



# Lecture- 17



The growth of the Internet as a significant space for practices of various kinds is taking place at a time when we see a number of major transformations in national sovereignty. I find it quite impossible to consider the impact of the Internet on sovereignty as if sovereignty itself were a stable condition.

There are two issues here. One is the historicity of the character of sovereignty located in the state—that particular kind of intermediary. Over the last few years we have seen a shift of some components of this sovereignty to other entities—supra and sub-national as well as non governmental. Who gains legitimacy as a claimant under these new conditions? There are different capacities in different sectors. The Net could become an extremely important public space for strengthening the claims of non-state actors that lack the resources of globally oriented corporations or of other sectors with considerable resources.

The second issue is the need to examine the assumption about the state as the exclusive representative of its people. It is no longer simply a matter of the Liberal vs. the Realist interpretation. I find this frame confining in much of the debate about the Internet and sovereignty, even though I would agree with one of the lines of argumentation which holds that different states can be characterized either way and that depending on this they will be more or less affected by the Internet. Different intermediaries may emerge between the state and what it represents (i.e. the people), including private bodies in arenas where it used to be public bodies that governed. Seeing the rise of markets and of transnational corporate actors, I cannot help but ask whether Liberal theory and its enactment in political or state practice necessarily imply a liberal state: we have historically perhaps seen this, but today the elements are there to reconfigure this association. At least some scholars argue that we are seeing the neo-liberal rather than the liberal state coming out of liberal policies.

Further, if we are going to consider issues of sovereignty and democracy, then we must ask a critical question about what actors are gaining influence under conditions of digitization and whose claims are gaining legitimacy. For instance, it could be argued (and it is my argument) that private digital space has had a far sharper impact on questions of sovereignty than the Internet. The globalization and digitization of financial markets have made these markets a powerful presence. Indeed, the logic of the global capital markets is today not merely a condition of raw power but one with normative potential. The logic of these markets has contributed to the elaboration of a set of criteria for what is proper government conduct on the economy. This new power of the financial markets is partly a consequence of the orders of magnitude they have reached in good part through their digitalization and the fact that they are globally integrated, two conditions that are mutually reinforcing. The capacity of these markets to affect existing meanings of sovereignty is considerable and in my view, thus far has been greater than that of the Internet.

New transnational regimes and institutions are creating systems that strengthen the claims of certain actors (corporations, the large multinational legal firms) and correspondingly weaken the position of smaller players and of states. Ruggie has pointed out that the issue is not whether such new institutions and major economic actors will substitute national states but rather the possibility of major changes in the system of states: “global markets and transnationalized corporate structures...are not in the business of replacing states” yet they can have the potential for producing fundamental change in the system of states.

What matters here is that global capital has made claims on national states and these have responded through the production of new forms of legality. There is a growing consensus among states to further the goals of economic globalization, to the point that some see in this a constitutionalizing of this new role of states (See Panitch 1996, Cox 1987, Mittelman 1996). The new geography of global economic processes, the strategic territories for economic globalization, had to be produced, both in terms of the practices of corporate actors and the

requisite infrastructure, and in terms of the work of the state in producing or legitimating new legal regimes.

One possible reading of recent developments in the earlier Mexico crisis and in the current Asian crisis, but also in a more structural context—the adoption of neoliberal economic principles by governments wanting to join the global economic markets— is that these markets have emerged as nonstate “actors” whose claims have acquired legitimacy.

This then invites us to raise a whole set of questions about how certain actors have gained this legitimacy in their claims, and in the case of the specific concerns here, how has the development of digitalization favored some over other actors. Put this way, it still leaves unaddressed the question about the future impact of the Internet. And here I would say that commercialization as discussed earlier may well dampen the impact of the Internet in terms of political practices. I return to my earlier point about the importance of strengthening the variety of cultures active on the Net, the importance of struggles for greater bandwidth for civil society actors and for those organizations who cannot pay for increasingly scarce bandwidth.

In my reading the risk on this particular issue is self complacency about the democratic potential of the Internet. The potential is there but we cannot take it for granted, nor can we assume that commercialization is simply going to strengthen this democratic potential. It may well be the case that in the context of the former centrally planned economies of Central Europe and the former Soviet Union, commerce on the Internet is a democratizing practice—at least for a while. But the growing practice of privatising portions of the Net, electronic commerce and the —almost inevitably associated— strengthening of intellectual property rights on the Internet are to be taken seriously. If uses by civil society multiply, grow, strengthen, raise the interconnections among various nonstate actors in various locations across the globe, then there is probably less to worry about. But right now, there is not enough of this, and the risk

that we are left with a poor man's Internet, with slow connections, in competition for bandwidth with entities that can pay for expensive, or for that matter not so expensive but still involving costs that often cannot be afforded by many community organizations or underfunded sectors of civil society.