

# Public Ethics Radio

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## Transcript of Episode 8, David Singh Grewal on Network Power

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**MATT PETERSON:** You're listening to Public Ethics Radio. I'm Matt Peterson. This podcast features conversations between our host, Christian Barry, and scholars and thinkers who engage with ethical issues that arise in public life. The show is an independent production, supported by of the Centre for Applied Philosophy and Public Ethics and the Global Justice Program at Yale University, in association with the Carnegie Ethics Studio at the Carnegie Council for Ethics in International Affairs. You can visit us on the web at [www.publicethicsradio.org](http://www.publicethicsradio.org), where you'll find archives, transcripts, and links to people and writings we discuss on the show.

**MATT PETERSON:** OK, I'm going to state the obvious. I hate Microsoft Word. It's a terrible program. It's slow, it has a million features I would never use, and it's very unstable. I don't need to tell you this, you all know.

Now, I hate Microsoft Word even more than most people, perhaps, because I'm a huge Mac geek. It feels like a special indignity that I have to use this terrible piece of Microsoft software on my anti-Microsoft computer. But I really have to use it. It's everywhere—you can't do much collaborative written work without relying on Word. It's not just me who thinks this: apparently more than three quarters of Mac users run Microsoft Office.

Our guest today, David Singh Grewal, has a name for this phenomenon. He calls it network power. The idea behind network power is that there can be an extra value to using something that grows with the number of people who use that thing. Then the value of using that thing—in my example, Microsoft Word—is based less on its actual technical advantages compared to other word processors, and more on the ability it gives me to coordinate with other people. In other words, it doesn't matter if Microsoft word is actually a good or bad piece of software, what matters is that everyone uses it.

Grewal is Ph.D. student in the Government Department at Harvard and a Yale Law graduate. He wrote a book called *Network Power: The Social Dynamics of Globalization*.

The book applies this notion of network power to the political, economic, and social globalization that has become ever so visible in our lives.

Christian Barry caught up with David Grewal several stories above busy 27th Street in Manhattan.

**CHRISTIAN BARRY:** David Singh Grewal, welcome to Public Ethics Radio.

**DAVID GREWAL:** Thank you, Christian.

**CHRISTIAN BARRY:** David, one of the phenomena that has preoccupied moral theorists and policy analysts in the past decade has been what is often referred to as globalization. Now, obviously there's a lot of controversy just about how to characterize what globalization means. Could you speak a little bit about how your recent work ties in with some of these questions and controversies?

**DAVID GREWAL:** I think globalization as a term can be distinguished in part from international law and from international regime-formation, although it's related. And it really I think is meant to capture in its purest form something like a global civil society. So in many ways the ethical debates about how to really understand and assess globalization parallel—if we think about it as the emergence of a global civil society—parallel debates that are actually of much longer standing about the nature of private social relations generally.

And so the question of whether or not the private interactions of market individuals in the global and multilateral framework do or don't have various ethical consequences is very similar to the problem that philosophers and social theorists have grappled with within the bounds of nation state about the relative advantages and disadvantages of reliance on market and private, voluntaristic action domestically.

So, to turn then to the puzzle that you put, which is that some people treat globalization as an unambiguous advance in human freedom, a sort of new world order in which individuals are freer than ever to roam the globe with their money, ambition and ideas, outside the purview of national regulatory regimes, and on the other hand people who describe—who complain that globalization represents a new kind of empire or an exercise in power, I think it's possible to view both of these, seemingly divergent views within a single framework. And that's what I try and do in my book.

Now, in social theory, take anyone from Karl Marx to Max Weber, the idea that the relations that free us also entrap us is relatively commonplace. But that idea has so far been missing from most if not all of the debate over globalization.

**CHRISTIAN BARRY:** Can I ask you just to follow-up?

**DAVID GREWAL:** Yeah.

**CHRISTIAN BARRY:** You characterized globalization in terms of global civil society. Can you explain a bit more what you mean by global civil society, and perhaps explain in relation to that growth this Marxian and Weberian concern about enhancing freedom and also about entrapping people at the same time, and how that's being played out in this way.

