

Governance of global transformation: a contribution to the discussion



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This paper was initiated by GIZ and is intended as an input paper for the Governance Sector Days to be hosted from 6 to 8 October 2015. The Sector Days aim at exploring ways of promoting good governance in the light of global challenges. Responsibility for the discussion paper lies with the author, and the paper does not necessarily reflect the views of GIZ. The aim of the paper is to stimulate discussion and critical reflection.

About the author

In 2015, Albrecht Stockmayer retired from his most recent post at GIZ as Lead Governance Advisor in the Good Governance and Human Rights Division (Division 42), having headed a number of sections dealing with various governance issues since 2003.

He was involved with what is now known as global governance throughout his advisory career. He worked for the United Nations Centre on Transnational Corporations (UNCTC) and later for the Commodities Division of UNCTAD at the time when discussions were taking place on the New International Economic Order (NIEO). The vision at the time of fair and equitable global commodity regulations and standards for transnational corporations quickly vanished into thin air following the oil crises and the development of world markets. It was only when various crises in regional financial markets threatened to impact on the global capital and financial markets that these global issues were again fiercely debated. As the head of the OECD's Governance Outreach Initiative, he saw how, between 1995 and 2000, those in charge of international organisations outbid one another in their assertions that they were able to tackle the challenges facing the world. The ruling orthodoxy at that time meant that they left it up to the global markets to steer the way. The number of articles devoted to the issue increased exponentially at the time, without really going any further than describing various forms of global club governance. On his return to GTZ/GIZ, he discovered that there were more concrete approaches in use in the new or revamped regional organisations, which were all adopting measures in their regions to make at least some of the global trends workable. For the most part, however, bureaucratic and political obstacles prevented regional approaches from being rolled out. In contrast, global governance was enriched by the developments in the governance of public goods. The environment, climate, water and biodiversity have given rise to governance forms and coalitions that are still to be adopted as general practice.

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0. Introduction

Global governance is not a new issue. It received a lot of attention during the 1990s, but then fell off the radar. It subsequently resurfaced, albeit only briefly, when it was discussed in the context of emerging economies turning into the 'new powerhouses'. Today, following the countless failures in international negotiations and in the light of various different economic sanctions, interference in the freedom of networks and attacks on transport routes, we worry about the future of global markets. As a consequence, we also question the idea that was once associated with global governance, namely the use of international cooperation mechanisms to resolve global problems and promote the common global good. In the course of negotiating the Transatlantic Trade and Investment Partnership (TTIP) and similar contractual agreements, the issue of global governance has made headlines over and over again. In contrast to the past, however, the tone is rarely positive.

One of the obvious reasons for this is that globalisation of the economy has moved far beyond 'political' globalisation. The increase in global transactions has so far not been matched by any increase in forms of **common global governance**. This becomes all the more evident at a time when human development is increasingly reaching the limits of what the earth can withstand ('planetary boundaries'¹). The Sustainable Development Goals (SDGs) are a renewed attempt at acknowledging the urgency of the existing challenges.

We might now have many common regulations and to some extent common practice in certain specific areas such as invoice control or budget management, where most countries accept the benefits of decentralised government and administration, and municipalities are acknowledged as the key players in providing public services. However, many other areas in which we operate have not necessarily followed global trends. We have helped many of our partners to devise and pilot reform policies, but even broad structures do not adhere to a common global model. Implementation depends on local political preferences and takes on many different guises.

In this respect, we need to discuss how we define global governance for our purposes and how we wish to address the issue in the advisory services we provide to support better governance.

As GIZ, we have already gained experience in this area, at least in specific issues that have already been mapped out. For example, in terms of environmental issues, we have worked on climate change mitigation, REDD, desertification control and implementing the Convention on Biological Diversity. Here, though, GIZ seldom provides services for international regimes or as part of international agreements. More often, our activities support regional structures. If we are now to address this issue, we should draw on this experience in our discussion. We should also address the question as to which role we are to play and how we can jointly analyse the available experience. As befits our remit as an implementing organisation, the particular focus of our discussion will be on the future (and to some extent already foreseeable) challenges we will face in implementing development

¹ Planetary boundaries are the planet's ecological stress limits. If these are breached, then the survival of humankind is also threatened. Such boundaries include climate, ozone depletion, ocean acidification, chemical pollution, atmospheric pollution, species extinction, deforestation and other changes in land use, excess freshwater consumption, interference with the phosphorus and nitrogen cycles, and so on, cf. Johan Rockström et al. 'Planetary Boundaries: Exploring the Safe Operating Space for Humanity', *Ecology and Society* 14 (2) (2009): 32, <http://www.ecologyandsociety.org/vol14/iss2/art32/>.

cooperation and international cooperation – challenges that will arise from global developments.

