Europe's key task in the first half of this century, says Javier Solana, will be to help create a new system of global governance that can resolve the growing frictions in our increasingly interdependent world.

When the European Union celebrated its 50th birthday earlier this year it also marked a half-century that has seen Europe transformed. This continent so long plagued by wars and confrontation has developed into a community of peace, democracy and prosperity. That we have stopped killing each other and starting to work together did not happen by itself. We built strong institutions and a community of law to make the integration process withstand the ebb and flow of political moods and personality clashes. We learned the hard way that peace and stability require common rules and institutions, non-stop negotiations and a sense of compromise.

We haven't abolished nation states or their sovereignty, but we have changed their nature. Sovereignty is no longer expressed by an army at the frontier but by a seat at the table. These successes are worth cherishing, yet there is a great deal more to be done. The peaceful unification of our continent has been our great achievement, and now our main challenge is to act as a credible force for good. From a continental agenda, we should move to a global agenda. From building peace in Europe to being a peace-builder in the world.

With respect to Europe's global role, there is much that we have already achieved. Instead of just sending out a communiqué two weeks after a crisis we have expanded our capacity to respond to crises in real time. We have developed sophisticated crisis management concepts that bring together civilian and military instruments. We have forged a common strategic culture that enables us to respond early, rapidly and where necessary, robustly when a new crisis erupts. In short, there is a European way of looking at international problems and a shared doctrine on how to resolve them.

In the years ahead, we will have sharpened our crisis management performance in a more demanding security environment. But beyond crisis-management we will also have to devote time, energy and resources to addressing longer-term challenges. Perhaps the most important of these will be to safeguard the capacity of the global system.

If truth be told, the global system is in a poor shape. What we are seeing is a growing mismatch between our security and economics, which are increasingly global in nature, and our politics which often remain national.

Few today would dispute that in a global, interdependent world, solutions to problems have to be forged at a global level. But the gap between this demand for 'global governance' and its supply is growing. Instead the multilateral system is under severe stress. Some of the old regimes on issues like nuclear non-proliferation are suffering from polarisation and distrust. On some of the new issues, such as cyber-crime or new forms of terrorism, attempts to build regimes, rules and institutions are still incomplete.

A key task for Europe for the next 50 years is therefore to protect and develop a system of strong institutions able to tackle the problems of a new age and to progressively build a rules-based international order. We will have to do so at a time when the world is moving to a system of
continents. Hence, Europeans will only be able to project and protect their interests if they are united.

Global governance is an awful term but a vital concept. We need it because of a simple reality: interdependence. We live in a world where people, goods, ideas, money, threats and opportunities move at a global level and at increasing speed. What happens half-way round the world, in Afghanistan, Gaza or the Democratic Republic of Congo affects our own security and prosperity. Globalisation offers millions of people a chance to live longer, healthier and better lives. But it has also unleashed forces that governments can neither control nor stop.

We are all familiar with the list: terrorism, nuclear weapons' proliferation, climate change, poverty, pandemics, failing states. None can be solved by a single government acting alone. So the question is: how do we organise this globalised world? And especially how do we tackle the dark side of globalisation?

On the whole, our capacity to analyse problems is good. But even when we agree on what has to happen – take Israel-Palestine or Sudan/Darfur – we still don't manage to translate that consensus into results on the ground. It is worth analysing why this is so. For that it is necessary to first explore how what we call "the international system", came about.

After the failure of the League of Nations and the horrors of World War II people were ready to try something new. The multilateral system built after 1945 was revolutionary in design. Its organising principle was that peace would be ensured through co-operation based on rules. This was something new. For centuries, international order had been maintained through a combination of the balance of power and empires. For periods this worked, although never for long and always at great costs.

After 1945, we instead built a system based on rules and strong institution. Of course, power, national interests and international rivalry had not been abolished. That would have been naïve and unworkable. But the defence of national interests was channelled through institutions. And the management of rivalries was made subject to written and unwritten rules.

The US played the leading role in shaping the system, and to do so was a deliberate and far-sighted choice. It is striking that Dean Acheson's memoirs are called "Present at the Creation". The US underwrote the system but agreed to be bound by it too.

Over time, the multilateral system developed, extending its functional scope and geographic reach. In Europe, a successful sub-system emerged with the Coal and Steel Community and later the European Economic Community. Most striking here were the supra-national aspects. These demonstrated that the Europeans were willing in carefully defined areas, to go beyond the pure inter-state paradigm.

It is almost impossible to exaggerate how important this start of the integration process has been – both for Europe but also the history of international relations. All in all, this post-1945 international order worked very well. It helped to prevent the cold war from degenerating into a global war; and it promoted the political and economic integration of the West.

But today the international system is creaking because the world it was built for is no more. There are several reasons for this.

