

## 2 Theoretical-Analytical Framework: Contested Ideas in Global Governance

This chapter develops the theoretical-analytical lenses that will guide the empirical analysis. In a Cognitivist approach to global governance analysis, it is important to make the reader aware that theoretical approaches to political science analysis are always embedded in specific policy contexts:

“There is no view from nowhere. All theories and concepts are bounded by time and place; they draw their relevance from the temporal sequences and particular contexts in which they are developed and deployed” (Hurrell 2011:149).

International Relations research is often influenced by perceptions of political relevance within the researcher’s surroundings, and perceived changes in the political reality often lead to changes in analytical frames (Mayntz 2008:101, Tickner 2013:638). As such, in the following deliberations on theoretical approaches, policy contexts are explicitly taken into account.

The first section of this chapter presents global governance as a perspective on transboundary policy-making. To do so, it sketches the political and theoretical background of global governance research and lays out its theoretical foundations. The chapter then elaborates on theoretical approaches that help to integrate contested ideas into global governance research. Contrary to mainstream global governance research, these approaches shed light on the role of ideas, contestation and power in global governance, and also bring in policy actors. This section also touches theoretical discussions about the contestation around the concept of global governance itself and the accusation that global governance is not a global, but rather an OECD world, concept. The following section develops the actor-centered approach for the analysis of global governance ideas. It specifies basic assumptions about policy actors and their behavior, lays out how ideas and political action relate to one another and deduces analytical categories that guide empirical research. The chapter then presents the methodological approach of this thesis which relies on an interpretative research design and comparative case study analysis. It furthermore elaborates on the data source for the empirical research.

### 2.1 Global Governance As a Perspective on Transboundary Policy-Making

Global governance research focuses on the political implications of an increasingly interdependent world (Dingwerth, Pattberg 2006a:189-196, Dingwerth, Pattberg

2006b:395, Mayntz 2008:109). It analyzes how increasing interdependencies change the context of policy-making and how policy actors should respond to this changing context. Global governance research builds on the central argument that, in light of interdependencies, transboundary cooperation has the potential to achieve better policy outcomes than unilateral action. Thus, an important research focus is on the common challenges and shared goals that transboundary cooperation should address. Global governance research furthermore analyzes how to organize transboundary cooperation so that it can actually exploit its potential. In contrast to national policy-making which may rely on the formal power of governments to make and enforce binding decisions, a central challenge of transboundary political steering is the absence of a supreme authority.

Global governance, in the words of Finkelstein (1995:369), “is governing, without sovereign authority, relationships that transcend national frontiers”. Whereas Finkelstein (1995:369) states that the concept of global governance is flexible in its reach, covering any interactions that transcend national frontiers while other authors, such as Zürn, Koenig-Archibugi (2006:237-239), Schuppert (2008:16) and Kaul (2008:91), limit it to the transcontinental scale. Rosenau (2009 [1995]:11) underlines that global governance does not build on a single organizing principle; rather, it should be understood as “the sum of myriad—literally millions of—control mechanisms driven by different histories, goals, structures, and processes”. It comprises cooperation formats with different degrees of institutionalization.<sup>18</sup> Global governance scholars emphasize that different policy levels are closely interlinked; they thus challenge the mainstream assumption in International Relations of an international system comprising sovereign states that should be analyzed separately from domestic politics (Dingwerth, Pattberg 2006a: 189-193). For global governance scholars, states (or more specifically governments) are central but not the only actors in global governance. Thus, they analyze the interaction between a wide range of state and non-state actors and among different policy levels, comprising diverse steering mechanisms and spheres of authority (Dingwerth, Pattberg 2006a:196-198, Finkelstein 1995:369, Rosenau 1999:295).

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<sup>18</sup> In that regard, it differs from international regime research which concentrates on cooperation formats with a relatively high degree of institutionalization. International regimes, according to the predominant definition by Krasner (1983b:2), comprise principles, norms, rules and decision-making procedures in a specific issue area (see also Hasenclever, Mayer & Rittberger 1996, Hasenclever, Mayer & Rittberger 2000). Global governance includes international regimes, but also other cooperation formats that do not meet the institutional requirements of international regimes.

### 2.1.1 *Contextualizing Global Governance Research*

Global governance research is rooted in the International Relations tradition of Liberal Institutionalism which explains international cooperation in terms of utilitarian reasoning by self-interested states.<sup>19</sup> The emergence of global governance research during the 1990s can be interpreted as a response to two developments: globalization as a process of increasing transboundary interactions and geopolitical changes due to the end of the Cold War (Mayntz 2008).