1. Globalisation: a review

As far back as the early 1990s, globalisation was recognised as a phenomenon that needed to be addressed. To this end problems of global dimensions were identified. The 1992 OECD Ministerial Council Meeting singled out three challenges: **promoting sustainable growth and social progress, strengthening the multilateral framework** and **determining the role of international institutions** in a changing world. The opportunities presented by global development were generally counterbalanced by fears that these trends would jeopardise national accomplishments, such as the democratic and social rule-of-law state, whose parameters were defined at national level.

The approaches adopted to deal with the problems were many and varied. They included the signing of the Maastricht Treaty in 1992, which sanctioned and expanded multilevel governance in the European Community (EC) and European Union (EU). This period also saw a range of international conferences. Some addressed the issue of global public goods such as climate and water (e.g. the Earth Summit or UNCED held in Rio de Janeiro in June 1992), while others raised questions for which global regulations were to be devised. These included the 1993 World Conference on Human Rights in Vienna and the 1995 UN World Summit for Social Development in Copenhagen. Non-state actors were given a prominent role for the first time at the fourth World Conference on Women in Beijing in 1995.

Global expansion of the market economy following the collapse of the Soviet Union was accompanied by the regulation of free trade, for instance through the General Agreement on Tariffs and Trade (GATT) which wound up the Uruguay Round of trade talks, and the creation of the World Trade Organization (WTO) in 1995. In the same year, negotiations began on the Multilateral Agreement on Investment (MAI) under the auspices of the OECD – the first agreement in which developing countries were also involved.

Progress in information and communication technology led to the communication revolution of 1994. It was in this year that Tim Berners-Lee founded the World Wide Web Consortium (W3C). The hope was that this would provide the basis for a free internet.

At the end of the century, international organisations at least agreed on how they could manage and shape globalisation in a way that would have a positive impact for the poor. The German Bundestag's Study Commission on Globalisation of the Economy noted in its final report that 'in the simplest terms, global governance means politically shaping the process of globalisation'.² Global governance is thus interpreted as a political project that helps to eliminate any negative trends, especially in international markets. 'The Commission sees regional governance as a vital building block in this project.'³

A decade later, we are more aware in several respects of the challenges posed by this political project. At the same time, economic globalisation has shifted the focus onto the

² Bundestag printed paper 14/9200 dated 12 June 2002, p. 415.

³ *ibid.*, p. 422.

limits of resource use and the impact of such use on the climate, environment and energy. At international conferences including the 1992 Earth Summit and Rio+ 20, an attempt was made to ensure the support of the international community for more climate change mitigation and environmental protection. What emerged instead were the difficulties involved in reaching agreements at global level with such a wide range of different actors and in getting actors to commit to these agreements.

It has then not (yet) proved possible to manage, influence and steer globalisation. On the contrary, globalisation and its inherent dynamics have caused significantly more problems that could have previously been anticipated. The complexity of such dynamics, as evidenced for example in the diverse interactions between market players, has led to a degree of uncertainty, which has meant that many of the advantages that globalisation was originally felt to offer have in fact become disadvantages. For example, global value chains are becoming unmanageable, information networks are subject to external influences, and international institutions have not been enabled to effectively perform the regulatory role now expected of them. Governance of globalisation⁴ is then still an urgent task.

2. Definitions of global governance

As far as organised states are concerned, global governance is taken to mean steering or managing global regimes on global issues for and by globally operating actors. This involves creating an order and (politically) steering and managing issues and agreements via institutions or functionally specific regimes in which states, corporations and civil societies participate. However, this definition is not in itself wholly meaningful.⁵

Expressed in *negative* terms, global governance involves management *without* the involvement of states, i.e. without any monopoly over power and order, without those citizens in whose interest this management is taking place and to whom the ruling parties are responsible, and without any legal framework to protect the rights of all and determine the rules governing coexistence.

