

Assimilation of Patterns and Goals of Political Regulation as a Consequence of Globalisation?

Lars Brozus/Ingo Take/Klaus Dieter Wolf

Draft paper

Prepared for the CPOGG Workshop at

Schloss Amerang (November 1st to November 3rd 2002)¹

1. Project Outline

By stressing the deepening gap between winners and losers of globalisation both research studies as well as the general public debate have often drawn a picture of political polarisation and fragmentation resulting from globalisation. Without casting into doubt the relevance of these developments, this paper analyses a widely neglected counter tendency concerning patterns and goals of political regulation. The starting point of our research was the observation that

1) the global spread of the idea of sustainable development indicates the universal acceptance of *common goals of political regulation*, at least in the field of environment and development;

2) *new and similar patterns of governance* have been emerging in different regions of the world (within and outside the OECD-world) as well as on different levels of governance (within and beyond the nation-state).

These new patterns and goals of governance are characterised by the growing involvement of non-state actors and by a shift from decision-making procedures embedded in traditional institutional settings (such as majoritarian parliamentary procedures) to new consensus-oriented decision-making bodies in which arguing prevails over bargaining as the dominant mode of interaction and which follow a multi-stakeholder approach of representation. As more horizontal modes of

¹ The project has been conducted by a research group including Prof. Dr. Klaus Dieter Wolf, Dr. Ingo Take and Dr. Lars Brozus at Darmstadt University of Technology, Institute for Political Sciences. Funding has been provided by the Volkswagen-Foundation.

governance these new patterns imply a de-hierarchisation of the relationship between public and private actors.

Empirical Goals

The first problem to be solved in this context concerns the empirical question whether our underlying assumption is correct according to which this tendency of de-hierarchisation is a universal phenomenon. In order to answer the question if and in how far new and similar forms of political regulation have emerged both in developed and developing countries as well as on different levels of governance (especially beyond the nation-state) we have undertaken comparative empirical studies which indeed underline the significance of the universal trend towards an assimilation of patterns and goals of political regulation and de-hierarchized relations between state and society within, but also outside the OECD-world.

We have examined the emergence and development of formal and informal forms of co-operation between civil society actors and governmental actors in the United States, the Philippines, Brazil and the Netherlands. On the level of governance beyond the nation-state we have looked at different forms of public-private regulatory efforts, such as the Global Compact, corporate codes of conduct and further regulations resulting from the interaction between business and (transnational) civil society with more or less intervention by the state. Although our empirical findings confirm the initial expectation of the emergence of new and similar patterns and goals of governance across states within and outside the OECD-world as well as on the national level and on the level of governance beyond the nation-state, we could also observe some variance in the scope and depth of this change. This observation drew our attention to different mechanisms and conditions of change we explored subsequently.

Explanatory Goals

In this second step the goal was explanation. An obvious and immediate explanation of the observed trend towards assimilation and horizontalisation of political regulation could point to the fact that political decision-making processes throughout the world have to cope with similar challenges caused by the same globalisation processes. Confronted with these challenges, the regulatory capabilities of each individual state,

even of intergovernmental governance arrangements, and of the established forms of political regulation in general do not suffice any more. Already since the early 1970s a process of political modernisation has taken place within the OECD-world, in the course of which an intensified co-optation and utilisation of societal and economical actors' resources can be observed. Two alternative explanations for this tendency could be brought forward: the answer to the ever more demanding challenges overcharging the regulatory competence of the individual state is either a functional necessity or, from a rationalist perspective, mirrors the interest of economic actors in more "soft" forms of governance, accompanied by "less state". But functional explanations can not account for the general trend towards more horizontal forms of governance beyond the nation-state, since another logical answer to the problem of growing incongruence between spaces of political regulation and spaces of societal transactions would be the relocation of hierarchic authority in well confined, neatly separated political and social units. Rationalistic explanations, in turn, should have problems accounting for the undisputed global salience of the idea of sustainable development. Even actors with conflicting interests regularly use the notion of sustainable development when justifying actions in the context of environment and development. Apparently, sustainable development has become an universal frame of reference which can not be ignored even by opponents of the concept.

