

International Organisations and Development

Global governance Lesson II

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International organisations and the state

- In the past, most of the IOs have been formed by sovereign states to provide cooperative solutions to various international problems without transforming, or even significantly affecting, the foundation stone of the international system: the **sovereign state** itself as the sole location and source of legitimate political authority.
- The main exception to this model is the **European Union**, whose members have pooled a limited measure of sovereign power in the common institutions of the Union, but even in that case, states retain the capacity to withdraw from the Union should they choose to do so, leaving ultimate authority in the hands of the states.

Toward a global governance?

- With increasing emphasis since the end of the cold war, a structure of **global governance** has been emerging alongside the globalisation of international economic relations.
- There are varying opinions about the extent of global governance: some restrict it to the trade and financial sectors, others discern elements of governance in issue areas such as the environment, security, human rights, and communications.
- Some see global governance as the **end of the state**, others envisage a '**neomedieval**' order in which authority is dispersed among many agents: states, markets, transnational corporations, IOs.

Definition of global governance

- The term **global governance** denotes a broader, looser conception of political authority than **government**.
- **Government** is identified with executive agencies with generally accepted legitimacy and with coercive capacities to enforce compliance with their edicts, a combination of characteristics which is absent at the inter-state level.
- **Global governance** *is a set of processes and institutions, both formal and informal, that guide and restrain the collective activities of a group* (Keohane and Nye 2020).
 - The 'group' in this case is *any interlinked network* in some specific issue area that operates globally.
 - Both the members of the network and the agencies of governance may include actors other than states, such as transnational corporations and nongovernmental organisations.

Contextualizing global governance

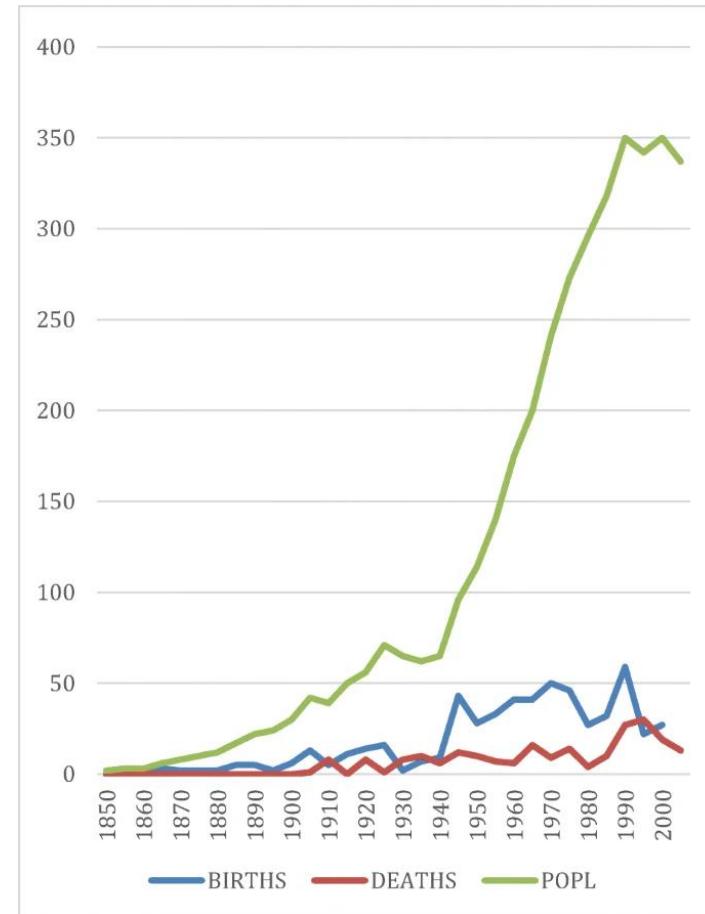
- Main **constitutive aspects of global governance**: Law, power, authority and agents (compared to government, democratic legitimacy is a much weaker aspect!).
- The above constitutive aspects may be present either as formal (e.g. World Trade Organisation, International Monetary Fund) or informal structures (e.g. collaborative intergovernmental groupings, private-sector associations, domestic laws of leading states) all of which contribute to the regulation of global issues.
- Whether formal or informal, global governance will be characterised by:
 - (i) the existence of *a normative foundation*, or a shared understanding of desired objectives and standards of conduct relevant to a specific subject;
 - (ii) *agreed rules* that seek to operationalise (and even give juridical shape to) the normative foundation;
 - (iii) *a regulatory structure* to monitor and enforce compliance with (and determine changes to) the rules and to resolve disputes.