A further definition might be that global governance is a network-based and joint 'undertaking' by states, global actors in the economy and globally active civil society organisations. This undertaking coordinates their global problems, their agendas and their decisions and policies, develops a global order (initially in functionally specific areas), regulates global public goods and generally gets involved in intensive processes designed to resolve global issues.

Against this background, the aim is to find space for flexible and workable solutions (decisions, regulations, etc.), and to devise and make use of these solutions so as to:

⁴ Joseph Nye and John Donahue (eds.), *Governance in a Globalizing World* (Washington D.C.: Brookings Institution Press, 2000).

⁵ Renate Mayntz, 'Governance Theory als fortentwickelte Steuerungstheorie?' (German only) Max Planck Institute for the Study of Societies Working Paper 04/1, March 2004, Cologne.

- a) improve the ability of national actors to take part in and refine transnational, regional and global governance arrangements within the framework of their own national institutions;
- b) to reach an optimal 'concentration' of regional transactions that guarantees the interplay of national, regional and global institutions.

Global governance may also be defined in terms of the *matters/issues* and the corresponding *players* involved. At GIZ these are called 'global agendas', whereby they include not only the agenda itself but also its implementation.

3. How do we address the issue?

Our engagement with global governance focuses on issues such as flows of migrants and refugees, urbanisation, crises and conflicts, regulation of financial and transport markets, inclusion and human rights, as well as climate change (see concept for the sector days). These issues clearly highlight the conflicting priorities that will arise in our future work. National and subnational solutions need to look beyond a state's national borders and take account of the earth's planetary boundaries and the way other societies see the future. At the same time, global challenges cannot be resolved by solutions at national level alone, but must also be tackled at regional and local levels. What approaches can we use in our work to address these challenges?

3.1 Forums and actors

In formal, informal, multinational and multistakeholder global governance forums, industrialised, emerging and developing countries are increasingly engaging and sharing experiences with one another in various different groupings. It is not always possible to clearly categorise these global governance segments. Alongside the 'traditional' multilateral sector that comprises the UN system and its various groupings, there are a growing number of private or public-private global governance forums and groups that cannot be precisely distinguished from one another. These include, for example:

- 'club' formations that work on global policy issues, for example the G7 and G20;
- public-private policy networks, where national, international, economic and/or civil society players join forces on specific subjects, sometimes in response to a lack of international consensus among governments or other key actors, for instance the Extractive Industries Transparency Initiative (EITI) and the Common Code for the Coffee Community (4C);
- rules/standards of global (private/corporate) governance set by private-sector or civil-society actors;
- expert networks, where national, international, and even private-sector and civil society actors engage experts from the science and research community, civil society or business to work on global problems.

3.2 Advising on regional governance/governance of regional institutions

The issue can also be addressed by advising **regional governance institutions**. Global and regional development processes need to be **managed at a political level**. Political

management in turn requires appropriate organisational forms and rules for governance, administration, citizen participation and service delivery.

In this sense, promoting regionalisation from a political and administrative point of view means supporting coordination efforts beyond state borders, making appropriate forums and platforms available, and, where necessary, agreeing on institutions. The best example of this type of cooperation can generally be found in the practices adopted in democratic rule-of-law states, in which citizens are enabled to participate in political life, power is exercised in a transparent and accountable manner, and public services are provided in close cooperation with the private sector and civil society. This model, however, cannot generally be transferred in its entirety to regional institutions. It is precisely those areas of activity such as citizen participation, creating transparency and verifying rulings that regularly pose a challenge for us in our work. In terms of the future design of our portfolio, the question arises as to how we can identify ways of upscaling GIZ's multilevel approach and knowledge transfer to national and regional levels, and of linking our bilateral and regional portfolios more effectively.

3.3 Global agendas and their governance

There are many global developments that present opportunities and risks, from demographic changes and consequent migratory movements to climate change and the megatrend of urbanisation. Some of the problems that these cause arise in the global context (climate change, demographics and financial markets), while others in fact represent the global dimension of national or local problems, to which there might be regional or global solutions.