**DAVID GREWAL:** Right, absolutely. So, by global civil society, I don't mean exclusively or merely the idea of international or global NGOs. I mean civil society in the broader sense of nonstate social relations. So including especially commercial relations. So much more in Hegel's idea of civil society than the idea of civil society that we hear today among sort of nongovernmental organizations.

And the growth of trans—of what we should really call the transnational is I think what's of concern. It's not so much the international, at least in the first instance. It's not the agreements that sovereign states make together. It's the global culture and economy and world of ideas that is being created to a larger extent now in a way that's new by individuals agreeing to do things with each other outside or independent of their nationalities. And so that global civil society I think is what we often describe when we talk about globalization.

And now the idea that in the realm of the private, in our social relations, in our voluntaristic everyday relations, there can be a kind of power at work is something that I think social theorists have long grappled with. It's both—it feels both intuitively appropriate and obvious that there's some kind of power at work in our private lives, just as we think there's power at work in our public determinations. But it's been very hard to say what that power is and what it looks like. And one of the ambitions of modern social theory has been—and there've been many takes at this—to try and give an account of that kind of power.

And I think that however we think of that kind of power, that's the kind of power that we want to say is at work in globalization today. Because, precisely as I said earlier, I think there's a parallel between the growth of civil society, including market relations at the global level, and the consolidation of those same relations within any domestic polity.

**CHRISTIAN BARRY:** And so what kind of power is being exercised? Because one of the things that certainly the supporters of globalization, and even some of its critics, at least seem to emphasize is that both in the private sphere and also internationally, the types of agreements that are being made, the convergence on different types of standards and ways of communicating are being freely decided by a plurality of individuals, clearly seeking some sort of gain, material or otherwise from it. So in what sense is power being exercised? And does it raise any significant normative questions?

**DAVID GREWAL:** Right. So the puzzle here, if we think about international and transnational relations, I think, is that where power is exercised in the form that Max Weber called the authoritarian power of command, the form of domination that takes that form, it's very clear to see power at work. Whereas other forms of social interaction,

particularly where people are consenting to certain types of interaction, it becomes hard to say that they are also subject to a form of power.

And the reason is that we generally tend to conflate—well, we generally tend to assume that freedom is manifest in our choices. Now that may sometimes be the case, but I think it's very important to set any choice in the broader context of—sorry, the broader choice context in which it's taking place. Which is to say that we need to evaluate the options that someone has when he or she is choosing. And not simply look at the fact that he or she has made a choice, if we want to really see whether or not the choice has been made freely.

But, specifically with regard to globalization, a way that we can understand how consent and coercion can run together is through this idea that I call network power. The idea of network power joins two ideas. The first is that coordinating standards—so, conventions that regulate commercial exchange, linguistics exchange, the universe of ideas, so languages, frames of references, and other kinds of conventions—that these coordinating standards have a value that grows with the extent that they're used. So the more people who rely on a given convention to coordinate their social conventions in one way, the more valuable it will be for people to use that same convention to do that same activity.

**CHRISTIAN BARRY:** Right, so whatever the merits of using inches and feet or centimeters and meters in itself, there may be some advantage of one or the other, but this will be drowned out very quickly by the importance of being coherent with other users of these measures.

**DAVID GREWAL:** Precisely right.

So the second idea that should be joined to this general description of conventionality is the thought that as one standard gains prominence, as it becomes the accepted rule of the game, so to speak, it can have the effect of edging out alternative ways of doing the—conducting the same activity. So that one rule of the game in many cases can end up being the dominant one.

So this allows, of course, for the broadest possible coordination among many different users of that standard. And I describe this in terms of the growth of a transnational network. But it can come at the expense of alternative ways of doing the same thing. And it can therefore have the effect of edging out alternative standards that we may be committed to for a variety of local reasons.

**CHRISTIAN BARRY:** We're going to take a short break, and we're going to return with more on network power and globalization with David Singh Grewal.

**MATT PETERSON:** This is Public Ethics Radio.

**CHRISTIAN BARRY:** You mentioned the importance of having shared standards by which we coordinate with others, and one of the examples which I've heard you discuss

is that of language. And in particular, the significance of the rise of truly global languages, and also some of the normative issues that they raise. Could you discuss in what sense you understand, say, the rise of English, as the rise of a shared standard, and then spell out some of the implications of that.

