Addressing the Global Governance Deficit

Peter M. Haas
Professor
Department of Political Science
216 Thompson Hall
University of Massachusetts
Amherst, MA  01003

Ph 413 545 6174
Fax 413 545 3349
Email haas@polsci.umass.edu


Abstract

There is mounting concern about a global governance deficit for managing international environmental problems and sustainable development. This article reviews the proposals and justifications for reform, and suggests an alternative model of global governance based on diffuse networks of diverse actors performing multiple and overlapping functions. Some reform proposals are offered to improve the prospects of network-based global governance.

1. Based on a presentation to ECOLOGIC on 5 November, 2003 in Berlin, Germany. The paper was also presented at the Mershon Center, Ohio State University, Columbus Ohio on 22 April 2004, and at Wellesley College 1 May 2004. My thanks to Andreas Kraemer and the participants at the dinner presentation organized by the Heinrich Boll Foundation at which these ideas were further discussed, and to M.J. Peterson,Craig Murphy, and Jennifer Clapp for comments on the final written draft. For an elaboration of these arguments see Haas and Kanie 2004.
The Brundtland Commission report wrote, “The globe is one, but the earth is not.”\(^2\)
The challenge for effective governance is how to encourage governments to pursue comprehensive policies to achieve Sustainable Development within an international political context that has inhibited the pursuit of comprehensive and long-term goals. An international society of states founded on the principle of national sovereignty alone discouraged serious state attention to international environmental externalities. It suppressed the voices of those in ecologically threatened areas, often the poor within societies, and led states to ignore the global commons outside national jurisdictions. While developing countries have not been pollution havens for the rich, they do lack the ability to forcefully present their positions at international negotiations on sustainable development and environmental protection.

**Brave New World**

The contemporary international political system faces two new geopolitical realities, outlined below, that challenge the old geographical principles of national sovereignty.\(^3\) Consequently there is the potential for replacing the traditional dichotomous concepts of global governance organized hierarchically or anarchically\(^4\) with a network model of complex decentralized global governance. This networked model would be performed by multiple actors, whose interactive effects in practice would yield more effective global coordination and performance of major governance functions.\(^5\) This is a political project or vision of incremental multilateralism, as more parties become part of a growing project of globalization over which each has an interest and a say. Such an approach would establish the institutional mechanisms for promoting the beneficial features of globalization while minimizing the more egregious negative effects.

The first new geopolitical reality is the growing complexity of a globalizing world, whose management requires more holistic or comprehensive policies to address environmental externalities (a diplomatic term for ecological collapse) and to support sustainable development. Most international and national institutions were designed historically to address discrete problems, whereas the current globalized agenda consists of intertwined issues (or what organizational theorists term non-decomposable or partially non-

---

4. For two somewhat complementary views of organized anarchy at the international level see Bull 1977; and Oye 1986.
decomposable problems). Effective management of these new intertwined issues requires procedures for responsible agencies (either nationally or internationally, or states as a whole) to think about how their actions will affect the responsibilities of other autonomous agencies and how their policy domain may be affected by decisions taken in or by other bodies.\(^6\)

The second new geopolitical reality is the proliferation of new political actors and the diffusion of political authority over major governance functions, particularly in the environmental sphere. These new actors include NGOs, MNCs, organized transnational scientific networks known as epistemic communities, global policy networks, and selective international institutions that are capable of exercising discretionary behavior independently of the wishes of their dominant member states.\(^7\) These include, for example, UNEP, the World Bank since 1987, the ECJ, and possibly the EU Commission.

**International Reponses to Global Complexity**

Since 1972 there have been many efforts to design international institutions to better harmonize international decision-making to promote environmental protection, and, later, to promote sustainable development.\(^8\) The United Nations Environment Programme (UNEP) was established in 1973 to be “catalytic” and performed remarkably well with fairly scarce resources. It helped to develop a significant body of international environmental law, encouraged other international institutions to take account of the environmental consequences of their programmatic activities, and trained hundreds of developing country officials in techniques of ecological resource management.