In 2015, the goals are reflected in the SDGs. This agenda for sustainable development takes account of the planetary boundaries and will be adapted to these boundaries as appropriate. The universality of the agenda constitutes a radical move away from traditional hierarchies and standard north-south or donor-recipient mind-sets. In contrast to the MDGs, which were only set for developing countries, the SDGs apply to all countries in the world and also call for a rethinking in our own country, for example, with respect to the sustainability of our production and consumption patterns. This is the first time that a framework of this sort will render visible existing economic, ecological and social interdependencies within and between countries. These interdependencies will require all states and all actors to accept their shared responsibility for the global good.

At present, it remains to be seen how this new framework will influence the work carried out by GIZ. Possible approaches here might include adapting our partner countries' strategic and budgetary processes, increasing countries' statistical capacities and supporting review and regional peer learning processes. Last but not least, the global framework clearly highlights the trend away from standard development cooperation towards international cooperation and 'beyond aid'.⁶

⁶ Given the limited funds available for ODA and the huge challenges that we face, many donors believe that traditional development cooperation will no longer be appropriate for achieving goals such as protecting global public goods. The need will rather be for increased and targeted use of international forums, network organisations, and similar bodies. This is not a wholly new debate. Indeed, the concept has been under discussion for a while, both in English-speaking countries and in Germany (where it is known as 'globale Strukturpolitik', or global structural policy). 'Beyond aid' has, however, recently attracted more attention again since the International Development Committee of the House of Commons published a report on this very topic. See, for example, Jean-Michel Severino and Olivier Ray, 'The End of ODA: Death and Rebirth of a Global

3.4 The international cooperation view of globalisation: ‘beyond aid’ or ‘from aid to global transformation’⁷

Our work on **transformation** at the most recent sector days made one thing particularly clear: the notion of a development process in a stable, predictable and familiar environment, such as that envisaged by parties to the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, has isolated development cooperation from other areas of policy. This has not led to global transformation being better understood or to our instruments, methods and consultancy principles being better designed. Only when different policy areas work together in a **collective** and interrelated way will they be able to contribute to **transformation** at national and global levels.

The vision of development underlying the concept of **transformation** focuses on change process themselves. Transformation is not a process of finding a solution to a familiar problem, but rather a **process of searching within society** in which social discussions and dialogues and choices made within society determine and shape the future, which is as yet unknown.⁸

Such reflections on the nature of (global) transformation also play a role when we look at how global challenges currently influence classic policy development. In our search for solutions, we start by focusing more on providing advisory services and supporting the **process** than on the solution itself. This becomes particularly clear when looking at **global public goods**, which affect many different areas of policy and were previously seen as a national issue. Global challenges demand a new way of thinking and a new type of precautionary principle (‘do no harm’) across all of our policy advisory services. Reducing or eliminating risk is no longer only a national concern. Policy Coherence for Development (PCD)⁹ should therefore be expanded to become a more holistic concept in which areas such as trade, security and the environment are now aligned with one another as **global public policies**, which actively contribute to achieving global development goals, and thereby enjoy greater transparency and legitimacy.

National policies will still remain absolutely key to reform and progress, as emerging countries have long since demonstrated. At the same time, however, those responsible for these policies must also accept their global obligations – and be ready to merge these policies and responsibilities.

This requires fully functioning and internationally interlinked regulations and regimes. Moreover, there is a need for actors to work at the interface between different sets of national regulations and to interact with relevant groups of private stakeholders. This scenario of

Public Policy’, Working Paper 167, Center for Global Development (Washington D.C., 2009); Heiner Janus, Stephan Klingebiel and Sebastian Paulo, ‘Beyond Aid: Konzeptionelle Überlegungen zum Wandel der Entwicklungszusammenarbeit’ (German only), Discussion Paper, German Development Institute (Bonn, 2013), and the inputs of the International Development Committee of the House of Commons, ‘The Future of UK Development Cooperation: Phase 2: Beyond Aid: Government Response to the Committee’s Tenth Report of Session 2014–15, First Special Report of Session 2015–16’ (London, 2009), <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmintdev/339/339.pdf>.

⁷ Cf. among others Laurence Chandy, ‘Reframing Development Cooperation’, in: The 2011 Brookings Blum Roundtable Policy Briefs, *From Aid to Global Development Cooperation* (Brookings 2011), pp. 3-12.

