

CHAPTER 3

Global Governance, the Sustainability of International Institutions and the Potential Role of University-based Research Institutes

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INTRODUCTION

Given the complex interdependence of our contemporary world, the challenges of global governance are exceedingly daunting. The task is made all the more difficult because most of the international institutions we still rely upon to manage contemporary global challenges were originally created and designed more than 60 years ago. They were profoundly state-centric in their governance and design, and they were created with very specific purposes in mind. Although they have constantly adapted themselves to maintain their relevance and enhance their activities, institutional change and reform are highly uneven and rarely follow a linear or coherent pattern. Some institutions have proven more adaptable than others.

In the sections that follow, I will first define what I mean by global governance (and articulate criteria for evaluating the quality of governance). Second, I will describe the differential capacity of leading economic and political institutions to adapt to core institutional challenges and sustainably

reform their governance. I will conclude with some reflections on the potential role of the university-based, policy-oriented research institutes in both governance and sustainable institutional reform.

CONTEMPORARY GLOBAL GOVERNANCE

Global governance is a permissive concept. Like globalization, with which it is often associated, the frequency with which global governance is invoked in the scholarly literature and in policy practice far exceeds the number of times it is precisely, carefully, or consistently defined. As a result, the term “global governance” is applied to a wide variety of different practices of order, regulation, systems of rule, and even to simple patterned regularity in the international arena. The term “global governance” is permissive in the sense that it gives one licence to speak or write about many different things, from any pattern of order or deviation from anarchy (which also has multiple meanings) to normative preferences about how the world should ideally be organized.

Scholars and policy-makers alike make frequent references to global governance without specifying precisely what they mean, so to add focus to these important discussions, I would like to make four general observations about the nature and meaning of contemporary global governance. This is done not to foreclose debate and discussion about global governance, but to clarify some basic terms, specify their conceptual scope and identify their most appropriate application and implications.

First, we should not think about global governance in the singular or talk about it as a unitary phenomenon. *There is no single, unitary or dominant form of governance in today's world.* The way the global financial system is governed — whether by the G-2, the G-7, the G-8, the G-20, the international financial institutions, or the Basel accords — is profoundly different from the way international security is governed. Security is arguably governed by regional spheres of influence, a variety of different forms of political security community, and the predominance of, and ongoing negotiations among, the Permanent Five (P-5) members of the U.N. Security Council when it comes to the determination of what constitutes a contemporary threat to international peace and security. Global environmental and global health issues are governed by a complex variety of governmental, intergovernmental, and nongovernmental actors (including a number of important private sector actors). Indeed, the governance of domain names in the Internet is largely provided by private, non-state actors, though this is increasingly being contested by states and intergovernmental organizations.

Thus, when we talk about the concept of governance in the global domain, we should not think about global governance as if it were a single or unitary system. There are multiple, overlapping, and at times, even contradictory

systems of governance operating in different issue domains across the globe today. Even within a single issue domain — such as international security, international political economy or the global environment — there are multiple systems of governance in operation. Consider, for example, the nature of governance in contemporary global counter-terrorism efforts. There are different governance arrangements for countering the financing of terrorism, for intelligence sharing, and for strengthening efforts to keep nuclear materials out of the hands of groups engaged in committing acts of terrorism. In some ways these efforts are mutually reinforcing. In other ways, they are duplicative, offer opportunities for forum shopping (where individual actors can select the forum most conducive to their narrow self-interests), or are sometimes even contradictory of one another.

Even in the period of most significant U.S. hegemony immediately following the end of World War II, there were a variety of alternative forms and players in (as well as resistances to) the governance of different issue domains. The Soviet Union and the Eastern bloc opted out of the system of governance established under the auspices of the Bretton Woods institutions following the end of World War II, just as they stayed out of the European regional security system and resisted efforts to engage in collective action under U.N. auspices. Today there are simultaneously many different forms of governance co-existing with one another, with different institutions, different operational bases and different participants for different issue domains.

Contemporary governance arrangements are overlapping and interpenetrating, but at the same time, they can also be fragmented and diffused. One of the contemporary challenges to global governance is determining whether the density of governance arrangements facilitates or inhibits the purposes of (sometimes defined in terms of the collective goods provided by) different governance arrangements (Busch, 2007). The different worlds of global governance often tend to be relatively “small” worlds of specialized practitioners operating trans-governmentally (Slaughter, 2005), and working in certain instances to form transnational policy networks in conjunction with dedicated NGO activists and highly specialized, policy engaged (and informed) scholars. As discussed below, this can create both opportunities and challenges for University-based, policy-oriented research institutes.