But things have changed dramatically in the last 30 years with the spread of environmental consciousness and the proliferation of Multilateral Environmental Agreements (MEAs). UNEP is now under funded, overloaded and remote.\(^9\) It is relatively obsolete, eclipsed in resources and prestige by other international institutions that have taken on new environmental responsibilities, such as the World Bank, the EU for Europe, and even, to the dismay of many environmentalists, the WTO. Indeed many NGOs such as the World Resources Institute, Greenpeace and TRAFFIC have assumed some of the functions of global governance including environmental monitoring and policy verification.

---

5. For an elaboration of these arguments see Haas and Kanie 2004.
Recent years have seen several major reform proposals for redesigning the United Nations and Bretton Woods systems, which recognize these new political realities and address the perceived gaps in the performance of some key governance functions in the realms of environmental protection and sustainable development. In other words, these proposals identify a governance-deficit. The primary functions of environmental governance are presented in Table 1 below.

**Why Reform?**

Three broad arguments are provided for the need for such reform. The first focuses on redundancy and overlapping responsibilities and tasks amongst international institutions. These are presumed to be a bad thing out of a general rationalist impulse for simplification and centralization. There is seen to be the result of inefficient use of scarce resources by competing international institutions, and the logistical difficulties faced by small bureaucracies who have to attend and prepare for too many meetings at the institutions and the MEA Conferences of Parties. For the rationalist redundancy, inefficiency and logistical difficulties constitute profound impediments for effective international governance. I find this argument unpersuasive because I think that some degree of redundancy is actually desirable in the international system, as it provides insurance against the decline of any individual international institution and fits better with an ecological institutional design vision of requisite diversity. Moreover, redundancy provides for more contact and linkage between institutions. If the governance deficit is due to performance gaps then responses should be addressed through capacity building. If the governance deficit is due to redundancies between international institutions then responses should await a clear inventory and assessment of the performance of vital governance functions.

The second argument is a straightforward efficiency argument. More activities could be conducted if there was less competition for resources between organizations. I find this unpersuasive because it would have the effect of consolidating political influence in the international system in a smaller number of major IOs, increasing the possibility of political capture and the actual decline in the efficient use of financial resources due to capricious national budgetary cycles, as has been a recurrent problem for UNEP. If the governance

---

deficit is simply a problem of UNEP’s resources, then it should be elevated to UN Specialized Agency status and given more money.

The third argument is the need for a strong environmental presence in the international system, especially as an environmental advocate at the WTO, or as a counterweight to the WTO in trade and environment disputes. I find this argument persuasive but it is not clear that a counterweight to the WTO’s presumptive bias towards trade liberalization over environmental protection in its trade and environment arbitration decisions requires the creation of a massive countervailing institution, particularly since the WTO’s recent dispute panel record has upheld some environmental protection in its decisions, such as the protection of sea-turtles.\textsuperscript{11} Rather, as I argue below, such a counter-weight can be more pragmatically pursued through institutional reforms that amplify environmental voices within WTO trade and environment dispute resolution panels. This is largely because the political will behind the creation of a mammoth new international organization is clearly lacking in the US, which would have to be largest funding source for such an institution. Moreover, the organizational design of a powerful centralized body is poorly suited to deftly coordinate complex decentralized tasks.

Proposals for Reform

The most ambitious reform is the creation of a Global Environmental Organization, or World Environmental Organization. This idea has been proposed most forcefully by the German Advisory Council on Global Change, the German academics Frank Biermann and Udo Simonis, and Dan Esty and the Yale Center for Environmental Law and Policy.\textsuperscript{12} Chancellor Schroeder and President Chirac have publicly supported this initiative, although it has absolutely no support in the United States government. The US remains selectively committed to most elements of multilateral environmental diplomacy, despite its reversal on the Kyoto Protocol, but it is not interested in potentially expensive institutional reform or the creation of new international institutions until 2005 at the earliest.