Globalization became one of the buzzwords of the 1990s. It denotes a process of increasing transboundary interaction which also challenges the problem-solving capacity of national governments (Held, McGrew 2003:190-193, Kaul, Grunberg & Stern 1999a:450f.).<sup>20</sup> Sometimes, the term 'globalization' is used to refer to economic interdependencies only, such as transboundary flows of goods, services and capital or the internationalization of related technology and know-how. However, transboundary interactions are not limited to the economic sphere, they comprise social, cultural and environmental phenomena as well (Castells 2005:10, Held et al. 1999:483f., Keohane, Nye 2000:105). Globalization therefore includes a wide variety of phenomena, ranging from the internationalization of communication systems and cultural transfers to transboundary pollution. Increasing transboundary interdependence was of course not an entirely new phenomenon of the 1990s. As early as the 15<sup>th</sup> century the 'discovery' of the New World resulted in substantial voluntary and forced migration movements, associated transfers of cultures and languages, and international trade (Held et al. 1999:484f.). Yet, the 1990s experienced a substantial increase in transboundary interaction – not only due to technological innovation with regard to information, communication, computing and transportation, but also due to political decisions such as the economic policies of deregulation and liberalization during the 1980s. It is commonly underlined that globalization during the 1990s differed not only in scale but also in qualitative terms from earlier globalizations, being characterized by higher extensity, intensity and velocity. This means that border-crossing interconnection encompassed larger distances, had a stronger influence on peoples' lives and changed more rapidly (see, for example, Held, McGrew 2003:186, Held et al. 1999:484, Hewson, Sinclair 1999:6f., Keohane, Nye 2000:108). As a result of these developments, governments were confronted with rapidly changing parameters of policy-making and their adaptive

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<sup>19</sup> Central publications within Liberal Institutionalism are for example Keohane (1989), Keohane (1984), Keohane, Nye (1977) and Krasner (1983a). For a comprehensive overview see Hasenclever, Mayer & Rittberger 1996:183-196.

<sup>20</sup> It is important to note that globalization is not a linear process. Transboundary interaction may also decrease over time as, for example, economic interdependence did between 1914 and 1945. Neither does 'globalization' necessarily mean 'universalization'; the intensity of transboundary interaction may vary between different thematic areas and different countries or regions (Keohane, Nye 2000:107).

capacities often lacked behind the changing reality (Kaul et al. 2003a:21). Growing transboundary interdependence blurred the boundaries between domestic affairs and global matters (Held et al. 1999:483f.): policy results were increasingly influenced by factors outside of the national border; at the same time, policy decisions of national governments also caused transboundary repercussions. As a consequence, many scholars and policy-makers identified a need for more transboundary cooperation, integrating not only governments but also relevant private actors, such as businesses and non-governmental organizations.

At the same time, the end of Cold War raised the expectations on the scope and problem-solving capacity of international cooperation, especially within the (UN) which was no longer blocked by vetoes and distrust between the capitalist and communist world (Brühl, Rittberger 2001:2f., Hewson, Sinclair 1999:4, Knight 2009:173f.). Policy-makers and researchers alike hoped that international politics would no longer be based on exclusivity and hierarchy but instead organized in a more inclusive, participative and egalitarian manner. Challenging realist premises and advancing cosmopolitan thinking in International Relations research seemed to be easier than during the Cold War period: instead of focusing on the power politics between sovereign states in an anarchical international system, scholars pointed to the possibility of advancing common interests through transboundary cooperation (Barnett, Duvall 2005b:5f., Mayntz 2008:102f.). During the 1990s, the scope and agenda of international cooperation arrangements indeed expanded substantially (Knight 2009:173f.) – but many expectations on the effectiveness of these cooperation arrangements remained unfulfilled.

‘Milestones’ for the introduction and diffusion of global governance research in the discipline of International Relations were the publication of the volume “Governance without Government: Order and Change in World Politics” by Rosenau & Czempiel (1992) and the final report “Our global neighborhood” by the Commission on Global Governance (1995),<sup>21</sup> as well as the launch of the academic journal “Global Governance” in 1995 (see also Dingwerth, Pattberg 2006a:185f.). They all characterize the historical context that inspired their work in a similar way:

“At a time when hegemons are declining, when boundaries (and the walls to seal them) are disappearing, (...) the prospects for global order and governance have become a transcendent issue. (...) One senses that the course of history is at a turning point, a juncture where the opportunities for movement toward peaceful cooperation, expanded human rights, and higher standards of living are hardly less conspicuous than the prospects for intensified group conflicts, deteriorating social systems, and worsening environmental conditions” (Rosenau 1992:1).