⁸ Cf. draft paper for the 2013 symposium, <https://dms.giz.de/dms/lisapi.dll?func=ll&objaction=overview&objid=77217033>.

⁹ Cf. OECD, <https://community.oecd.org/community/pcd>.

global transformation processes offers little scope for 'developing countries' as their limited capacities rule them out as actors. They will thus continue to represent a risk factor for security, migration and climate agendas. Many non-BRICS states are trying to avoid this fate by establishing closer relations with the OECD and strengthening their regional governance institutions. Here, it is clear that, both collectively and individually, we must offer these countries ambitious prospects that extend far beyond 'development' and, most importantly, are global in nature. We will then have to make it clear whether we want to play a role in the process of global transformation, and if so which role we want to play. We will also have to demonstrate how this will be achieved and what criteria we will use to define success.

4. What might global transformation advisory services look like in future?

How should we assess new actors and their actions? What constellations are emerging and how will they help achieve global goals? How do we deal with the fact that there is no known solution to many of the global challenges, e.g. earth governance, and that we do not currently know whether and how we will arrive at these solutions in the future and how we might prepare to contribute?

Insufficient information, uncertainty both about future trends and about the consequences of reforms, and the lack of reliable and proven systems all mean that we can rule out simple and familiar solutions. If we still wish to play a consultative role in **global governance as an emerging system** comprising many different subsystems, we need to develop and comply with rules and principles. These are firstly intended to keep our options open, establish cohesion and ensure, by way of ongoing monitoring, that today's decisions do not rule out any future solutions. Secondly, once these rules have successfully enabled us to complete activities and establish relationships, they can help to refine future regulations and operating principles. In the following I will therefore present some new criteria and guiding maxims for our advisory services.

4.1 Criteria for advising newly emerging globalisation structures

The first criterion is the support for negotiating processes aiming to achieve the **gradual institutionalisation** of global organisations while taking democratic principles into consideration. This criterion applies in particular to organisations that respect democratic principles inside the organisation itself while also attempting to integrate affected groups in their decision-making processes.

An example of this is the Forest Stewardship Council (FSC). The criteria used by the Council in its activities compete directly with the decision-making criteria used by international institutions such as the UN. The attractiveness of the FSC as a global NGO is due among other things to the fact that it has both a problem-oriented and a member-oriented structure and that its members consider its processes to be appropriate. The FSC is considered to be a role model in the way that it applies democratic process criteria to the decisions taken by its members (especially the democratic voting at its general meetings¹⁰).

¹⁰ Cf. FSC, <https://ic.fsc.org/governance.14.htm>.

This criterion is to be extended to achieve the organisation's **gradual constitutionalisation**, with a particular focus on transparency and accountability. Here, advocates of constitutionalisation processes invoke the principles of human rights and the way in which these are reflected at a global level. The result is the ethical enrichment of the rules that are established for this purpose. The FSC's process of constitutionalisation is also considered exemplary.

Both criteria, **institutionalisation/democratisation and constitutionalisation**, must of course be adapted to an organisation's mandate, its ability and capacity to act, and the process by which it was set up.

1. The standards for and process of setting up an organisation become particularly clear for those organisations that are to be responsible in future for sustainability governance. This might be the case for, say, a metaorganisation involved in setting and monitoring standards, such as the International Social and Environmental Accreditation and Labelling (ISEAL) Alliance. This alliance was created when 10 different standards organisations joined forces. The aim is to develop a code of conduct for setting national standards appropriately. Here, members also commit to adhering to the key pillars of democratic governance such as non-discrimination, transparency, accountability and joint consultation.

2. Where the aim is to organise and steer processes for negotiating transformation, another development option for the international system is the emergence of a global civil society that is detached from its state or national frame of reference at institutional level.

Constitutionalisation can support this process by establishing co-determination rights. Civil society organisations can then adopt these rights and thereby more effectively support decision-making in accordance with democratic principles. Platforms such as avaaz.org or change.org can be seen as types of organisations designed for a global civil society of this sort that has become detached from its own national frame of reference, although they have hitherto been best suited to dealing with isolated problems.