**DAVID GREWAL:** So languages are very interesting examples of standards. And by standard I mean a norm which enables members of a network or users of a standard to engage in beneficial cooperation of some kind, such as communication or commercial exchange. And so languages can be chosen for a variety of reasons. You might want to choose to speak a language because you really find the literature in that language beautiful. But usually you choose to speak a language because you want to communicate in order to speak with some specific people because you want to do things with them. And so I think the rise of English as a global language provides a very interesting example of how the dynamics of network power can lead a particular standard to become universal.

So, if we think about English's trajectory, historically, it was tied to many forms of hard power. To imperial projects. And later to forms of American soft power, to Mickey Mouse and Hollywood. Now, however, I think that English has amassed such a network of worldwide users that it has its own form of network power. So, even if native speakers of English cease to exist, there are good grounds to think that nonnative speakers would continue to use English to coordinate with other nonnative speakers, because what they now have in common is that they all have English as a second language. I think this raises complicated problems, ethically, for a variety of reasons.

The first is the question of whether the rise of English as a global language edges out languages, that's to say whether or not global English is responsible for the language death that we see. By some estimates over half the world's languages are at risk of extinction in the next century.

Now, I don't think actually that the way to think about language death is to tie it too closely to a global language, because there's lots of ways under which the rise of a global language could come about. If there were forms of appropriate cost-sharing, so that a global language is something we could agree on and we could try to take steps so that everyone had the resources, educationally speaking, to learn a second language, that would go a long way towards checking linguistic erosion of smaller language communities.

As it is though, the rise of a global standard is happening without there being public deliberation and forms of appropriate cost-sharing and cost and resource transfer.

**CHRISTIAN BARRY:** Good. I wondered if we could look at other types of coordination, which are not sort of so basic in terms of mediating communication, but more familiar international rules that govern economic exchange, in particular initiatives like the World Trade Organization and the Multilateral Agreement on Investment, which was not actually put in place.

Now, clearly these two have been the focus of a lot of debate, because clearly they are the focus of international agreement. Or, in the case of the MAI, ultimate disagreement.

**DAVID GREWAL:** Right.

**CHRISTIAN BARRY:** So clearly there is some sort of perceived advantage by all the parties coming together in making these agreements. And yet there's a tremendous sense, at least among some people, that there's something deeply problematic about it. And I was curious to what extent you thought this network power idea explains what's going on within these organizations. Why some of these agreements have failed and also what we can expect in the future from those agreements that have been made.

**DAVID GREWAL:** Right, right. Well, let's think about the World Trade Organization first. One of the things that I discuss in my book is the way in which the emergence of the World Trade Organization out of the earlier General Agreement on Trade and Tariffs illustrates some of the dynamics of network power. Because the GATT originally was a standard that was open for everyone to adopt, but imposed relatively few hard rules on it. The reason being that it required a consensus to adopt any reform, including judgments against a particular country. So countries could join the GATT and engage in world trade with relatively few domestic costs to their domestic policy.

Now for a complex series of reasons the GATT was transformed into the World Trade Organization in 1995, and with a much stronger and firmer set of rules, in which the consensus worked the other way, which is that a judgment of the World Trade Organization's decision-making body would be adopted, unless there was a negative consensus against it. This obviously changes the structure of who's in and who's out of the World Trade Organization. And yet the World Trade Organization has ended up increasing its reach, having new and new members, and almost every nation that's not currently a member is in the process of what they call accession—trying to get in.

And I think that having a strong standard governing international trade sets up very much the kind of in-group/out-group dynamics in which network power has its real pull. If you want access to foreign markets, the way to get them now is to adopt the dominant standard and to join up with the international community of trading nations.

Now, why is it the case that it's network power and not the intrinsic value of the World Trade Organization that I think is driving its increase in membership? Well, one thing is that we haven't seen any new agreements coming out after the initial set of successful trade talks. The Doha Round famously has gone through, I don't know, three or four different deaths. It looks unlikely to be revived, unlikely to be successful, and I think part of that is that there's actually a lot of normative and empirical controversy over the way in which trade matters, and whether it does, and whether it is a net plus for all the countries which are involved in the multilateral trading system.