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<sup>21</sup> The Commission on Global Governance dates back to an initiative of Willy Brandt after the fall of the Berlin Wall. With the backing of the then UN Secretary-General Boutros Boutros-Ghali the Commission started its work in 1992, encompassing twenty-eight distinguished personalities from different parts of the world. See Encyclopedia Britannica, Commission on Global Governance, <http://www.britannica.com/EBchecked/topic/1917949/Commission-on-Global-Governance> (accessed February 18, 2014).

“Time is not on the side of indecision. Important choices must be made now, because we are at the threshold of a new era. (...) We can, for example, go forward to a new era of security that responds to law and collective will and common responsibility by placing the security of people and of the planet at the centre. Or we can go backwards to the spirit and methods of what one of our members described as the ‘sheriff’s posse’—dressed up to masquerade as global action” (Commission on Global Governance 1995:xix).

“Ours is a time of great hope and great hopelessness, a time when ideological fault lines have disappeared, while the global rifts of wealth and power have widened. The emerging global unity of purpose has allowed many of us to imagine revitalized multilateral institutions forging co-operative responses to global problems; still, the reality of the UN system straining under so many new demands makes most of us questioning whether such a renaissance is possible” (Coate, Murphy 1995:1) – Editors of the Journal *Global Governance*.

All three quotations allude to the end of Cold War as a historical turning point that offered unprecedented opportunities for transboundary cooperation; at the same time they underline the great challenge of organizing transboundary policy-making in a way that enables the actual use of these new opportunities.

### 2.1.2 *Blurring the Boundaries between Domestic and Global Affairs*

Global governance approaches regard the domestic and global level of policy-making as being closely intertwined (see, for example Dingwerth, Pattberg 2006a:191-193). Rosenau emphasizes that spheres of political influence are not necessarily attached to territorial boundaries:

“The world is comprised of spheres of authority that are not necessarily consistent with the division of territorial space and are subject to considerable flux” (Rosenau 1999:295).

According to Rosenau, this is the central premise that the ontology of global governance research builds upon. Thus, global governance research does not restrict the exercise of authority to states. As global governance research overcomes the exclusive link between geography and political power, it deviates significantly from the Westphalian model of policy-making which is based on the principle of exclusive sovereign rule over a bounded territory (Held, McGrew 2003:185f., Held et al. 1999:487).

Global governance research underlines that increasing transboundary interdependencies alter both domestic and transboundary policy-making. This has important repercussions on sovereignty as a core political science concept. Whereas International Relations research used to focus on challenges to the external sovereignty of states only (i.e. prevention from outside interference), global governance scholars also shed light on the internal dimension of sovereignty which used to be the focus of domestic politics scholars only. Internal sovereignty, according to Reinicke (1998: 56f.), refers to the “ability of a government to formulate, implement and manage public policy” within the national territory. Thus, internal sovereignty

also relates to domestic relationships between governments and non-governmental actors. It is important to note that this concept of sovereignty builds on an operational, and not a legal, understanding of sovereignty. Reinicke (1998: 70) identifies a “need for cooperation among governments on a scale and depth not yet witnessed”. Governments risk their internal sovereignty if they do not cooperate with other administrations:

“The only way for governments to achieve (...) internal sovereignty, is to pool, and thus share, internal sovereignty in those sectors in which globalization has undermined the effectiveness and efficiency of internal sovereignty at the national level” (Reinicke 1998: 71).

Kaul, Grunberg and Stern go in a similar direction, arguing that states need to cooperate if they wish to avoid losing their capacity for effective policy implementation at national level:

“Nation states will witness continuing erosion of their capacities to implement national policy objectives unless they take further steps to cooperate in addressing international spillovers and systematic risks” (Kaul, Grunberg & Stern 1999a:451).

Held & McGrew (2003:191) argue that increasing interdependencies do not necessarily lead to a diminution but rather to a transformation of state power:

“Contemporary globalization (...) has been accompanied by extraordinary growth in institutionalized arenas and networks of political mobilization, surveillance, decision making, and regulatory activity that transcend national political jurisdiction. This has expanded enormously the capacity for and scope of political activity and the exercise of political authority” (Held, McGrew 2003:191).

Whereas the power of private actors might increase in some issue areas, governments (and other policy actors) can also expand their political activities beyond national borders.

