

## **Emergence of a new paradigm**

Towards post-crisis cosmopolitanism

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## **1. Introduction**

The current, tense “post-crisis” situation is considered by many intellectuals, politicians and citizens to be a simultaneous aggravation of much older financial, political and environmental crises that have been challenging the international community. At the same time, it has also been described as a perhaps unexpected hope for the emergence of a real cosmopolitanism based on a genuine possibility of emancipation and dialogue about world problems in the international community.

We will begin by discussing briefly the causalities of the recent financial crisis, which can be seen as a crisis of neo-liberal capitalism following the original mortgage crisis in the USA and the following economic depression in many countries. In this context we can also mention political elements of the crisis and further explore its threatening relation to the environment. Finally, the same crisis can be considered as a crisis for cosmopolitanism. Some pundits have interpreted the crisis as a crisis of cosmopolitanism of human rights, where it has not been possible to create a new world order of strong international governance.

On the basis of these causalities the paper will discuss whether we can see a potential “new beginning” or qualitative shift towards a new regime of a social ethics including: (1) the emergence of a community economy, e.g. state intervention and civil society responsibility in connection with corporate citizenship and business ethics; (2) the emergence of a new ethical cosmopolitanism including a paradigm shift towards a renewed conception of justice as concerns the common good in the world community.

## **2. Crisis causalities**

What happened? Why did this world crisis come around and how should we explain the crisis causalities? There have been many arguments or diagnoses trying to explain the worldwide financial crisis. I can mention the following, very different, but mutually dependent explanations:

### **1. The crisis is due to neo-liberal capitalism.**

This explanation focuses on the financial breakdown based on the American mortgage crisis and the following depression in many countries. It was the neo-liberal processes of globalization (e.g. privatizations, liberalizations, financializations) that led to the development of risky financial products and the resulting credit crunch, for they were based

upon the dogma of the neo-liberal economic system, whereby the paramount goal is quite simply to increase economic gains in the business at all costs. This model for risky business did not only concern banking and economic investments. The most important factor that played a pivotal part in the economic crisis was the emergence of the use of houses for sales and risky mortgages of houses, so that houses became primary objects of investment. The dominant narrative in this explanation is neo-liberal “greed”, as exemplified by Madoff’s pyramid Ponzi scheme, which resulted in his imprisonment and so well symbolizes the basis for this kind of explanation of the crisis. The narrative of “greed” involves that the crisis is due to a brutish conception of human nature as a kind of profit-maximizing individual, who lives only or mostly according to his or her own narrowest self-interest. This explanation is based upon taking into account the fact that neo-liberalism was the dominant economic ideology after the end of the cold war. With this explanation of the crisis we have an explanation that is conceived exclusively in economic terms, and primarily as a breakdown of the international financial system.

## 2. The crisis is due to changed relations between major powers in the world.

This explanation focuses on the relation between the US and other countries, notably China. In this context the crisis may be considered as a shift in world powerhouses. We may argue that such a shift is the real reason of the credit crunch and the ensuing economic depression. It can be argued that the Chinese, after the massive economic crises in the east of Asia in the 1990s, realized that they would have to build up a strong financial system. After longer than a decade, the savings of China were so large that the country was able to resist the 2008 financial crisis, which showed instead the real vulnerability of the US and Europe. In addition, the crisis can be explained as a result of the economic problems of the US after the Asian wars in Iraq and Afghanistan since the early 2000s. It can be argued that the result of the wars was the weakening of the US as a superpower and that the credit crunch was just a symptom of this changed situation of the West in relation to the East in economic terms, where China is emerging as the main power in the world. With this explanation of the crisis we move from a purely economic explanation towards an explanation in terms of international politics too.

