 4, by arguing that whether or not international political institutions are democratically designed, they are unlikely to be democracy-enhancing. Most supranational institutions have emerged partly as a result of, and partly in response to, the globalization of economic relations. More often than not, global economic institutions assist transnational economic forces in undermining national democratic sovereignty, contributing to the retrenchment of welfare states and of institutional protections for the vulnerable that have been hard won over generations of domestic democratic conflict in the world's older democracies. Moreover, the recent proliferation of electoral politics to many of the world's countries is itself affected by globalization, since people gain formal democratic rights without much substantive scope for policy-making. In these circumstances, democratization legitimates the processes of deregulation and privatization called for by those who control international economic institutions. While agreeing with Dahl and Tobin that globalization contributes to the democratic deficit in the older democracies, Altvater believes the prospects to be even bleaker in the younger ones, which are less well placed in the world economy.

Altvater also broaches what may be one of the most serious challenges to democratic politics – not to mention the human species – in the coming decades: heading-off planetary-wide ecological catastrophe. Even if one takes a comparatively benign view of the possibilities for transnational modes of democratic governance, Altvater notes that there is no obvious reason to suppose that such institutions will have the capacity to limit global economic growth to ecologically sustainable levels. On the contrary, in light of the political imperatives unleashed by the structured dynamics of economic globalization, the potential of "ecological democracy" is limited. Social movements and NGOs working for ecologically sensitive economic policies confront an incongruence between the boundaries which divide the world's peoples into separate national states – which set the internal space for formal democratic institutions – and the boundary of humanity's natural environment. The obstacles to effective political action are compounded in this area, because ecological questions are intertwined with distributive ones. The national state system preserves global inequalities of income and wealth that would have to be challenged as part of any serious attempt at international environmental regulation.

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Russell Hardin takes up this question as part of a general discussion of democracy and collective bads in chapter 5. Although democracy's messy procedures have not generally been thought adequate to the handling of collective bads such as environmental pollution, Hardin alleges that in fact democracies have managed these problems better than autocratic states in the past several decades. At the same time as pollution was limited consistent with maintaining economic growth in the West, ecological disaster accompanied economic catastrophe in the East. The reason, Hardin argues, is that democracy is much better suited to solving coordination problems than to problems that exhibit significant distributive dimensions. Pollution problems were widely seen as universal bads in the Western countries, making collective response to them feasible. Unfortunately, the international environmental problems that are emerging as a by-product of globalization involve manifest distributive conflicts. Newly industrializing countries, with populations in the hundreds of millions or even billions, threaten to overwhelm the planet's capacity to support life if they develop on the same basis of cheap fossil fuels that the advanced countries utilized over the past 150 years. But if industrializing countries are to be diverted from cheap development paths, the costs of this diversion have to be distributed. This is what democracy does poorly.

Nor does Hardin think we can take heart from the European Union, NAFTA, and GATT as models for the sort of institutions that are required. Such institutions emerged to solve coordination problems: to eliminate barriers to better results that had emerged as by-products of the nation-state system, barriers that prevent economic and other activities that would have occurred spontaneously but for their presence. Solving international collective bads problems such as global environ-mental damage would require stronger transnational institutions, not the mere weakening of national institutions. Moreover, given the sub-stantial distributive dimensions to such collective bads problems, it is unlikely that such institutions can be democratic if they are to be effective. Thus, despite national democracy's track record of relative success in managing domestic environmental problems, Hardin agrees with Altvater's pessimism when these problems take on an increasingly transnational character.