### *2.1.3 Governments: Central, but not the Only Actors*

Most global governance researchers underline that governments remain important actors in global governance. In this regard, the use of the term ‘governance without government’ (Rosenau, Czempiel 1992) easily leads to misinterpretations since it suggests the absence of governments. Yet, Rosenau himself stated that this term does not exclude governments but rather refers to the absence of a supreme authority in global governance:

“A focus on ‘governance without government’ does not require the exclusion of national or subnational governments from the analysis, it does necessitate inquiry that presumes the absence of some overarching governmental authority at the international level” (Rosenau 1992:7).

The relative importance of governments is contested in global governance research. Particularly in the early 1990s, global governance researchers commonly identified a withdrawal of the nation-state that other actors need to compensate (Mayntz 2008:103). In line with this, Castells (2005:10) even claims that “non-governmental actors become the voices and the movements that defend the needs, interests, and values of people at large”. Yet, towards the end of the 1990s, this perspective changed and scholars commonly pointed at changing instead of waning political functions of states (Mayntz 2008:104). While some authors claim that there is no clear hierarchy between governmental and non-governmental actors (Dingwerth, Pattberg 2006a:191-193), others argue that states are the primary actors in global governance since they have the monopoly of legitimate coercive power. According to this view, states are not substituted but supplemented by other actors (see, for example, Commission on Global Governance 1995: 4, Keohane, Nye 2002 (2000):202, Koenig-Archibugi 2006:1).

Scholars agree that governments are not the only relevant actors in global governance. This openness to different policy actors is an important characteristic of global governance research:

“The key distinction between international politics as it used to be and global governance as it currently manifests itself (...) is a proliferation of actors that dispose of at least some resources that are necessary to effectively steer the behavior of individuals and corporate actors across territorial boundaries” (Dingwerth, Pattberg 2009:42).

The use of the term ‘*transboundary* policy-making’ mirrors this. While the terms ‘international’ and ‘transnational’ can be understood as referring to relations between governments or non-state actors only, the use of the term ‘transboundary’ explicitly includes both state and non-state actors (Dingwerth, Pattberg 2006a:196). According to Commission on Global Governance (1995:3), global governance must comprise all “actors who have the power to achieve results”. Global governance scholars commonly underline that even the most powerful actors cannot solve transboundary problems unilaterally but rather need to engage in transboundary cooperation with other actors (Held, McGrew 2003:190,196). Besides governments, there are several groups of actors that are relevant for global governance; these include international organizations and bureaucracies, non-governmental organizations, hybrid organizations between the public and the private sphere such as the International Organization of Standardization (ISO), subnational governments, corporations and epistemic communities (Dingwerth, Pattberg 2009:44-48, Karns, Mingst 2010:14-21, Rosenau 2003:80-84, Simmons, Jonge Oudraat 2001:11f.). Held and McGrew point out that global governance increasingly involves actors with a transboundary institutional set up:

“Most obvious is the rapid emergence of an increasingly dense web of intergovernmental organizations, international nongovernmental organizations (NGOs) and a wide variety of other transnational pressure groups and networks” (Held, McGrew 2003:188).

Zürn & Koenig-Archibugi (2006:237-239) and Schuppert (2008:16) distinguish three prototypes of global governance: governance by, with and without government. Intergovernmental governance (governance with government) includes intergovernmental networks, international regimes and international organizations. Supranational governance (governance by government) applies if rules are considered superior to national law or if officials in international organizations enjoy autonomy from national governments. Transnational governance (governance without government) involves only private actors. In reality it is common to find mixtures of these prototypes, as cooperation arrangements often comprise different kind of policy actors.

#### 2.1.4 *Value Added of Transboundary Cooperation*

As global governance research builds on the central premise that in light of interdependencies, transboundary cooperation can lead to better policy outcomes than unilateral action, an important focus of global governance research is to highlight fields of action where transboundary cooperation can provide value added. Global governance researchers commonly point to global challenges that cannot be tackled by unilateral action. For example, when launching the journal *Global Governance*, the editors claimed that the journal should focus on “the entire range of global problems—economic development, peace and security, human rights, and the protection of the environment” (Coate, Murphy 1995:1).