In contrast to functionalist and rationalist explanations we want to offer an account for the observed changes based on a constructivist approach. Our main thesis is that ideas play a major role as explanatory factors for the universal spread of similar patterns and goals of governance. The debate on the explanatory power of ideas in IR-theory is linked directly to the debate on governance beyond the nation-state. It focuses on the power of two competing explanatory approaches for international politics. Rationalists claim, that self-interest motivates international actors like unitary nation-states to pursue their goals according to – more or less – neatly ordered preferences. Moreover, (neo-) realists argue, that the struggle for security based on military strength and unrestricted access to resources is the most important source of conflict in international politics. Constructivists, on the other hand, explain international politics by looking at belief-systems. Belief-systems consist of beliefs about the structure and the driving forces of the world and the diverse political entities (communities, societies, states) formed by man. In order to understand international

politics, constructivists explore these competing belief-systems. The main argument which we have derived from this debate is that the emergence of similar patterns and goals of governance on different levels and in different regions of the world may be the result of the spread of the universally acknowledged idea (“Leitbild”) of sustainable development. However, we did not expect that this idea would “float freely” (Risse-Kappen 1995), but that its impact would be supported or hindered by more or less enabling or constraining filter variables.

Our search for the discriminating influence of such filter variables started out with two domestic variables: domestic structure and domestic salience (Cortell/Davis 1996). Domestic structure refers to state-society relations and the political capacities of states in the issue area of environmental and developmental policy (encompassing the sub-variables “capacity”, “openness of the political system” and “strength of civil society”). Domestic salience refers to the grade of compatibility of ideas and norms on the international level and domestic ideas and norms. The general assumption that these filter variables should be more favorable within the OECD-world (i.e. USA and the Netherlands) than in our two contrasting cases (i.e. Brazil and the Philippines) presented us with an explanatory puzzle: in both latter cases the observed change of governance patterns and goals was much stronger than we expected. Obviously non-domestic factors had to be taken into account in order to explain this puzzle. We were challenged with the same question with which the Human Rights Research Group (Risse/Jetschke/Schmitz 2002) had been confronted, and we took a similar way to cope with this question: how can the socialisation of an international norm be successful in the absence of favorable domestic conditions? In the human rights case the impact of transnational human rights networks could be identified as the missing link. In our case transnational alliances, formed by the respective domestic civil societies with transnational NGOs and international organisations (INGOs and IGOs), could account for the puzzling observation of comparable change outside the OECD-world. We found that they decisively contributed to more favorable domestic conditions regarding the change of patterns and goals of governance in the issue area of environmental and developmental policy, which had been chosen for our empirical analysis.

The Case of “Sustainable Development”

Because of its universal acceptance and potential global impact we decided to focus the attention of our empirical study on the concept of sustainable development as developed by the Commission on Sustainable Development and later laid down in the Agenda 21. In this final document of the 1992 Rio-conference sustainable development is used as the conceptual guideline for all states participating in the UNCED process.² Agenda 21 can truly be characterised as the first attempt to define common goals of governance on a global scale with respect to environment and development. Moreover, an often disregarded part of Agenda 21 deals with new patterns of governance. It states that societal actors should be involved more directly in the various processes of political regulation on all political levels. In sum, the concept (“Leitidee”) of sustainable development is of particular interest to us because it is not only promoting new goals but also new patterns of governance from the global to the local level. This is why we have chosen it as the concrete starting point for studying the impact of ideas and normative concepts on the change of patterns and goals of political regulation in a globalising world.