Global governance criteria **support transformation processes**. Here, the starting point is universally valid standards, such as the UN Charter and its human rights conventions. Such standards also include general principles that have little operational significance but that might play a role in an organisation's identity, e.g. fairness and equality. Other principles are rooted in concrete and functional areas of application but have also proven to be useful for other transactions, e.g. the 'do no harm' and precautionary principles as well as the principles of solidarity and subsidiarity.

Acceptance of these criteria may vary between the different groups that use them. As principles, however, they are widely recognised, either because they have been incorporated in individual conventions (cf. the precautionary approach in Principle 15 of the Rio Declaration on Environment and Development) or because they have been included in negotiations or sets of principles. These principles are only a starting point, though, and it is vital for our operations that they are filled with life across all the different levels of governance of transformation.

4.2 New guiding maxims for advisory services

The following guiding maxims are not part of a consistent canon. They were developed in specific contexts but can be applied to comparable situations where there is uncertainty, complexity and a lack of knowledge or experience, especially in areas requiring conflict resolution, transformation consultancy and advisory services on environmental agendas. The guiding maxims discussed here have come from various sources and are derived from the principles laid out in the previous section. When cooperating with new actors, devising new forms of global activity and working on new issues, we also need to come up with new guiding maxims for our advisory services. These are outlined as follows:

1. Guarantee reversibility

The first guiding maxim states that we should guarantee the **reversibility** of the solutions that we propose. A good example of this is land transfers. Here, we have international investors on one side and small landowners on the other side who do not normally deal in land, and then national institutions that support these transactions. Against this background, it is difficult to come to a satisfactory solution. Each party has different interests that are hard to predict as these only evolve over the course of time – and often interdependently of one another. The impact of land transactions becomes apparent only slowly, also often due to a lack of transparency and to interests being concealed throughout the process. Countries that sell their land and property can gain direct benefit from these transactions, whether as sellers or intermediaries, through backhanders or other payments. They also benefit indirectly, for example via job creation or services provided to the new owners. However, those who give up their land may equally also lose out because they have lost a sustainable source of income or have had to give up their home and thereby their identity and social contacts.

In such situations, each alternative solution must therefore ensure that it is at least possible to adapt to changed circumstances and interests at a later date. If necessary, this might have to involve taking account of new parties to the process – or even giving consideration to providing an option for rescinding the agreements.

2. Carefully balance democratic mobilisation and gradual constitutionalisation above the level of the state

As a way of reinforcing their own legitimacy, regional and global non-state organisations will sometimes do a lot to demonstrate that they are democratically legitimate and that their decisions are therefore based on democratic principles. This is particularly the case if they are seeking to set themselves apart from sometimes complex bilateral and multilateral agreements and the accompanying red tape when these start to become too bureaucratic and opaque. For a while now, we have also seen how such organisations tend towards gradual constitutionalisation. As these two tendencies do not necessarily converge, we constantly have to check how we can combine them in an expedient and situation-appropriate way.

3. Create space for a global civil society, detached from any national points of reference, but committed to a collective that thinks in global terms

A development option for the international system that has been discussed since the turn of the century is the creation of a global civil society that would extricate itself from the

dominance of national states. Rather than only tackling specific problems, it would address global issues in its capacity as a community of experts with a view to devising sustainable solutions. Even supporters of this concept, however, had to admit that it was rather unclear and thus open to attack.¹¹ This is because active and globally minded elites do not necessarily behave in an inclusive way and are not per se geared towards collective action.

4. Link our issues with legitimising principles for the global arena

Example: Global security governance

As well as ensuring that our advisory services take into account core specialist principles such as the precautionary approach, the 'do no harm' principle and the concepts of solidarity and subsidiarity, we could also make sure that we take into account more general principles such as human rights and inclusion.

Example: Global financial governance for transformation and stability

Specialist groups addressing global governance issues in the field of public finance should be expanded to explore topics such as global and regional tax matters and budgetary principles and ultimately to devise common and coordinated principles in such areas as financial reporting and auditing. Common criteria should also be developed for issues such as accountability. Examples here include the Financial Action Task Force (FATF), the Collaborative Africa Budget Reform Initiative (CABRI) and comparable sector networks.