A more modest suggestion came from the 1997 Task Force on Environment and Human Settlements, which, not surprisingly, has been adopted by UNEP’s Governing Council. It suggests strengthening UNEP by elevating it to a specialized agency (and thus

\textsuperscript{11} DeSombre and Barkin 2002; and Williams 2001.
being entitled to a fixed and regular budget) and by improving its ability to coordinate activities with other specialized agencies. However, no clear guidelines were given about how such coordination was to be achieved in the absence of strong political will by member governments or the heads of the agencies. France is currently circulating a slightly more comprehensive proposal for a strengthened UNEP that would conduct more scientific activities without shedding any of its present responsibilities. It is doubtful that there is much US government support for this proposal, or much concern by the US electorate. Positions outside the US have not yet been clearly formulated.

Global Ministerial Environment Forums have been meeting in conjunction with the UNEP Governing Council since 1998, and the Sixth Special Session of the Governing Council/Global Environmental Environmental Forum issued the Malmo Declaration calling for strengthening general international environmental governance, along with the deeper institutionalization of the Global Ministerial Environment Forums. These are essentially a periodic set of summits for environmental ministers. While such high-profile meetings are good way to encourage the adoption of high-sounding commitments when the domestic climate is favorable in the major countries, they lack any ongoing administrative abilities or institutional memory for how to conduct effective multilateral environmental diplomacy.

These proposals constitute an overly narrow conception of potential responses to the governance deficit. UNEP reform still puts too much reliance on a small and remote organization. Yet there is no political future for eliminating UNEP, because developing countries insist on having the headquarters of a UN agency in a developing country. The question then is what to do with UNEP, since it is currently overstretched.

On the other hand creating a new centralized GEO appears utopian, given the lack of political will in the US and abroad, lack of popular concern in the mass publics, and the general distraction for the international community provided by the fight against terrorism.

Proposals for increased centralization of responsibilities or the creation of a new monolithic body run counter to the key insight of the most sophisticated current organizational theorists about the best institutional design for managing complex problems like global environmental issues. The best institutional structure for dealing with complex and uncertain policy environments is loose, decentralized, dense networks of institutions and actors that are able to quickly relay information, and provide sufficient redundancies in the

performance of functions so that the elimination or inactivity by one institutions does not jeopardize the entire network. Decentralized information-rich systems are the best design for addressing highly complex and tightly coupled problems. In short, strong centralized institutions are fundamentally unecological. They run counter to the ecological principle of requisite diversity or flexibility; inhibit random mutation, or policy innovation; and are easily captured by single powerful parties.

A better way of reforming the global environmental governance system, I argue, takes this new decentralized governance design principle seriously. In international circles it is now referred to as multi-level governance. The United Nations Global Compact, for example, is a recent effort to institutionalize multilevel governance within a network of networks that includes a variety of nonstate actors without sacrificing the principle of national sovereignty. Such a network model would involve the streamlining and improvement of the performance of existing governance efforts, rather than creating new governance bodies. A lot of governance is clearly already going on, the trick is to improve it and to enhance the synergies between the performance of these different functions. What is needed is a clearer map of the actual division of labor between governments, NGOs, the private sector, scientific networks and international institutions in the performance of various functions of governance. Also needed is an assessment of both the comparative advantages of these various actors and how well they actually perform these activities. Further study is necessary to get a better understanding of the comparative advantage enjoyed by different actors in the performance of different functions, as well as studying creative institutional designs in which multiple actors perform the same function and thus keep each other honest. Democratic theory would suggest that such an adversarial design would inhibit regulatory capture and shirking, as well as reducing the likelihood of false positives and false negatives in the performance of monitoring and verification. Many MEAs in fact rely on such institutional techniques as third party verification and independent institutional authority for conducting monitoring and verification.

Effective governance rests on the performance of multiple governance functions. Some of the key functions include agenda setting, framing, monitoring, verification, rule making, norm development, enforcement, capacity building, and financing. Agenda setting

15 See Victor et al 1998 for studies of systems of environmental implementation and their virtues]
entails identifying and sounding alarms about potential international environmental risks. Framing entails establishing the array of causal linkages associated with the management of a particular issue, and thus the warranted substantive linkages that may be made in negotiating a regime or set of policies for that issue. For instance, the Forestry Stewardship Council and the UN Global Compact combine multiple stake-holders (actors) in a constructive tension so that information is shared and each holds the other accountable for their public commitments.