## 3. The crisis arises from a clash of civilizations.

Here we can focus on the confrontation between world cultures, in particular the tensions between radical Islam and the West, leading to the wars of Iraq and Afghanistan. How can we interpret the crisis in terms of the “clash of civilizations” described by Samuel Huntington? Since 2001 and 9/11 in particular, the confrontation between civilizations has been very present in international politics. The concept of the clash of civilization was

developed as a response to Francis Fukuyama's idea of the end of history, i.e. the end of the struggle of recognition, when the liberal world order has been victorious. We may say that the clash of civilizations is a response to this situation, where the end of the struggle for recognition is not ending in dialogue, but exactly in a clash between civilizations. In fact we may say that a challenge for a post-crisis situation would be to develop a kind of intercultural philosophy building upon a dialogue between civilizations, as opposed to the clash of civilizations. The clash of civilizations is in particular a challenge to the belief in the universality of the Western values of democracy and human rights. We can argue then that the recent crisis is a crisis of these values, following the events of 9/11 and of the wars in Iraq and Afghanistan.

#### 4. The crisis is a crisis in the policies to respond to an environmental crisis.

We can argue that the recent crisis was a crisis of the realization itself of the climate problem. The question is: have recent agreements led to hope for environmental justice or do we only experience new inequalities between developed and developing countries? In the neo-liberal paradigm before 2008 the climate issue was dealt with as a matter of utility and sustainable use of resources. It can be argued that the recent crisis is a crisis for the utility-based conception of the environment, for it appears that CO<sub>2</sub> reduction is more than utility, but something that is fundamental with regard to the possibility of life in the world. We can argue that the crisis is a crisis for a civilization that has no understanding of the climate issue as fundamental for human survival. The Danish environmental sceptic Bjørn Lomborg may be considered as a representative of this view. In fact it can be argued that the opposite view of Al Gore, who stresses that the climate issue is about the continuation of the human species, represents an alternative to the view of Bjørn Lomborg, which emerges out of the crisis of the neo-liberal conception of the environment as utility: rather than admitting defeat in front of overwhelming evidence, blind denial is preferred.

#### 5. The crisis is a crisis for cosmopolitanism.

Some have interpreted the recent crisis as a crisis of cosmopolitanism of human rights, where it has not been possible to create a new world order of strong international governance. In fact, it can be argued that the dream of the neo-liberal position was a world order with universal governance. As described by Michael Walzer, we can say that we need a new world order where we have to find the right balance between world government and total anarchy. It may be argued that the concept of the world order as a universal order with a world government is in crisis with the global crisis. What is needed is a new conception of the global order that is both beyond state sovereignty, but also beyond the idea of a world government. We may argue that we have to look for models of cosmopolitanism that deal

with world politics without referring to a concept of a global world government as the basis for international politics.

### **3. The cultural and social background of the crisis**

On the basis of the five causalities described above, the issue may be addressed as follows: how really should we define the recent crisis? What does the crisis imply and what does it relate to?

From a phenomenological point of view, we meet the crisis in our own lives when our family, ourselves or our friends lose their job or have to go from their houses because the mortgage rent is too high. In fact, the pre-crisis atmosphere in the Western world was marked by a strong narrative of greed and of spending, in particular a raise of luxury spending. We can then use the concept of hyper-modernity in experience economy, as proposed by the French sociologist and philosopher Gilles Lipovetsky, to take into account this pre-crisis, but indeed also the crisis atmosphere.

Hyper-modernity or hyper-modern society is conceived as an escalation of modernity, i.e. a kind of creative construction of experience where the creativity of human beings as makers of metaphors and symbols moves in the forefront of capitalist production. We are searching for more than maximization of pleasure preferences in the cultural industry. We want to become new human beings when we eat at restaurants, travel, go to the theatre, read magazines or books, or even when we buy ordinary products in the grocery store or in the supermarket. We want to experience happiness and authenticity in all aspects of our lives as consumers. Consumption shall help us to construct our identities. I shop therefore I am. It is the creativity of the producers and designers of experiences that is needed to fulfil this search for meaning in the experience economy. The conditions of possibility of the experience economy are based on the historic changes of the meaning of creativity in human societies. Today, with a hyper-modern society of creativity, creativity means something else than it was the case earlier in history. What is essential is that creativity no longer is based on a higher divine reality, but instead it refers to the entrepreneurial genius of the human creative spirit. With no divine meaning left, it is therefore the job of the creative class to fill the empty space of the loss of meaning in post-modernity or hypermodernity, and because there is no pre-given meaning dependent on a metaphysical reality, also the consumer must be creative and create meaning through experiences. Human beings are now primarily defined as hyper-consumers and their appearance as citizens is derived from this condition of consumption.