In contrast to these skeptical views, David Held argues in chapter 6 that democratic theory and politics can respond constructively to the chal-lenges of globalization. Like Altvater, Held notes that the internation-alization of many dimensions of social interaction – economic, cultural, and political – has circumscribed the nation state's policy autonomy in multiple ways with the result that many national governments

increasingly play the role of "decision-takers" – they react to the actions of transnational players and more powerful foreign governments. Global financial markets, multinationals, and banking institutions can act, increasingly, in unilateral ways with decisive effects for national policies and strategies. Contrary to many discussions of these processes, however, Held is careful to distinguish the matter of nation states' *policy autonomy* from their sovereignty. Nor is it only multinational forces and institutions that circumscribe national policy autonomy. While emphasizing the crucial distinction between legal–political sovereignty and policy autonomy, Held illuminates how some of the world's governments are increasingly powerful beyond their spheres of legitimate sovereignty. They take decisions about trade, crime, environmental, and regulatory policy that have reverberations around the world. Such decisions affect populations whose governments may be impotent with respect to these policies, no matter how much recognition of national sovereignty may in fact be a well-observed (though qualified) norm in international relations.

Held's distinctive insight derives from his observation that the dynamics surrounding globalization are not as novel as they are often alleged to be. In important respects, he notes, they parallel developments that accompanied the emergence of the modern nation-state system over the past several centuries. It, too, involved the emergence of power relations that cut across traditional units of political authority: absolutist states that centralized power internally and operated on the Westphalian model externally; they acknowledged no superior authorities, limiting international law to rules of coexistence among formally equal entities in a Hobbesian order.

Held usefully points out that modern democracy emerged after absolutism, and to some degree as a response to it. The challenge of refashioning a democratic ideal that had originally been conceived for governing small homogeneous polities for a world of large heterogeneous nation states was met with the idea of representative government. It transformed democratic theory from a piece of quaint antiquarianism into an ideology equal to its age, shaping the form that democratization of the nation state was to take. What is needed now, he argues, is a comparably innovative idea, to respond to the globalization that is eroding national democratic polities. Held's candidate is the idea of a transnational democratic legal order or *Rechtstaat*: an international order that is circumscribed and legitimated by democratic public law. Democratizing international law will require "the establishment of a community of all democratic communities"; a kind of cosmopolitan community that can command the allegiance of all democrats. Held's

suggestion is thus that a transnational democratic *Rechtstaat* might domesticate transnational authoritarian forces and institutions, just as representative government domesticated the absolutist state. Such domestication should not come at the expense of allegiance to democratic nation states on Held's account; rather, democrats should begin to discern that they are citizens of multiple polities to which allegiances are multiply owed. But the basic elements of a transnational rule of law system are essential to this endeavor, and democrats should see it as a central – if not primary – obligation in the coming decades to work toward its creation.

In chapter 7 Will Kymlicka takes issue with the view that globalization is eroding the capacity for meaningful democratic citizenship at the domestic level. Kymlicka argues that there is greater room for optimism regarding the prospects for domestic citizenship than he takes Held to suggest. Not only do nation states still possess considerable decision-making autonomy, he argues, but their citizens still prize this autonomy, which allows them to act in distinctive ways, reflective of their national political cultures and inherited solidarities. So much is recognized, if not emphasized, by Held. But, in so far as citizens no longer find political participation meaningful, Kymlicka contends, the explanation has little to do with globalization. Rather, it is traceable to flaws in the electoral and legislative systems which existed prior to, and independent of, globalization, and which can be remedied whenever we find the political will to do so. A flourishing democratic citizenship at the national level remains a viable possibility within Western democracies, despite globalization. Concurring with the position advanced by Dahl and Altvater, Kymlicka also questions the view that whatever democratic deficit exists at the national level can be redeemed by democratizing the transnational institutions which increasingly shape important economic, environmental, and security decisions. The preconditions for mass participation in transnational organizations do not yet exist, and it is difficult, he argues, to see how they could arise in the foreseeable future

Alexander Wendt explores these ideas further in chapter 8. He distinguishes *cosmopolitan democracy*, in which individuals cast votes in the governance of transnational institutions, from *international democracy*, in which sovereign states are the voting members. The former is less likely to be attainable than the latter in the medium term, in Wendt's view, for several reasons. Although powerful constituencies – particularly in the financial world – are open to political globalization, other relevant forces are hostile to it. States are jealous guardians of the sovereignty created by the Westphalian system which remains the order of the day in international politics. Populations have been socialized into

