

# Reconfiguring Global Governance: Global Governance Innovation

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As we contemplate what we need to do to govern our rapidly changing world, we should remind ourselves that despite the impression of pervasive doom and gloom created by the incessant repetition of bad news of the 24-hour news cycle, we are living in a golden age. People around the world on average have never been richer, healthier, safer, longer lived, better educated or better connected to each other than they are now. For hundreds of millions of people, most impressively in China, life is better than it has ever been.

Geopolitically and geo-economically, the United States is uniquely powerful and China is advancing rapidly, but neither will be in a position to determine unilaterally the course of world events as the twenty-first century unfolds. Nor will a new G2 predominate for the same reasons the G8 proved inadequate—too many powerful countries with the capacity and disposition to defend their interests on the outside looking in. Multilateral governance, minilateralism, coalitions of the willing and multi-stakeholder governance will be indispensable.

## **Multilateralism**

The UN has helped to create the governance conditions that facilitated our making this progress. The UN remains the indispensable multilateral institution, the only body that can convene the whole world under one roof and can sustain the norms that allow us, at least most of us, to live peacefully. The UN Charter and the hundreds of multilateral treaties concluded under UN auspices have spawned an extensive body of international laws, norms, standards, practices and institutions that help us to govern most facets of interstate relations. With these “apps”, the UN Charter has become the world’s central operating system, the motherboard of global governance.

Although much criticized, over the years the organisation has undergone extensive innovation and renovation and, in the process, substantial reinvention. From peacekeeping to peace enforcement and peace building, to international criminal justice systems, to sustainable development, to refugee protection, to humanitarian coordination and food relief, to democracy and electoral support, to human rights conventions, to health protection, to landmine removal, and to managerial accountability and oversight, the organisation has been changing and equipping itself to acquit its increasingly demanding responsibilities. As a consequence, the UN has a broader political reach than any other organisation and much substantive expertise in dealing with contemporary challenges.

If the world as a whole is to respond effectively to rapidly changing, post-Westphalia times, more innovation is needed. Nation states will remain the fundamental organising principle of international affairs, but they will find themselves increasingly sharing responsibility for global governance with non-governmental stakeholders, civil society and business.

## **Minilateralism**

Peace, order and progress will increasingly demand shifting combinations of multilateral, minilateral and bilateral cooperation between governments - and among governments, civil society and private and state-owned enterprise. Global governance will require a wide variety of institutional responses -some evolutionary, others revolutionary, some inside the United Nations System and Breton Woods institutions and others outside of them. Effective global governance will also entail subsidiarity, or the consideration of issues at the levels of governance - global, regional, national or sub-national – that best lend themselves to solutions. In the descriptive phrase of Richard Haass of the US Council on Foreign Relations, we live in a world of “messy multilateralism”. No country or small group of countries can long dominate this complex, integrating, changing world or alone determine its future. The United States is uniquely powerful and China is advancing rapidly, but neither will be in a position to determine unilaterally the course of world events as the twenty-first century unfolds. Nor will a new G2 predominate, for the same reasons the G8 proved inadequate—too many powerful countries on the outside looking in whose cooperation is indispensable.

Further, effective global governance needs “minilateralism”, the sometimes informal, sometimes structured, cooperation among coalitions of the policy willing. In minilateralism, cooperation is promoted and advanced through small groups. In some cases, these groups include the major powers; in other cases they do not. Decisions taken under Chapter VII of the Charter are legally binding on all UN members and can be imposed by force.

A kind of muscular minilateralism prevails also in the Bretton Woods institutions, notably the IMF Executive Board, with its weighted voting shares. Further, in the inclusive setting of UN treaty-making, negotiations routinely take place among small, often self-selected groups who conclude understandings that they then commend to the larger membership for agreement. That was the case, for example, for the climate change deal at Copenhagen.

## **The G20**

Elective or persuasive minilateralism is the operating principle of the G20, itself potentially the most important governance innovation in 65 years. The G20’s legitimacy derives principally from its effectiveness in addressing the crucial economic and financial crises of 2007-8. Its legitimacy also stems from the fact that its membership accounts for 85 percent of global gross national product, 80 percent of world trade, and 67 percent of the planet’s total population. Those factors do not constitute universality, of course, but nor are they trivial assets. When the G20 reaches agreement among its members, a large part of whatever problem it is addressing is on the way to resolution. At the same time, the G20 needs to develop an effective *modus operandi* with non-members to resolve genuine issues of inclusion and exclusion, and to find a way to give voice in its deliberations to the less powerful poorer countries and to the small but competent richer ones.

