



KATHOLIEKE UNIVERSITEIT
LEUVEN



**Global Governance Opinions
November 2011**

BROOKINGS INSTITUTE GLOBAL GOVERNANCE AUDIT

Sven Van Kerckhoven
Haye Hazenberg

(This opinion is part of the Brookings Institute Global Governance Audit and has been published as such on the website of the Global Policy journal (<http://www.globalpolicyjournal.com/brookings-audit/global-governance-challenges-and-achievements>)).





Sven Van Kerckhoven

Research fellow and Phd Candidate at the Leuven Centre for Global Governance Studies.



Haye Hazenberg

Research fellow and Phd Candidate at the Leuven Centre for Global Governance Studies

Over the past 20 years, global interdependence has reached unprecedented heights. National sovereignty has concurrently been watered down, and through what we now call 'global governance' both state and non-state actors have started sharing responsibility in coordinating and solving collective action problems. In this audit, we will attempt to qualify the achievements of global governance, and try to point towards some long-term goals and obstacles.

The most obvious achievement in global governance is the peaceful rise of the BRIC's. Roughly a billion people have been lifted out of poverty without causing major international turmoil. Destructive nodes left behind by the Cold War in the Pacific, the Middle East, the Caucasus and Latin America did also not generate mass conflicts. Earlier similar jumps out of poverty on the European and American continents often coincided with major revolutions, repressions and havoc. Arguably, the system of global governance made a difference this time and posed an important constraint on the behaviour of elites and global leading nations. While there was a violent confrontation between Al-Qaeda and the West on 9/11 and a tenacious subsequent string of retaliatory conflicts, the recent Jasmine revolutions showed that the Arab people do not support the kind of violent behavior promoted by extreme Islamist groups. The caution of and the partial retreat from the West in Middle Eastern countries, as well as the recent coordinated effort to strike at Gaddafi, add to the thought that global cooperation efforts tend to avoid mass violent conflict in difficult times. The absences of conflict in recent decades in big parts of Europe provide another example of how integration and growing interlinkages deter countries from engaging in violent confrontations. For precisely this reason we would like to see a deeper integration of the African continent in the world economy, as peace there is hardly sustainable.

The 'openness' left behind by the collapse of the Soviet-Union was furthermore maintained, so that non-state actors could enter the international scene. Associations of all kinds, such as corporations, regulatory bodies, advocacy groups and international courts started to flourish outside the confines of national consciousness. This evolution has been enhanced by the intensification of global communications, where consumer technology and the internet are now shared globally. This is a significant evolution because it has put the need for a strong global sovereign in finding solutions to collective action problems in a different light.

We would however like to see three further breakthroughs for global governance in the next 5 to 10 years. The first is a more equal spread of global development. While absolute poverty has dramatically decreased over the past 20 years, inequality has grown tremendously. From a global perspective, the least developed countries are continuously losing terrain to fast-growing economies. Rather than falling behind, these countries risk falling outside of the global economy. And even within countries, inequality is exploding. In countries as diverse as India, China and the United States, the poor are caught in a trap, for which there is no easy exit. Although balancing growth and distributive justice is a difficult exercise, global governance should urge countries to undertake such an exercise.

The second urgent breakthrough needed for fostering global governance is to reduce greenhouse gases in the atmosphere and halt global warming. Our temperatures are still rising while biodiversity is decreasing at a dangerous pace. The oceans and jungles are losing biological richness, and the Arctic is still on schedule to be without ice by the year 2100. Some small island states and countries are already feeling the heat, as they are slowly turning into either deserts or water parks. These threats of global warming are created by human activity, and solutions lie within our reach. Taming the problem with cap-and-trade regimes has proved to be a feast of perverse incentives, so governments should step in more forcefully to internalize damaging energy policy externalities. The main problem is that even climate change has distributive consequences, hitting some harder than others. And while energy subsidies have enabled the quick growth of new industries, now that these industries are becoming mature it is time to enhance the energy tax systems. More energy taxes instead of more energy subsidies should be among the global priorities. Taxing the polluters will give a stronger incentive for these polluting industries to refocus their activities while at the same time increasing tax revenues. We should not let water scarcity and climate change increase the risk of violent conduct, both between as within states. Without action, such a situation might arise sooner than we think.