More profoundly, framing entails the assignment of anthropogenic responsibility for an issue that may previously have been regarded as an act of god. Such framing has two vital political consequences: one is to assign moral blame, the second is to assign legal blame, so that if global climate change were widely accepted as a phenomenon caused by human action, then the insurance industry might be liable for paying for ‘natural’ disasters that had previously been treated as force-majeure or acts of god. Monitoring involves collecting data about environmental quality. Verification is associated with assessing state policies in compliance with their obligations. Rule making consists of establishing common standards for collective behavior: regimes or policies. Norm development means the establishment of common norms of expected behavior for a variety of different actors. Enforcement is involved with actors actually complying with their obligations through deliberate actions. Capacity building covers a variety of techniques that enable actors to live up to their obligations: including technology transfer, technical training, public education, and the collection of clearinghouses about best available technology and best-established practices. Financing relates to the provision of money for actors to perform their functions and to pursue sustainable development.

Some functions are formally performed: that is, the international community directly tasks some agent to explicitly perform them. Others may be performed indirectly: action is not the consequence of explicit instructions by those contracting some set of activities to be performed by the relevant actors. Some activities may have multiple indirect effects. For instance, by publicizing issues, norm development and standard setting may be achieved. By verifying and providing resources, one may achieve compliance. By mobilizing civil society, governance efforts may promote agenda setting and framing, and thus define new national preferences that narrow the range of feasible negotiated outcomes. Educating elites and governments may have similar effects.
Table 1
Environmental Governance Function Performance by Different Actors

<table>
<thead>
<tr>
<th>Governance Function</th>
<th>States</th>
<th>International Institutions</th>
<th>MNCs</th>
<th>NGOs</th>
<th>Scientific Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agenda setting</td>
<td>X (from national monitoring)</td>
<td>X (from monitoring, publicizing other’s alerts)</td>
<td>X (i.e. the media)</td>
<td>X</td>
<td>X (publications, testimony)</td>
</tr>
<tr>
<td>Framing</td>
<td>X (by first movers and through negotiations)</td>
<td>X (i.e. UNEP, also financial incentives and demonstration effects from IFIs)</td>
<td>X (the media)</td>
<td>X (new information provided by epistemic communities)</td>
<td></td>
</tr>
<tr>
<td>Monitoring</td>
<td>X</td>
<td>X</td>
<td>X (through some ISO standards)</td>
<td>X</td>
<td>x</td>
</tr>
<tr>
<td>Verification</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Rule Making</td>
<td>X (regime development)</td>
<td>X (guidelines, regime development)</td>
<td>X (voluntary sectoral guidelines)</td>
<td>X (principle standards, examples include Brent Spar, whaling moratorium)</td>
<td>X (indirectly through consulting to states &amp; international institutions)</td>
</tr>
<tr>
<td>Norm Development</td>
<td>X (soft law)</td>
<td>X</td>
<td>X (i.e. Amnesty International, Earth Council?)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>--------------</td>
<td>---</td>
<td>---------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enforcement</td>
<td>X</td>
<td>X</td>
<td>X (i.e. TRAFFIC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity Building</td>
<td>X (ODA)</td>
<td>X (various support activities)</td>
<td>X (DFI) (subcontracting to states &amp; IOs, and direct grassroots activities. Training projects)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financing</td>
<td>X (ODA)</td>
<td>X (GEF, IBRD, UNDP)</td>
<td>X (DFI) (technical training)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Serious account of these new ideas is necessary in order to effectively address the governance deficit. Governance should rely on a differentiated division of labor among various elements of international civil society, with clearer attention paid to coordinating their efforts, assuring rapid and accurate information flow between them. Seriously applying this network vision of governance would entail some reorganization, some consolidation, and the creation of a limited set of new organizations.