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Hyper-modernity expresses a metamorphosis of liberal culture. We live in a consumer society that has become global and international. In the hyper-modern society we can talk about a new system of consumption that has become universalized. What characterizes hyper-modern society is the development of a world culture of consumption. We can talk about universalization of the brand market economy: the West, Asia and China, South America and Africa. The global market culture is a culture of global media and of global commercial culture. Hyper-modern society is made possible with the neo-liberal ideology of the free market and private happiness through consumption, and it was accelerated with the global revolution of information technologies.

In his 2006 work on hyper-modernity *Le Bonheur paradoxal* (Paris: Gallimard), Lipovetsky describes the three phases of the development of hyper-modern consumer society:

1. the period from 1880 to the second world war
2. the period from the 1950s to the 1970s
3. The time starting with the 1970s-80s (where we really see that consumer society fully developed).

We have been facing hyper-modern society since at least the 1980s. This is a society where consumption is democratized and made available to nearly everyone. Whereas the first phase of industrial society is signaled by the emergence of industrial society for an elite, the second phase is marked by the increased generalization of consumer society as well as by increased individualization of consumption, for example by the generalization of luxury products like perfumes, media appliances, etc. However, it is only with the emergence of hyper-modern society that we really face the individualization of products.

In this individualist society we see how individuals are able to organize their space and time on the basis of their individuality. Accordingly, we can argue that with the individualization of consumption, combined with the focus on individual experience, makes immaterial experience and pleasure the focus of product promotion and product content. This new society of hyper-consumption is marked by a break with the conformities of class society. Although the class differences still exist, there is no specific class culture. In this sense, the consuming individual is utterly liberated from the traditional institutions and from the cultural bonds of society. We can say that the consumer of the experience economy is a "turbo-consumer", a capitalist consumer who is no longer regulated by strong ethics and who is free to consume as much as he or she wants.

A very good example of this “Turbo-consumer” in hyper-modernity is the consumer of great international brands. The brands are expressing the global logic of hyper-consumption. Through global marketing brands appeal to the dreams of having authentic experiences. Consumers of hyper-society are not particularly loyal to one particular brand, but they are loyal to the promise of happiness in the brand economy that activates their dreams and emotions. The global brand economy expresses the logic of experience as emotional rather than bound to the materiality of the products. Hyper-consumption is a continuing renewal of the sensations. It is travel in experience. The turbo-consumer wants the most intense experience and in order to get this experience the turbo-consumer overcomes traditional limits of time and space that are taken over by the commercial logic. There is a close link between the brand economy and the search for happiness as the ultimate imperative of hyper-consumption society.

Together with Jean Serroy in *La culture-monde. Réponse à une société désorientée* (Paris: Gallimard, 2008), Lipovetsky discusses globalization of culture in the perspective of hyper-modernity. We can mention fashion, advertisements, tourism, art, the star-system from Hollywood as aspects of a world culture that has become dominating in hyper-modernity and manifests itself as a cultural hyper-modernity aiming at satisfying the search for satisfaction of experiences by consumers in hyper-modern society. But at the same time this globalization of culture in the framework of an experience economy is marked by the paradoxes of increased complexity and increased collective and individual disorientation.