Now, a way that a country can express dissatisfaction with the multilateral system is basically by torpedoing new agreements, and not agreeing to a further deepening and broadening of the initial World Trade Organization framework. And that's exactly what's happened for the last few years.

**CHRISTIAN BARRY:** We're going to take another short break, and we'll be back with more soon from David Singh Grewal on network power and globalization.

**MATT PETERSON:** You're listening to Public Ethics Radio.

**CHRISTIAN BARRY:** So if you have two models. One is, perhaps not quite the Weberian command model, but there is a strong form of power being exercised in bringing people together under some system of rules.

**DAVID GREWAL:** Right.

**CHRISTIAN BARRY:** I say that ambiguously—a strong system of power.

**DAVID GREWAL:** Right.

**CHRISTIAN BARRY:** But intuitively, the complaints of those who are at the bottom, that they could have been better off under some alternative seem to be particularly potent.

**DAVID GREWAL:** Absolutely.

**CHRISTIAN BARRY:** At the other end of the spectrum, if we think about free actors in a market situation deciding whether or not to form some sort of society—a business society. There it doesn't seem particularly strong. Right? It seems that whatever bargain is struck is taken to be OK, and maybe there might be some fairness concerns, but certainly it doesn't seem particularly potent that the—that one of the partners says that somebody could have been better, that nobody need be worse off than they are in that situation. So then that really does bring, make important just the nature of power that's going on in these organizations, and, where it lies on the sort of spectrum.

**DAVID GREWAL:** Absolutely. If we turn for a moment to the contrast between the World Trade Organization and the Multilateral Agreement on Investment, one of the things that interests me about the distinction there is that the World Trade Organization is—for all these concerns we've been raising about it—still by far the more participatory and transparent organization, in terms of how new agreements are made and brought about. I think the very fact that the Doha Round has failed is testimony to the countries do have some say within the organization.

A different model of getting, of how to get international agreement up and off the ground, an agreement on a standard to coordinate our activities, was attempted with the Multilateral Agreement on Investment. And there I think the dynamics of the network power kind were very much counted on in order to catapult a standard to global status.

So, specifically, the Multilateral Agreement on Investment, for people who may not remember this, was an attempt to get an investment standard among the OECD countries—so among the rich, capital-exporting countries. And it began in 1995, and it failed in 1998 due to loud protests against it. And one of the concerns that the protestors had is that the MAI would negatively impact on the developing-world countries. The usual response to this concern is, well these anti-globalization protestors didn't know what they were talking about. This is an OECD agreement, it was only among the rich, capital-exporting countries.

Now if we actually, though, get into the dynamic, the more particular negotiations that were taking place within the MAI, we see that while it was being negotiated among the rich capital-exporting countries, it was assumed that at some point the doors would be opened up for new and other members to join. In fact, Brazil and a few other countries had observer status at these negotiations. And in fact, some of the MAI negotiators explained that the reason that the bargaining was taking place among OECD countries exclusively was so that they could negotiate a “high-standards” agreement.

So, the thought here again is that you get a small core group of countries whose interests are aligned in a particular manner. You negotiate a standard for transactions among these countries, and then, country-by-country, you invite other developing—you invite developing-world countries to join what is to a large extent a developed-world country agreement.

So you—and of course, given the pull that the collective capital of the OECD would have for those in the capital-poor south, the thought of a country-by-country, voluntary joining-up, with the terms set earlier by the rich would seem to be a no-brainer.

Now, here again we face this problem. The countries joining the MAI would have been doing so voluntarily. That's to say they wouldn't be part of a formal empire in which their decisions were made for them. But can we say that these decisions are being fairly made?

Well, they're certainly being made certainly under the compulsion of having no viable alternatives. Network power in that case would have driven the investment standards of the rich world to becoming the global standards for investment and for capital flows for all countries. And I think that we would have serious concerns ethically about global standards that would come about, that emerge in this manner, rather in the more transparent negotiations that, for example, led to the World Trade Organization's different agreements being adopted.