First, new problems have been emerging that the system was not meant to address. In the 19th century, the problems that industrialisation brought about were solved through a series of state interventions: from safety standards to sewage systems to banning child labour.

We now have to ask ourselves: what structures, beyond the state, do we possess that can help resolve the big problems of our times? We are dealing with complex security challenges that defy
traditional ways of operating, ranging from global warming to "new identity politics" to cyber-crime.

We also have to see the connections between different threats. In many ways, the Darfur conflict is the first time we have been made aware that a war is caused by climate change – and it will not be the last. So we need more integrated strategies to address these problems. In the old system, everyone was doing their own thing in their own corner. We now know that we must bring together the different worlds of soldiers, diplomats, judges and development experts.

More fundamentally, the system is not working because power is shifting within our political systems: to the media, to markets and above all to individuals. Gone are the days that governments, and with them political elites, could set the agenda and by themselves deliver the solutions.

These days, there is less obedience. Who wants to be a follower if you are constantly told you can be what you want to be? It is striking that in Britain, the slogan for the recruitment for the army has changed from "Your country needs You" to "Be all you can be".

Power is also shifting between political systems: ebbing away from the West to new powers like China, India, Brazil, South Africa. It has almost become a cliché to point to the emergence of new political centres of power.

And finally, from the US we have seen a tendency to make its engagement in the multilateral system more selective. In recent years, the US has been more narrowly focused on short-term priorities and less willing to seek deeper trade-offs with other countries.

What are we to do? The first requirement of a more effective global governance is that the US should play an active and constructive role inside the system. I have a sense that in the US the tide is turning in favour of those who argue that working through multilateral organisations is the best way to get lasting results.

More broadly, we need to make space at the top table. Take the G-8. At present it does not really work effectively. If it is to become more effective it needs to be more representative, and that means changing its membership.

Why not make it a G-10 in which the ten major countries are represented based on a composite index of international weight (GDP, aid, soldiers and civilians deployed on peace support missions)? This would not only bring China and India in but also keep some current members on their toes...

Equally, we should make space at the UN Security Council for the new heavyweights. In turn, the new powers should keep in mind that with greater global influence comes greater responsibilities. And to strengthen regional co-operation, could we at some point in the future have (semi)-permanent seats at the UNSC for Great Powers and regional organisations?

I am convinced that we need stronger regional organisations: the African Union, ASEAN and various Latin American structures. I also wonder whether the Middle East region will remain the big exception: over-armed, under-institutionalised and rife with tensions.

Then we will need to develop new bargains, balancing the interests of all relevant stakeholders. Good examples are the environment and climate change. Or on forms of dialogues between cultures.

Sometimes we also need to be more serious about upholding our side of the old bargain. Take non-proliferation. If we want to be credible on preventing the spread of weapons of mass destruction (WMD), we have to take the disarmament side and technology transfer sides of the bargain more seriously.
In addition, the multilateral system should not only address our immediate concerns. When we talk about non-proliferation we mostly mean WMD. But for many African or Asian leaders the most urgent proliferation problem is that of small arms and light weapons.

Above all, we must re-learn that the biggest shift in history came when we extended the rule of law. First within states and now, gradually, between them. This gradual extension of the international rule of law has provided enormous benefits: taming the passions of states but also providing a legal framework to guide and regulate many cross-border activities. We should step up what we are already doing both regionally and in Europe, but also globally on such aspects of international life as the WTO's dispute settlement system or the International Criminal Court. We have to extend both the geographic and functional reach of the international legal system.

To organise our increasingly globalised world, we in the West need to share power with new players, re-think power beyond the state paradigm and tame power by extending the rule of law internationally. And along with making the system of global governance more effective, we also need to make it more legitimate.

One big problem is that we all know that we live in a globalised world, but our politics remain local or national. This is a problem for those, like me, who are convinced that the world needs more global-level, multilateral co-operation. For I am also a democrat in believing that power has to be accountable. So the question becomes: how do you make global governance more effective while making it also democratically accountable?

A key benefit of acting multilaterally is legitimacy, which in turns enhances effectiveness. Once again, this means bringing in new centres of power. But legitimacy also means bringing our publics along. If decisions are increasingly taken at the international level, people have to see these as legitimate.

We therefore have two imperatives: to create greater effectiveness in global governance but also to uphold democratic legitimacy. To do so will be difficult as it requires new ideas and a sense of compromise. But I really see no real alternative.

What we are talking about is a global social contract, and some 250 year ago the French "enlightenment" philosopher Jean Jacques Rousseau got it right in his toweringly influential work "The Social Contract", in which he wrote: "The strongest is never strong enough to be always the master, unless he transforms strength into right and obedience into duty."