national political orders, so that they tend to be hostile to the trans-
nationalization of political power. Accordingly, Wendt argues that
international state formation should be expected to differ from the
domestic state formation of the early modern period to which Held
alludes. Unlike the process by which political power was concentrated in
the hands of centralized states, often through conquest, the path-
dependencies of sovereignty may lead to *de facto* internationalization of
the state without much *de jure* internationalization. More likely than
institutions of world government, we should expect that state power will
increasingly be dispersed or "de-centered" among nominally independ-
ent states. On Wendt's account, it is likely to be a long time – if ever –
before there is any centralized apparatus of international governance,
any commanding heights of institutional power for transnational demo-
crats to capture. For this reason Wendt is skeptical about how far Held's
comparison between domestic and international state formation holds.

Reflecting on this limitation leads Wendt to pose the question whether
international democracy should be deemed as objectionable by demo-
crats as Dahl and others have suggested. International democracy, on
Wendt's account, depends on a notion of group rights. Although demo-
crats often count themselves hostile to the idea of group rights, Wendt
notes that there is an important sense in which the group is inevitably
prior to the individual in democracies. Just because of the chicken-and-
egg problem, individual democratic rights are bound to be parasitic on
some form of group membership. Moreover, Wendt speculates that if
one surveyed people asking them to imagine a cosmopolitan democracy,
many of those who are unalterably opposed to group rights within their
country would want strong protections for their nation at the inter-
national level, whether this took the form of federalism, subsidiarity,
governance based on an international "Senate" rather than "House," or
other institutions to shield national identities. Protecting groups among
nations may be more compelling than it is within them from the
standpoint of democratic theory, on Wendt's view, and should not be
dismissed as a viable basis for transnational democratic legitimacy.

In chapter 9 Brooke Ackerly and Susan Moller Okin argue that
although globalization threatens democracy in some respects, in others
it may actually enhance democratic possibilities. Their case study is the
international women's movement, particularly those parts of it that have
sought to redefine the notion of human rights, embraced by many
international institutions and national governments, so as to include
explicit acknowledgment of women's rights. Although globalization has
had a mixed impact on democratization, activists around the world have
combined global awareness and communication with knowledge of the

real, diverse, and dispersed local experiences of women, to make international policy on human rights more inclusive of them. In their organizing around women's issues or for women's interests, activists have developed a method of social criticism that makes use of deliberation without relying on the ideal conditions required by deliberative democratic theorists. Using the example of the women's rights as human rights movement, Ackerly and Okin describe the methods that activists in the real world have used to try to make international fora more inclusive. While in general skeptical about the democratic credentials of transnational politics in the contemporary world, Ackerly and Okin's paper aims to call attention to a democratic bright spot on the landscape of non-democratic global organizations.

II.   Inner edges

Douglas Rae refocuses our attention from democracy's outer edges to its undernoticed inner ones in chapter 10. A central development in what he describes as the United States' evolving spatial economy since World War II has been the growth of "enclave-seeking" behavior by large numbers of those who have the wherewithal to engage in it. Until the 1940s, urban residential locations were sought after because they offered privileged access to nodes of heavy transportation and employment around which prosperity revolved. Growing inner-city density meant declining quality of life, however, and suburban commuting presented itself as a logical alternative, buttressed by subsidized road systems and motor-vehicles affordable to the middle class. In most northeastern and mid-western cities the white middle-class flight to the suburbs coincided with the exodus of poor blacks from the south, away from segregation and in search of economic opportunity. This migrating population filled the inner-city vacuums left by the white middle class, accelerating the pace of their departure. The result was that migrating blacks exchanged the south's *de jure* segregation for a new and no less potent form of *de facto* apartheid. This trend has accelerated since the 1970s, as the incomes and life chances of poor blacks have diverged ever more sharply from those of the middle class and the wealthy.

Rae goes on to argue that the information revolution and the "home office" phenomenon that has accompanied it reinforce spatial segregation patterns, as those who are not members of the substantially black urban poor have fewer and fewer reasons to set foot in inner cities at all. Whether made inaccessible by fact of distance or by "gated communities" – privately guarded enclaves of which there are now upwards of