**CHRISTIAN BARRY:** Two questions. It doesn't seem that it's something that's avoidable or regrettable necessarily that we have network power. People do want to coordinate and communicate with large numbers of people. They will do so. They will find means of doing so. And the standards that they will converge on will attract many other users who want to communicate with them. So, the question is, first, what, how can

we make this type of process more self-conscious. How can we make it something that seems more subject to board-based democratic or human control. And then second what kind of features, substantive features, might standards have incorporated in them to allow us the shared benefits of these standards, but to mitigate some of the harms they seem to visit.

**DAVID GREWAL:** Well, so I think one initial point I'd want to make is to draw a distinction in between standardization and harmonization, where standardization would be the creation, say, de novo of a new standard. So you might have a group of people or a group of countries getting down together and deciding to create a new form of coordination. And depending on how the participation was done, whether or not all the relevant parties who we would anticipate—who either were or could be anticipated to want to be part of this coordinated mechanism were subject to the original agreement. That form of standardization might suffer fewer of the problems that I'm going to discuss in a moment than harmonization, where you have countries harmonizing on an existing standard.

So most of the cases of network power that I think are objectionable are often tied to a local standard that gets catapulted to global dominance because of network power dynamics. Countries decide, or individuals decide, on a unit-by unit basis, to harmonize their form of coordination with an existing, dominant form. So standardization would involve everyone in the creation of anew form of coordination that would have a political element from the very beginning, in a way that harmonization, while having political consequences, seems to emerge from private, nonpolitical action.

But why should we worry even about harmonization? I don't think in many cases we should worry about harmonization. I think there are two broad classes of normative concern that should motivate our thinking about network power. And should help inform those instances where we might judge it objectionable. The first instance might be concerns about distributive justice, broadly speaking. Who's winning, who's losing, and should it be that way in some instance. And also who's winning by how much, I should distinguish. The second broad set of concerns are concerns about identity and about cultural pluralism. And you can see how the rise of a globally dominant standard could impact on both.

**CHRISTIAN BARRY:** Are that features of international rules governing trade could have, not just in terms of how they were arrived at, but what their actual content is—

**DAVID GREWAL:** Right.

**CHRISTIAN BARRY:** —that would seem to be less likely to bring with them some of the problematic aspects you mentioned that network power sometimes brings?

**DAVID GREWAL:** Right, so, one thing I think that we need to recognize when we think about designing standards or adopting existing standards for a wider group, is that there's often a tension between innovation, which constitutes a break or a check on an

ongoing cooperative regime, and insuring the widest possible sphere for cooperation. So because innovation often requires doing things in a different way, it can actually be hard to innovate new ways of cooperation if you actually have lock-in to an existing way of doing something. Even though the lock-in might be efficient at some static level, it might be inefficient dynamically. And this is a hard area to think about. But I think that designing standards or rules or international regimes, with something of this tension borne in mind, would be important, in the following respects to get more specific. It may be that we should try to think about opt-out clauses. In international trade regimes, for example in intellectual property and other areas, developing world-countries are now subjecting themselves, via WTO rules, to much-more stringent rules than the now-developed world ever faced in their process of development.

Now, of course, it may be that these same developing countries are benefiting at some level from economic integration. But if we want to be sure that the level of economic integration is worth the suppression of say alternative or heterodox regimes for intellectual property within those other countries' domestic spaces, having some kind of an opt-out clause would give us more confidence. If we're actually not positive that economic integration pays for itself, so to speak, and we want to allow countries to innovate in the policy space, then having international rules that try to ensure coordination, while allowing for the possibility of opt-out, perhaps at some cost, for example. But make it explicit, so you don't have to commit an illegal act by doing that, but you can have that as one of the policy options you choose. Again perhaps at some cost, if we want to put it that way, seems perhaps to make some sense.

And you know the way that the rules are begin currently written, the rules as they're currently written don't have these opt-out features for the most part. Their opt-out often time-lags in terms of when countries have to begin to come into conformity with more restrictive regulations. But the idea that countries should be able to come in and out of conformity with international rules—perhaps, again, at some cost, as they move in and out of the international regulatory system—hasn't been discussed very much.

But I think that's one way of ensuring that we have both innovation and coordination at least taken in turns in the international system. If we can't, that is, design a system that more directly mitigates the tension between these two.

**CHRISTIAN BARRY:** David Grewal, thank you for joining us on Public Ethics Radio.

**DAVID GREWAL:** Thank you very much. It's a pleasure to be here.