The capitalist market experience economy is supposed to respond to the dark sides of increased individualization and narcissism. Because of individualist mass society with less common references to give a sense of meaning and community, the world culture of brand consumption is supposed to be the compensatory device that can give individuals meaning and fullness in their individual lives, which are increasingly devoid of meaning. World culture promoted through experience economy is the only tool left to give meaning and sense to individual lives, yet it is far from certain that it is succeeding in its task.

#### **4. Towards a new beginning: Emergence of a new cosmopolitanism**

With an economic crisis in the middle of hyper-modern consumer society, we can see how the whole foundation of this society is shaken. Therefore it is also interesting to ask the question about what happens after the crisis. Can we see a “new beginning” or qualitative shift towards a new regime of social ethics of responsibility as a kind of new event emerging out of the crisis, or should we just say that the crisis is nothing more than a confirmation of the logic of hyper-modernity, or alternatively is it possible to argue that the crisis opens for

new meanings that help us to move beyond hyper-modern society? What does it mean to speak about paradoxes of a post-crisis situation that challenge the pre-crisis relations? We can observe the following aspects of a post-crisis situation that helps to mark qualitative breaks with the pre-crisis situation.

### 1. The emergence of a community economy

State intervention and civil society responsibility in connection with corporate citizenship and business ethics signal the emergence of a community economy. We can argue that the business ethics movement based on corporate responsibility and corporate social responsibility replaces within this context the confrontation from the cold war between communism and capitalism. Moreover, the end of neo-liberalism shows that we need a better relation to the economy and a better conception of the content of the economy. Business ethics and corporate social responsibility represent a response to the situation of crisis of business organizations in the sense that it is a new way to deal with the capitalist system.

Business ethics deals not only with ethical responsibilities of corporations but also with a responsible way to deal with economic and legal activities. Therefore we can talk about the economic, legal and ethical responsibilities of a corporation. The different responsibilities must be integrated into the strategy of the corporation, according to the new paradigm of corporate social responsibility and in close coherence with the strategy of the corporation. Business ethics can be considered in close interaction with the idea of hyper-modern society because in hyper-modern society ethics and corporate social responsibility are integrated into the experience economy. This means that ethics is considered as a virtue that is closely related to the self-construction of the individual. Accordingly, the individuals in the business corporation want to have a meaningful work and they want to be accountable and trustworthy as a part of their personal identity. Therefore business ethics is not in contrast to hyper-modernity, but rather a consequence of the culture of this kind of society. So the post-crisis scenario of intensified business ethics and corporate social responsibility is not necessarily in contrast to the culture of globalized hyper-modernity.

In this context we can argue for a movement towards an ethical cosmopolitanism within the field of business, as I have argued in my book *Responsibility, Ethics and Legitimacy of Corporations* (Copenhagen Business School Press, 2009), which the reader can find reviewed in the present issue of *Nordicum-Mediterraneum*. An important aspect of this movement is the idea of republican business ethics, defined as involvement of corporations in and for the common good, the *res publica*, which are expressed in the concept of corporate citizenship with integrity and responsibility. Integrity matters as the self-imposed



norms of international corporations can ensure accountability and trust. Integrity is analyzed as a function of the business ethics of corporations, especially in the normative guidelines for international business.

With this cosmopolitan approach I have argued that the corporation can contribute *qua* world citizen to solve the important problems of hyper-modernity. This can be viewed as the application of the important concepts of the virtues of responsibility and cosmopolitanism. As actors at the global level in a time of interstate interdependence with regard to world ecological, economical and political problems, it is a challenge of the corporation to contribute to building up an international community of virtue and protection of basic rights. We can define this vision of universal corporate citizenship as the *World ethos* of business ethics. The corporations shall not only protect universal human rights, but they shall also give those rights meaning in relation to the particular cultures in the countries where they operate.

## 2. Cooperation replaces conflict.

We may ask the question whether the post-crisis scenario is opening for a new era of cooperation that is in contrast with the idea of conflict that was dominating in the cold war times and in the times immediately after the cold war. An argument from globalization is that the financial crisis has been a reminder of how we now really live in “one world” in economic, cultural, social and political terms. In this sense it can be argued that we need scenarios of cooperation with new interactions between major powers in the international community, which is establishing a regime of problem solving rather than confrontation.