Tax competition is a good example of this. It was previously always assumed that tax competition has a positive effect on governments' taxation and expenditure behaviour and also that it leads to efficiency gains. Time and time again, however, these assumptions have been questioned and to some extent even refuted. This could pave the way for a global policy that attempts to learn from the disparities and distortions that are repeatedly caused by global tax competition without national lawmakers ever succeeding in setting sustainable rules.¹²

5. Aim to link governance systems with one another

In view of the cross-border challenges that exist, such as climate change or the threat to biodiversity, we are increasingly having to deal with transnational issues. We have seen how corporate actors, internationally operating civil society organisations and new forms of public international cooperation have been growing in importance, and not just since the Rio+20 Conference. These players have brought with them a variety of approaches and regulatory regimes, which are the result of fragmented policy processes, the internal dynamics of these institutions and the other stakeholders working in the same environment.

This development has meant that only **individual one-off solutions** have been possible since Rio and that many of the challenges have still to be satisfactorily resolved. The individual problems might be familiar, but as a whole they represent a mix of problems that the governance instruments applied up until now have not been able to address. This does

¹¹ Anthony Giddens, 'Foreword' in: Helmut Anheier, Marlies Glasius and Mary Kaldor (eds.), *Global Civil Society* (Oxford, Oxford University Press, 2001), p. iii.

¹² 'The world will move more quickly than the theory. Yet, we don't know when tax competition starts to become harmful.' Michael Keen and Kai Konrad, 'International Tax Coordination and Competition', Max Planck Institute for Tax Law and Public Finance, Working Paper 2012 – 06 (Munich 2012) p. 74, <http://www.tax.mpg.de/RePEc/mpi/wpaper/Tax-MPG-RPS-2012-06.pdf>.

not mean that particular actors have not been taking steps in the right direction. Rather, what it demonstrates is the need to conceptualise and design governance in a way that makes it appropriate for those problems, stakeholder constellations and institutional developments that have not yet emerged clearly.¹³

The first step we must take is to **bring together hitherto separate governance systems** and relate them to one another. We should organise public and corporate governance, national and international regimes, and state and civil society organisational and operational forms all within one common framework. What would this framework be like? What would be necessary? Would this be part of the global partnership?

From our present-day perspective, the three dimensions of sustainability require an outlook that does not predict future developments but at least does not stand in their way: or even better, one that actually stimulates future developments.¹⁴

5. Summary

How has the global governance frame of reference and thereby also the framework for advisory services within international cooperation changed? The fears expressed over 20 years ago have proven to be groundless. The 'wild and remorseless globalisation' feared by Ralf Dahrendorf, which was going to endanger social cohesion and intensify internal social conflicts, has not materialised, or at least not yet.¹⁵ Nor have global transactions become as concentrated as was once assumed. Instead, given the weakness of traditional international organisations, new actors, or at new constellations, have emerged to set the global agendas.

As far as **regional governance** is concerned, the environment in which development cooperation/international cooperation operates has changed less than was widely expected after regional institutions were set up or transformed (e.g. Mercosur, or the transition from the OAU to the AU). This is less true of the advancement of **global agendas**, development of which is now much more strongly influenced by private institutions and their own forms of cooperation. There is a need to adapt previous forms and elements of global governance, either because new actors are involved with other interests and other forms of governance, or because the tasks and potential solutions have changed, and to some extent become more concrete. Finally, negotiation of the SDGs is a particularly good demonstration of how important it is to achieve cohesion between systems and to seek legitimacy when devising global solutions in a future 'beyond aid'. Only if we can successfully balance the legitimacy and effectiveness of globalisation processes will globalisation be able to survive.¹⁶

¹³ Frank Biermann, '“Earth system governance” as a cross-cutting theme of global change research', *Global Environmental Change* 17 (2007), p. 326–337.

¹⁴ The selection, design and preparation of social and political processes that will deliver new solutions or an appropriate framework amount to a case of 'reflexive governance'. This term was coined due to the particular demands of environmental and sustainability governance. Here, outcomes might be developing new forms of knowledge and insight management, devising new ways of building networks and alliances, or getting new actors on board and designing new functions.

¹⁵ Ralf Dahrendorf, 'An der Schwelle zum autoritären Jahrhundert' (German only), in *Die Zeit* no. 47/1997, 14 November 1997.

¹⁶ Dani Rodrik, *The Globalisation Paradox. Why Global Markets, States, and Democracy Can't Coexist* (Oxford, Oxford University Press, 2012).