Second, *it is important to try to define precisely what we mean when we invoke the term “global governance”*. Global governance is often defined in terms of what it is not — neither a unitary world government or world state nor the disorderly chaos and anarchy associated with a Hobbesian “state of war of all against all”. It is constructive to think about global governance as an intersubjectively recognized, purposive order at the global level (Biersteker, 2009). It is a purposive order which defines, constrains and shapes actor expectations and conduct in an issue domain. Its varied purposes might be to manage

conflict, to facilitate cooperation, to reduce uncertainty, to procure resources, and/or to address widely perceived collective goods problems.

Governance connotes a *system of rule* or rules that operate on a global level. These rules can either be formal and embodied within formal institutions or they can be informal and reside inter-subjectively among a population or a set of key institutional actors. Global governance entails decisions that shape and define expectations (“controlling, directing, or regulating influence”) at the global level. There can be different degrees of institutionalization associated with different forms of governance, and there is much debate about whether formal or informal institutions (or some combination of the two) are necessary for governance. It is not required, however, that these rules be universally recognized as legitimate, but only that they be widely shared, recognized and practised on a global scale (on multiple continents) by relevant and important actors. Most actors tend to be norm takers, rather than norm makers.

There are two elements of this conception of global governance that should be emphasized. One is that global governance entails a social relationship between some authority and some relevant population that recognizes and acknowledges that authority as possessing a certain degree of legitimacy. Governments can persist without widespread popular support, but governance requires the performance of functions necessary for systemic persistence. Governance should not be equated with government, but with the functions of government (Rosenau, 1992). The other element is that governance can exist in the absence of an easily identifiable agent deliberately governing. The word “governance” is derived from the Latin word *gubernare* (which means both “to steer” and “to regulate”) (OED, 1971:1182). While governance typically connotes some agent who *steers* the process in most of the scholarly discourse and much of the popular discussion of the phenomenon, it also allows for *self-regulation*. In this sense, a market or set of market mechanisms can be said to govern, be allowed to govern, or be relied upon to govern in some domains. The market can be constituted as authoritative by the public statements (speech acts) of leaders of important states and private institutions when they suggest that they are “governed” by its behaviour.

Third, *not all systems of governance are necessarily “good” or normatively desirable*. A great deal of discussion of global governance implicitly assumes that governance is normatively a good thing. This is, at least in part, because there has been so much attention to “good governance” in the domestic realm. The global governance literature in general (for reasons already cited above) often assumes that governance and order, as opposed to anarchy and chaos, must inherently be normatively a good or desirable thing. But this is not necessarily the case. An issue domain can be governed poorly, but it is governed nonetheless. Thus we should turn our attention to articulating normative criteria for evaluating the quality of governance.

Global governance can and should be evaluated according to a number of different normatively derived, defended and distinguishable criteria. First, how *inclusive* is a particular system of governance? Are all significant populations of the world included in the system of governance? The United Nations provides an institutional venue for an inclusive system of governance, with participation of 192 Member States. The emergence of G-20 as an institutional venue is an improvement over the G-7 or G-8, but it is still far less inclusive than the U.N.

Second, and related to the first criterion, how *representative* is the system of governance operating in a particular domain? It is one thing to be inclusive, but quite another to be genuinely representative, something which has significance for the broader legitimacy of the system of governance. Whether different populations are able to express themselves and influence the core agenda is an important basis for determining how representative a particular governance arrangement turns out to be. The quality of the U.N. as a venue for security governance is more limited than it is for other issue domains, since the U.N. Security Council (which has the power to determine what constitutes a threat to international peace and security) is dominated by the five permanent Member States who possess a veto in its deliberations.

Third, a system of governance can be evaluated on the basis of its *adaptability*. That is, can it accommodate changes of power distribution and/or normative developments over time? The system of global security governance under the U.N.'s auspices has not proven to be particularly adaptable, given the fact that Security Council membership reform remains deadlocked over ways to accommodate significant changes in the global distribution of economic, financial and military power of Member States. The U.N. Security Council has done a relatively better job in adapting to normative change, as it has altered its conception of threats to international peace and security over time to accommodate post-Cold War challenges to peace. It also joined the U.N. General Assembly in altering the operational meaning of state sovereignty, by including the contested norm of the "responsibility to protect" among the rights and responsibilities of sovereign states. It has also added transnational crime, violence against women and environmental degradation to its growing list of contemporary threats to international peace and security. More generally, the U.N. system has served as an important arena for the articulation of new normative concerns, from the rights of women and children to concerns about the global environment. It is somewhat ironic, but important to note, that international organizations tend to be more adaptable (concerned, as they are, with their own institutional survival) than many prevailing global governance arrangements.