I think that some core set of responsibilities should be left with UNEP, such as that associated with its initial scientific research and monitoring responsibilities, but that other governance functions should be redistributed amongst other international actors. UNEP should be elevated to the status of a UN agency in order to stabilize its financing. Its
membership should not be global though, as that would impede its decision-making ability by effectively introducing a unit-veto system for decisions made by consensus. UNEP could help draft a global ecosystem assessment seeking to develop a priority list of global environmental threats of interest to the international community, and coordinate ongoing standing international scientific panels to conduct environmental research and monitoring. Such a concentrated and reinvigorated UNEP would contribute to improved agenda setting for international environmental governance.

Reorganization

Agenda Setting

A more systematic early warning system is needed for alerting the international community to impending environmental threats, such as suggested above for UNEP. Current agenda setting is largely performed by NGOs, who often provide exaggerated claims or false warnings. The challenge is to develop early warning signals that are accurate – that is that do not miss threats or cite potential urgent threats that subsequently prove unfounded. Better environmental monitoring might improve agenda setting, but the creation of standing international scientific panels responsible for evaluating the state of the environment would be a valuable reform, similar to the already existing IPCC, the Millennium Ecosystem Assessment, and the Ozone Trends Panel.

Alternatively more sophisticated measurement techniques for agenda setting using social indicators of populations at risk could provide an early warning system of ecosystem threats. Examples would be monitoring migration patterns of groups living in target ecosystems, tracking prices of scarce resources, measuring keystone species for signs of threats to marine species, or NGOs and scientists monitoring coral reefs as an early warning sign of climate change

Verification

Current arrangements for verifying state compliance with international environmental obligations are very weak. NGOs could help keep track of governmental adherence to their international obligations, and a revitalized Earth Council could serve this purpose. The Earth
Council was created after the 1992 Rio Earth Summit, modeled on Amnesty International and its verification role in human rights regimes, but has subsequently languished.

Technology Transfer and Financial Resource Transfers

There is clearly a gaping and continued need for financial transfers in support of sustainable development. The GEF exists for this purpose, as does the Montreal Ozone Fund, but the financial resources for these institutions are inadequate to the task. Recent trends in overseas development assistance and foreign investment also suggest that insufficient amounts of money are going to countries in need of significant capacity building for sustainable development. Incentives from industrialized country governments could encourage MNCs to transfer green technologies to developing countries, and informational clearinghouses about green technologies in the public domain could serve a public good here, created either by international institutions such as the International Atomic Energy Agency (IAEA), NGOs, or the private sector.

Enforcement

It is a common lament that many MEAs are not enforced, or that governments don’t submit data on enforcement so that there is insufficient information to enable informed judgments about the extent of enforcement with MEAs. NGOs can help monitor enforcement, as well as the creation of impartial 3rd party inspectors who would be able to inspect facilities for compliance, such as the IAEA does, though with limited success.

Consolidation

Efficiency gains and the creation of new usable knowledge could be achieved through the consolidation of the way that many of the current scientific (i.e. research and monitoring) functions are performed at present.

Environmental Monitoring

Environmental monitoring should be consolidated by environmental medium, to be conducted by consortia of international institutions and scientific networks, and possibly
NGOs, and even MNCs if they would be willing to provide emission data. For instance, in the area of ocean monitoring there is a plethora of monitoring activities conducted by the IOC, GESAMP, UNEP’s Regional Seas Programme, and US NOAA. And this is only a partial list. Different bodies are responsible for monitoring different oceans. All of these activities should be formally consolidated, although the logic of consolidation has not yet been established: should it be by simple environmental medium, by geographic region, by common cause of the environmental problem, or by some other justificatory logic?

**Rule Making and MEA administration**

Many countries complain of regime saturation that exceeds their ability to effectively participate in the management and development of particular environmental regimes. This is largely because the treaty secretariats are spread around the world and the schedules of major meetings are not coordinated. Indeed, there are over 200 international organizations involved with administering MEAS, although the number of major influential ones is probably under a dozen. Similarly the actual secretariats are not as widely spread, as many critics would imply. The following table shows the headquarters of 54 of the major current MEAs (not all of which are yet in force.)