G20 decisions bind only G20 members, and do so only politically, but because of the significance of those members to the global economy, other governments find it in their interest to accept them too. In addition to stabilising financial markets during the 2007-8 crisis, the G20 has been effective in promoting regulatory reform, in launching a global economic stimulus, and quite possibly in averting a global economic depression. The group has put issues on the table that were once regarded as the exclusive province of sovereign governments – notably macroeconomic coordination, monetary policy, exchange rates and debt levels. The G20 has also spurred reform of the Bretton Woods institutions and could, if its participants agreed, tackle the issue of reforms of the UN, and particularly of the UN Security Council.

The G20 is thus an important even potentially crucial addition to the institutions that nation-states use to govern relations between themselves. Nevertheless the G20 has struggled to address the highly political tasks of resolving the current account, trade, and the budget imbalances conundrum afflicting major economies. These problems go to the roots of the national economic and political philosophies of the world's largest economic players and touch their respective concepts of sovereignty. The G20 has put development cooperation on its agenda but has not yet made compelling progress on the issue. Further, the G20 has been reluctant to address the world's most pressing hybrid political-economic issues such as the macroeconomic, energy and financial dimensions of climate change; food security and energy security; transnational organised crime and the illegal drug trade; internet governance and cyber security; and support for the political transformations of the Middle East and North Africa. If the G20 is to remain viable, its leaders will have to begin to broaden their agenda.

Consensus is difficult to generate at the UN, and it is not yet clear whether it will be easier to create at the G20, which could prove to be less a maxi-G-8 and more a mini-UN. Bed-rock national interests do not vary as a factor of the setting in which they are discussed. Furthermore, ways of thinking and acting established over generations cannot be modified quickly. For the once hegemonic United States, partnership will need to mean not just hearing others before deciding and acting, but also developing shared assessments and acting cooperatively. For some others among the G20, notably China and India, national interests will need to be reconceived to include more directly the well-being of the international system itself. All twenty governments will have to reconcile self-interest with the common interest and to privilege co-operation over domination, multilateralism over unilateralism, the effective over the merely efficient, and the legal over the expedient. All of that is easier said than done, especially in the absence of common threats.

Restricted groups of governments, like the G20, can bind themselves if they wish, but they can only commend their decisions to others, not command compliance. Absent the UN and its universal membership and legal framework, smaller, exclusive groups, especially the G8 but also the G20, would be much more controversial and their legitimacy more contested. As a consequence, they would also be less effective.

The inescapable conclusion is that the UN and the G20 need each other. The UN embodies universality and the G20 efficacy. The G20 can strengthen the UN by reducing the gaps among the major powers on contentious issues, making decision-making in the world body easier and more effective, and the UN can return the favour by extending the G20's effectiveness vis-à-vis the G172, a group that the G20 cannot command but whose cooperation it needs. The UN, for its part, needs to be sensibly responsive and strategically savvy, resisting the blandishments of its "spoilers." And the G20 needs to take the initiative to develop an effective modus operandi with non-members to resolve genuine issues of inclusion and exclusion and to find a way to give voice in its deliberations to the less powerful poorer countries and to the small but constructive richer ones. Other Forms of Innovation

### **Constructive Powers**

There are other promising forms of minilateral governance cooperation, as well. Issue specific, inter-regional partnerships of constructive powers will likely form to bring specific problems of common concern to international attention and promote their resolution. Members of these temporary partnerships will likely be second tier, not major powers, but countries that nevertheless have a strategic interest in cooperation, the economic weight to bear the costs of participation and the diplomatic capacity to promote progress. Another source of innovation will be the

entrepreneurial senior officials in the international organisations, who are instrumental in conceiving key policy initiatives, such as the Millennium Development Goals and the Human Development Index, and bureaucratically capable of carrying them forward.

Perhaps the most innovative and controversial—and game-changing -- response to contemporary global challenges is multi-stakeholder governance. Such governance entails the formal and informal cooperation of state and non-state actors, civil society, business and state-owned enterprises in the development and innovation of rules of behavior governing complex systems. The most obvious case in point is the Internet, where the gulf between those who want the freest possible Internet experience and those who favour state supervision of the net is vast. Bridging that gulf will require diplomatic imagination and innovation.

## **Conclusion**

Although much more needs to be done to help “the bottom billion”, we have accomplished a great deal together since the UN was born, notably in establishing norms that guide state behaviour, in negotiating treaties that stigmatise aggression, in embracing principles that advance human rights and in achieving economic progress that lifts people out of poverty. It is not possible to be categorical about what the global future holds. The world is entering a time that will reward enhanced cooperative governance and punish political autarky. We do know that global governance will be subject to further widespread innovation, notably increased multilateralism, and multi-stakeholderism as aging institutions struggle to adapt to the challenges generated by previously unimagined technologies. In this changing context, the UN remains a necessary but not sufficient response to global governance, as does the G20. The way forward will be found in embracing further international governance innovation.