Fourth, governance can and should be evaluated according to its *efficiency*. Whether a particular governance arrangement is able to provide public goods

that cannot be delivered at the domestic level or by other institutions at the regional, transnational, or global level is an important consideration, as is whether they do so at a relatively minimal, or sustainable, cost to participants and potential beneficiaries of a system of governance. The efficiency of a governance arrangement is important, because as defined above, governance requires the performance of functions for its continuation and persistence in order to maintain its legitimacy. Greater efficiency is associated with greater public legitimacy.

Fifth and finally, the *fairness* of a governance arrangement is a critically important aspect of the quality of governance in a particular domain. The extent to which a particular governance arrangement is equitable in terms of the distribution of goods and services, and/or the extent to which it is equally accessible in terms of due process for those who are affected by, or who might wish to challenge the governance arrangement, are both key aspects of fairness and thus important for assessing the quality of governance overall.

At a minimum, different global governance arrangements can (and should) be compared and evaluated over time according to these five (and possibly other) criteria. Not all governance is good governance. Indeed, there may be some instances in which poor governance may be worse than no governance at all.

Fourth and finally, although the realm of global governance has traditionally been occupied predominantly by states and intergovernmental organizations, *a variety of different institutional actors, particularly non-state actors, are increasingly playing a salient role in contemporary global governance*. They articulate alternative forms of governance, play active roles in formulating agendas, create spaces where a purposive order of authoritative sets of rules can be articulated and established, and generate ideas that governmental and intergovernmental actors act upon.

At times, the “authority of expertise” of some of these actors enables them to play an active role in governance itself (Hall & Biersteker, 2002:14). The independent assessments of non-governmental human rights organizations are important for evaluating (and potentially challenging) existing inter-governmental governance arrangements routinely conducted largely by states. The “good cops” of the U.N.’s Human Rights Council (peer Member States) are able to counter the “bad cops” of human rights NGOs in their assessments of human rights violations, sometimes softening the assessments and facilitating face-saving negotiated reforms. The evaluations of private bond rating agencies are also significant, as indicated by the 2011 down-grading of U.S. debt by Standard and Poors.

Non-governmental actors also participate in a variety of different transnational policy networks. They are not found in the form of governance provided by “the international society of states” and are largely invisible in the

governance arrangements provided by an individual state's hegemony or by many international regimes, but they are often principal players in the production of international norms and institutions. It is here, as discussed below, that research university-based research institutes can occasionally play a role in contemporary global governance.

THE SUSTAINABILITY OF EXISTING GLOBAL INSTITUTIONS

Most of the international institutions that participate prominently in contemporary global governance were created in the middle of the last century, at the conclusion of World War II. The United Nations, the IMF and the World Bank were all formed during this period and accordingly reflect the ideas, the interests, the concerns and the identity of the Great Powers that emerged victorious in 1945 (particularly the U.S., U.K. and to a lesser degree, France). The U.S. tried to engage the former Soviet Union in the post-war order, but the Soviets largely opted out of active participation in any but the principal security organization, the U.N. Security Council. The world, however, has changed dramatically in the last 65 years, and one of the principal challenges facing these institutions today is their sustainability — namely, whether and how they will be able to adapt to and accommodate the emergence of new powers.

A widely cited Goldman Sachs International report in 2003 estimated that “over the next 50 years, Brazil, Russia, India and China — the BRIC economies — could become a much larger force in the world economy” and that, by 2025, could equal over half the size of the G6. Adaptability was identified above as one of the criteria for evaluating the quality of global governance, and how the international system and international organisations are able to accommodate the emergence of these four countries will indicate a great deal about the sustainability of these organizations, about the governance role they continue to provide, and about the order(s) they reinforce.

Three or four decades ago, an essay on the geopolitics of the emergence of new powers would invariably have focused on power transition and hegemonic succession, with a search for which among the emerging powers would likely be the single country to challenge the continuation of U.S. hegemony, namely the former Soviet Union, Europe or Japan. The analysis would be couched in state-centric terms, and a principal concern would have been whether major inter-state war could be avoided. Two decades ago, a comparably themed essay would have focused on the temporality and sustainability of American unipolarity. The military expenditures gap between the U.S. and any potential challenger today remains extremely large and has even expanded technologically in recent years. At the same time, however, the global security agenda has been complicated with the inclusion of a variety of