**Table 2**

**Secretariat Locations of Major MEA Secretariats**

<table>
<thead>
<tr>
<th>Location</th>
<th>Number</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geneva</td>
<td>11</td>
<td>Many of the interim secretariats for MEAs that are not yet in force are in Geneva</td>
</tr>
<tr>
<td>London</td>
<td>9</td>
<td>Largely shipping related by IMO, OSPARCOM</td>
</tr>
<tr>
<td>Vienna</td>
<td>4</td>
<td>Related to nuclear safety</td>
</tr>
<tr>
<td>Rome</td>
<td>4</td>
<td>Administered by</td>
</tr>
</tbody>
</table>
Consolidating the MEA secretariats in one location makes sense in this regard. Geneva, London, Bonn and many other cities would fulfill these criteria. Consolidation would make travel easier for government officials, and would facilitate joint activities between the environmental regimes and their secretariats. Most importantly, perhaps, it would also have the effect of creating the equivalent of standing environmental embassies at this centralized location which would improve national foreign environmental policy making as well as elevating the profile of environmental policy makers within their own foreign ministries and governments. The basic institutional requirements for this clustering proposal are a location with good telecommunications, sufficient office space, and ample conference facilities. It is unclear to what extent a new organization body would be required, or whether it could simply consist of a MEA department store, all under one roof. When the GATT became the WTO there was a massive change in institutional influence and design, but in practical terms it merely entailed changing the sign over the front door and printing new business cards for the secretariat.

**Creation**

Several governance functions are inadequately performed, and probably require the creation of new institutions to improve their performance. It is not clear that one institution needs to serve all these functions, or whether they could be assigned to different bodies.

*Norm Setting*
A High Commission for the Environment should be created so that there would be a high profile figure able to help develop normative principles for environmental protection and Sustainable Development, akin to the UNHCR (Refugees) or UNHCHR (Human Rights).

Protecting the Environment from the WTO

The environment needs an advocate before WTO trade and environment arbitration panels. There are two different institutional options for performing this function. A more modest one involves the creation of a roster of potential trade and environment lawyers who would be invited by the WTO to participate on arbitration panels. A more ambitious option would be to assign that function to the clustered MEA body.

Proximity and Distance

The institutional design model here is one of multilevel decentralized governance. Some activities still require old brick and mortar type institutions, such as consolidated MEA secretariats that can coordinate intergovernmental activities and help foster intergovernmental trust. Other functions or activities may be performed through a looser and more decentralized network. A switchboard institution must be created to facilitate information flow between the different networks and levels of actors engaging in environmental governance. Such a centralized information coordination and diffusion body could be small, so long as it is technologically sophisticated and able to make use of current communications technologies to rapidly transfer information between the various bodies engaged in performing these key functions of global environmental governance. It could be largely virtual, and it is not clear that it need be affiliated with the environmental policy body. The major monitoring and verification functions would be coordinated through the switchboard, and the findings would be circulated from the switchboard. Yet diffused units around the world would do the actual collection of information. These two sets of functions (coordination information flow, and conducting or organizing monitoring and verification) could either be concentrated in one or different formal institutions.
Conclusion

We live in a new world. By taking advantage of a decentralized network of governance functions, global governance may be improved, and the prospects for achieving sustainable development advanced. By clinging to models based on an obsolete, exclusively state centric model of governance, claims of governance deficits will be exaggerated, and corrective designs erroneously applied that neglect new political realities.

A new complex decentralized international governance system is emerging from recent changes in the international systems. More actors now engage in more governance functions at multiple levels of governance. While such a wide array of decentralized responsibilities may appear disjointed, it would be an error to conclude that decentralized governance is incoherent. The task for the architects of the post cold war Governance system is to recognize and take advantage of the complex synergies between networks or actors levels of international politics.
References