Global governance organisations: some examples

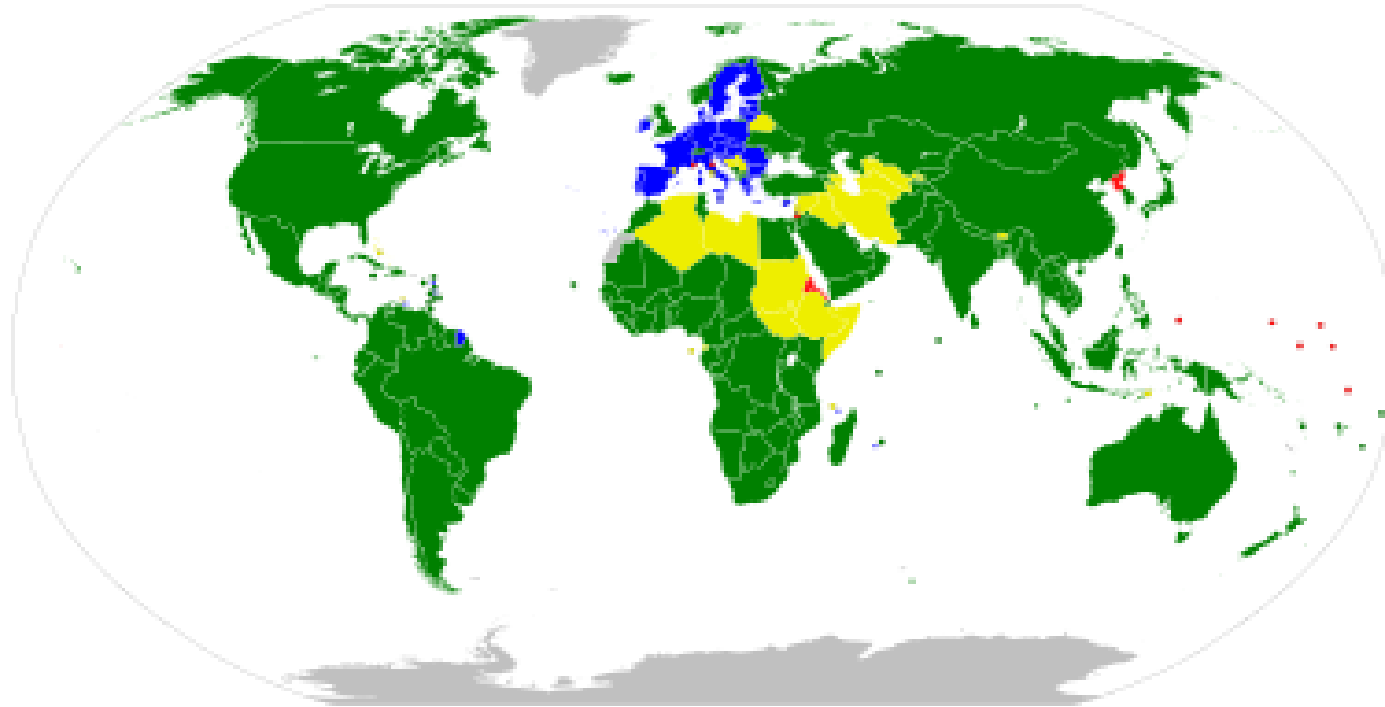
- A vast number of national, intergovernmental and private-sector agencies, as well as market regulatory structures are involved with global governance.
- Some examples include:
 - the WTO
 - the IMF
 - the World Bank
 - the Group of Seven (G7), which became the Group of Eight (G8) when Russia became a member in 1997–8
 - but also the International Criminal Court (human rights), the World Health Organisation, the United Nations Framework Convention on Climate Change (responsible of the Paris Agreement) etc.

The Yearbook of International Organisations

- The *Yearbook of International Organizations* includes detailed information on about 75,000 international organisations from 300 countries and territories, about 42,000 of which are active organisations.
- Coverage includes intergovernmental and transnational non-governmental organisations.
- Approximately 1,200 new organisations are added each year.



An example: The World Trade Organisation



Members

Members represented by the EU

Observers

Non-members

Main criticisms to global governance and its organisations

- The organisations are instruments of powerful transnational corporations and international banking conglomerates .
- The structure is systematically weighted against the third world.
- It lacks transparency and democratic accountability.
- It is insufficiently sensitive to (and may in fact work against) environmental concerns.
- It undermines national sovereignty and creates dispersion of power.
- It is inefficient as there are too many agencies involved with too little coordination among them.
- It promotes inequality within as well as between societies.
- It damages human rights , particularly labour rights.
- The structural adjustment conditions imposed on developing countries inflict more harm than good and increase the dependence of developing countries on the powerful northern economies.