With Hannah Arendt, we can argue that we are searching for a political conception of international relations that move beyond the legalistic conception of the international community. Hannah Arendt's work after the second world war presents a critical discussion of Kantian cosmopolitanism. She offers novel views on human rights and the rights of citizens and she discusses the possibility of an international tribunal to deal with crimes against humanity. Also, her philosophy implies a critical reply to a naive “juridification” of international relations as marked by legal structures alone. Arendt proposes a solution for the reintegration in the political community after the fight with the wrongdoers. The international political community needs a dimension of civil society, as proposed by Arendt, to find a possible mediation of the double edge of cosmopolitanism. We can argue that Hannah Arendt understood the importance of a political foundation of the respect for the naked human being beyond the political relations of the nation state. This is what Arendt argued for when she coined her famous term of the foundation of human rights as the “right to have rights”.

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In her 2006 book *Another Cosmopolitanism* (Oxford: Oxford University Press), Seyla Benhabib seems to propose a new version of Arendt's older position. According to Benhabib, modern cosmopolitanism is not only about hospitality but also about the political and legal institutions to govern our world in order to deal with circulation of persons, capital, commerce, pollution, information, labor, goods, viruses, etc. Cosmopolitanism is about building political relations at the international level, so that people can enjoy the right to have rights in the international community. In particular, Benhabib defines human rights as universal ethical obligations that go beyond national sovereignty and are formulated within a form of law.

Benhabib argues that the challenge we face today is the construction of a jurisprudential theory that is able to reconcile the universality of human rights with the partiality of positive law. She deals with the problem, as Hannah Arendt also did, by focusing upon the rights of persons who reside within a state but who are excluded from its polity, i.e. legal and illegal aliens. Thus, Benhabib takes up the challenge of the double edge of cosmopolitanism by arguing for the search of a legal foundation of cosmopolitan citizenship beyond positive law alone.

When Benhabib deals with the double edge of cosmopolitanism she answers this question by drawing on Kant's doctrine of cosmopolitan rights, which she attributes to Kant's thesis that "The law of world citizenship shall be limited to conditions of universal hospitality" - hospitality covering the relationship between states and strangers. With Benhabib we can argue that the double edge of cosmopolitanism lies within the confrontation between republican national law and international relations, because the law of hospitality intersects with the positive law of the state. Specifically, Benhabib focuses upon the point of intersection between these two dimensions. On the one hand we have the Republican opening towards the international community in the republican public sphere; on the other hand we have the mediation between the cosmopolitan norms and the republican community.

Benhabib argues that we can propose a solution to the tension of the double edge of cosmopolitanism by means of a cosmopolitan law that emerges from increasingly conscious public debates in democracies, where the norms of cosmopolitanism are accepted as basic human rights into the positive constitutions of republic societies. In this sense universal norms are mediated into the will formation of democratic societies, so that cosmopolitan norms are becoming integrated into the republican framework of democracy.

An illustration of this kind of democratic development of the cosmopolitan norms and of the "democratic iteration" is for example the European Union, where citizenship is expanded in

a cosmopolitan direction. However, the contradiction between the universality of ethics and the particularity of law can never fully be overcome and there is always room for national sovereignty where laws are made.

When we talk about a civil justification for the emergence of cosmopolitan norms, we can argue that this justification of cosmopolitan hospitality emerges within the framework of democratic community because people are becoming more and more acquainted with others beyond their national borders and cultures with norms of reciprocity and respect. In this perspective there is a genuine hope that cosmopolitan norms are internalized in local cultures, democracies and populations. However, this is not enough according to legal theorist Seyla Benhabib. Cosmopolitan norms must also be based on a legal framework. In *Another Cosmopolitanism*, for example, Benhabib discusses the case of European citizenship as a token of the increased movement towards the development of such cosmopolitan norms.