Researchers associated with the United Nations Development Program (UNDP) (Kaul 2008, Kaul, Conceição 2006, Kaul, Grunberg & Stern 1999b, Kaul et al. 2003b) have developed the most comprehensive approach to identify areas for transboundary cooperation. They focus on the provision and use of global public goods, adapting insights from the public goods theory in microeconomics to the context of transboundary cooperation.<sup>22</sup> They point out that the provision of (global) public goods goes along with collective action problems: individually rational behavior leads to socially suboptimal outcomes. A precondition for collective action problems is interdependence: One actor’s action (or non-action) influences the degree of another’s goal achievement. Unilateral action in the presence of interdependence is unlikely to achieve the best outcome for all, as actors do not consider

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<sup>22</sup> This approach is not entirely new. Russett & Sullivan (1971), Olson (1971) and Kindleberger (1986) chose similar approaches before. According to Coussy (2005:179), it is not theoretical novelty but rather a new demand for such a theoretical approach that led to the success of the UNDP approach to global public goods: “the current success of the notion of global public goods is due less to novel theoretical supply than it is reflective of a growing demand for a theory of public management of international relations”.



the effects of their own activities on others. Depending on the costs involved, cooperation may contribute to improving outcomes, thus realizing cooperation gains.

Class and type of global public good	Problem	Corresponding global bad
<b>1. Natural global commons (stock variables, precede human activity)</b>		
Ozone layer	Overuse	Depletion and increased radiation
Atmosphere	Overuse	Risk of global warming
<b>2. Human-made global commons (stock variables: already produced)</b>		
Universal rights and principles	Underuse (repression)	Human abuse and injustice
Knowledge	Underuse (lack of access)	Inequality
Internet (infrastructure)	Underuse (entry barriers)	Exclusion and disparities
<b>3. Global conditions (flow variables: continued effort is required)</b>		
Peace	Undersupply	War and conflict
Health	Undersupply	Disease
Financial stability	Undersupply	Financial crisis
Free trade	Undersupply	Fragmented markets
Freedom from poverty	Undersupply	Civil strife, crime and violence
Environmental sustainability	Undersupply	Unbalanced ecosystems
Equity and justice	Undersupply	Social tensions and conflict

Table 2: Typology of Global Public Goods<sup>23</sup>

Kaul et al. (2003c:8) define public goods as “the collection of things available for all people to access and to consume freely”. They thus characterize public goods as goods that (should) belong in the public domain. *Global* public goods are defined as having costs and benefits that transcend national borders and geographic regions (Kaul 2008:91). According to Kaul, Grunberg & Stern (1999a:454f.) and Kaul & Mendoza (2003:100), global public goods comprise global natural commons, global human-made commons and global policy outcomes or conditions (see Table 2).

Every global public good has a corresponding global bad. Whereas natural global commons such as the ozone layer and the atmosphere are faced with over-

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<sup>23</sup> Adapted version of Kaul, Grunberg & Stern (1999a:454f.).

use, human-made global commons, such as knowledge and universal rights, are confronted with the challenges of underuse and unequal distribution. Here, many people lack access to these goods. Global conditions such as free trade or environmental sustainability are commonly undersupplied. Out of the different global public goods, the International Task Force on Global Public Goods (2006) names six that should be the primary focus of transboundary cooperation: preventing the emergence and spread of infectious diseases, tackling climate change, enhancing international financial stability, strengthening the international trading system, achieving peace and security, and generating knowledge.

### *2.1.5 Transboundary Policy-Making in the Absence of a Supreme Authority*

Whereas domestic policy-making can rely on governmental coercive power and thus on hierarchical steering (which does not mean that it must always rely on it), there is no world government with the ability to authoritatively decide on the common affairs of states and other policy actors. At global level, the possibilities of hierarchical steering are severely restricted. With the exception of a few supranational institutions, cross-border collective action depends on sovereign states or other policy actors opting voluntarily (at least in the formal sense) to cooperate (Young 1997).

Global governance builds on a variety of formal and informal, hierarchical and non-hierarchical steering mechanisms (Dingwerth, Pattberg 2006a:196, Rosenau 1992:4, Stoker 1998:17). Due to the absence of an overarching authority, 'soft', non-hierarchical modes of political steering are of central importance to global governance research. Whereas hierarchical modes of political steering are based on the authoritative allocation of values and rule enforcement, 'new modes of governance' do not build on formal hierarchies. They comprise softer elements, such as positive incentives, bargaining, learning and arguing (Börzel, Risse 2005:196-198). Finkelstein (1995:370f.) states that global governance comprises a wide range of activities, such as creating and exchanging information, formulating and implementing rules and principles, transferring resources, and mediating and resolving disputes. Rosenau (2009:3f.) underlines that a central challenge of global governance arrangements is to achieve compliance. He adds that governance structures mostly employ a combination of carrots and sticks to achieve compliance, ranging from financial incentives and persuasion to threat or coercion.

## **2.2 Integrating Contested Ideas into Global Governance Research**

Theoretical global governance research often follows a functionalistic way of reasoning. Thus, it commonly assumes the existence of an unambiguously given reality

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