In order to achieve a more equal spread of global development and a reduction in greenhouse gases, we would thirdly like to see global cooperation become more representative. Being unable to take into account the interests of people living in weak or failed states is not only a failure of the domestic system, but even more so of the global governance architecture in which these people only have a minor say. If NGOs or companies move into political vacuums, they become the

designated representative agencies whether they like it or not. Like states, their accountability is not only to their donors or customers, but also to the people in the area as well as to the international community. Furthermore, if financial institutions such as the Euro or (parts of) the banking system represent a collective interest, they should be held collectively accountable. In the US this means a stricter regulation of Wall Street, and in the EU stricter control over the integration process by the European Parliament.

In order to address these challenges, plenty of obstacles to the development of global governance and global cooperation need to be overcome. Primary among them is nationalism. National interests still often block collective solutions, as proven by the WTO Doha Round and the Copenhagen negotiations, and there are signs that nationalism is on the rise once again. Different national or local preferences (often amplified by strong lobbies), make states less inclined to give in, reducing the possibility to come to a globally superior outcome. A positive note and a proof that countries can overcome this obstacle is the reform of the IMF, where developing countries are slowly gaining more power. Yet, the doubt whether this reform is too little and too late continues to prevail. It is furthermore troubling that civil society and national media often neglect the international scene. Objective information and international watchdog NGOs hold an enormous potential to increase the public awareness of the global scene. Citizens should know what their country does at the international level. Overcoming this obstacle means discovering benign forms of nationalism that remain open to supranational decision-making and to internal minorities. This involves a precarious balancing act between the local pull of democratic decision-making and the global pull of human rights governance. At present there is unfortunately an unwillingness by leaders to look beyond the national interest, but also unwillingness by many internationalists to recognize the integrity of communities and their commons.



The **Leuven Centre for Global Governance Studies** is an interdisciplinary research centre of the Humanities and Social Sciences at the Katholieke Universiteit Leuven. It was set up in the Spring of 2007 to promote, support and carry out high-quality international, innovative and interdisciplinary research on global governance. In addition to its fundamental research activities the Centre carries out independent applied research and offers innovative policy advice and solutions to policy-makers on multilateral governance and global public policy issues. In 2010, the Centre has been recognized as a 'K.U.Leuven Centre of Excellence'.

The Centre brings together talent from throughout the University. It operates on the basis of co-ownership and the strong conviction that interdisciplinary research creates added value to resolve complex multi-faceted international problems. The Centre promotes pioneering projects in law, economics and political science and actively initiates and encourages interdisciplinary, cross-cutting research initiatives in pursuit of solutions to real world problems. The cross-cutting initiatives are thematic projects around which University researchers join forces across disciplines to forge responses to complex global challenges. The cross-cutting initiatives address critical issues in relation to globalization, governance processes and multilateralism, with a particular focus on the following areas: (i) the European Union and global multilateral governance; (ii) trade and sustainable development; (iii) peace and security, including conflict prevention, crisis management and peacebuilding; (iv) human rights, democracy and rule of law; (v) non-state actors and global governance and (vi) space governance.

In full recognition of the complex issues involved, the Centre approaches global governance from a multi-level and multi-actor perspective. The multi-level governance perspective takes the interactions between the various levels of governance (international, European, national, subnational, local) into account, with a particular emphasis on the multifaceted interactions between the United Nations System, the World Trade Organization, the European Union and other regional organizations/actors in global multilateral governance. The multi-actors perspective pertains to the roles and interactions of various actors at different governance levels, these include public authorities, non-governmental organizations and private actors such as corporations.

For more information, please visit the website www.globalgovernancestudies.eu

Leuven Centre for Global Governance Studies

Huis De Dorlodot, Deberiotstraat 34, 3000 Leuven, Belgium

Tel. ++32 16 32 87 25 Fax ++32 16 37 35 47 info@ggs.kuleuven.be