Still, there remains the danger of a cosmopolitan stateless future. Benhabib argues that we should imagine a future where "civil, social and some political rights" are not related to national belonging. In this context, universal cosmopolitanism is situated between law and ethics, universality and particularism, nation and international community. When we search for a philosophical foundation of these cosmopolitan norms, we can look back at the philosophy of Hannah Arendt who argued, as we have already said, that the most important thing is the right "to have rights".

We can say that Hannah Arendt's book about the Eichmann trial — *Eichmann in Jerusalem. Essay on the Banality of Evil* (London: Penguin Books 1964/1981) — was fundamentally a book about cosmopolitanism and international law. This is true in particular when Arendt deals with crimes against humanity, where genocide is conceptualized as the crime against humanity, or rather the crime against humanness or the right to be human. The issue of the cosmopolitan double edge, i.e. how to mediate between national legal structures and moral universalism, can be answered by reference to the Eichmann trial. This trial marks the beginning of cosmopolitan norms. It is a trial for crimes against humanity that goes beyond the traditional boundaries of legal positivism.

If we look more closely at Arendt's book about Eichmann and follow Seyla Benhabib at the same time, we can argue that cosmopolitanism is not only the Kantian horizon that as we may infer from Arendt's letters to Karl Jaspers — Jaspers being himself a Kantian cosmopolitan — but an ideal of civic republicanism combined with a vision of political self-determination as the foundation of true hospitality in cosmopolitanism. So the emergence of global civil society as the movement from international to cosmopolitan norms of justice can

only be accomplished as long as it draws with its principles of civic republicanism.

Concepts such as "the right to universal hospitality" and "the right to have rights" are certainly Arendt's legacy of Kantian cosmopolitanism. Yet she adds a normative force that can emerge only within a republican, democratic framework of legal norms. These concepts, in other words, should have a binding power. The idea is that the "right to have rights" indicates rights of universal hospitality that triumphs over positive law, but can also be within positive law, because it is founded on republican self-governance and autonomy.

We need more than the formal political construction of the cosmopolitan norms of human rights. The international human rights regime, crimes against humanity, humanitarian interventions and transnational migration norms should all be based on civic republican recognition of the right to have rights. So cosmopolitan justice must be based on a kind of nationally sanctioned international law of peoples, where the tension between sovereignty and hospitality is overcome through the act of self-legislation as an act of self-constitution under a cosmopolitan perspective.

Benhabib says that "Liberal democracies must learn to negotiate these paradoxes between the spread of cosmopolitan norms and the boundedness of democratic communities": according to her, the development of cosmopolitan norms is characterized by democratic iterations between the local, the national and the global.

## **5. Conclusion**

Following Hannah Arendt and Benhabib, we can argue that cosmopolitanism emerges as the power of democratic forces within a global civil society and this helps to a construction of international norms that goes beyond the tension between cosmopolitanism and national sovereignty. What is characteristic of the new cosmopolitanism, at least according to this view, is that citizenship and political membership are no longer based on culture and collective identity. As exemplified by the case of the European Union, the conflict between sovereignty and hospitality is no longer so important. Accordingly, a new discussion of politics implies the search for new forms of political agency in cosmopolitan times, where we recognize what Benhabib calls the "democratic iterations" of the concept of democracy and citizenship. And this recognition will help to develop new foundations of democracy in international politics.

Moreover, by protecting universal rights that are dependent on the charter and declarations of the United Nations, corporations can act for good international relations that go beyond

the interests of particular communities of republics and nations. By doing this, corporations, when they really want to appear as good citizens, can help to build a world community that implies the universalization of the procedural virtues of liberal society. Corporations can at the same time be cosmopolitan and situated in particular societies, in the sense that they foster universal principles while making those principles work in concrete practice. In this sense, the post-crisis scenarios can be a development of a new cosmopolitanism in both international politics and in the activities by corporations and other organizations and institutions helping to build up an international civil society.

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