Likewise, sustainable development can be regarded as ideational basis for a common notion of global governance. Inspired by the idea of sustainable development, global governance has become the conceptual answer to the challenges confronting effective and democratically legitimate governance in the 21st century. Global governance is conceptualised as a new multi-stakeholder and multi-level approach to problem-solving based on dialogue and cooperative interaction between actors from the political sphere, business and civil society, with a particular emphasis on the role of the latter.

Although sustainable development is emerging as a central concept not only in the field of environment and development, but for the political sphere in general, we have solely chosen environmental policy for our study because here the incongruence between those who cause global risks, e.g. global climate change, and those who are afflicted by these risks is most obvious. Due to their border-crossing nature, these

² In this context, inter- and intra-generational justice are the most important goals of sustainable development.

risks can not be mastered by traditional forms of hierarchic governance. In order to achieve both effective and democratically legitimate governance, new forms of political regulation have to be developed.

2. *Principal Results*

Concerning *goals* of political regulation, our research produced plain results: sustainable development has become a central part of the political agendas of all analysed states.³ However, the degree to which national political agendas adapt to the notion of sustainable development varies. The empirical findings that can be drawn from our four case studies on the domestic level and from a number of cases on the level of governance beyond the nation-state also confirm the expectation of changing *patterns* of governance in the issue area of environmental policy. In all cases we observed changes in state-society relations. These changes do take place within and outside the OECD-world and on the national level as well as in the sphere beyond the nation-state. Moreover, they take place with explicit (and sometimes implicit) reference to the idea of sustainable development and the demands put down in Agenda 21. Our conclusion is that, while globalisation may provide an explanation for the change of governance in a general sense, the impact of ideas (in this case of the idea of sustainable development) can explain the specific course of the changes of patterns and goals of governance. Globalisation alone can not account for the spread of specific new governance arrangements in which private-public partnerships emerge, a multi-stakeholder approach is implemented, in which dialogue and the mode of arguing prevails over traditional hierarchical patterns of political regulation, to mention only a few characteristics of the perceived changes. However, all these observations can be explained by pointing to the impact of the idea of sustainable development.

³ As William Lafferty (1998: 266) rightly states: “The notion of ‘sustainable development’ has in recent years achieved a popularity approaching that of ‘democracy’. Just as every country and ideology after the Second World War wished to profile itself as ‘democratic’, we find the same trend today with respect to ‘sustainable development’.”

More important, we conclude that there is significant evidence for a synchronous global restructuring of state-society patterns of interaction. Most strikingly, forms of political regulation seem to converge more and more: societies with a history of „deep“ corporatism like the Netherlands now seem to develop a more antagonistic style of decision-making, whereas the U.S., even after the assumption of office of the Bush administration, seems to pursue a more cooperative approach to decision-making. With respect to the two filter variables, domestic structure seems to be more important for the spread of the “Leitbild” of sustainable development. Transnational alliances between INGOs or IGOs and domestic NGOs may compensate for unfavorable domestic structures. The provision of material and immaterial resources from international and transnational actors can help domestic interest groups to gain access and more influence. Often this transfer mechanism contributes to more open political systems, the enhancement of political capacities of both state and society and the overall empowerment of non-state groups. Regarding domestic salience, the constant influx of ideas from the global level may contribute to incremental adaptations of national norm-sets. Transnational actors thus act as agents of political modernisation.

The change of governance patterns we observe beyond the nation-state corresponds with the findings on the domestic level. Although horizontalisation is not an issue in the international sphere – after all, governance beyond the nation-state has always been governance without government -, new regulatory approaches have emerged which are characterised by more private actor-involvement, explicit reference to the idea of sustainable development (and in some cases additional normative concepts) and their voluntary nature and reliance on successful processes of arguing and conviction. Some of them, such as the Global Compact, which was initiated by the Secretary General of the United Nations and encourages transnational corporations to commit themselves to nine basic principles in the fields of environment, social responsibility and human rights, are formally rooted in intergovernmental organisations; others, in particular cases of private self-regulation, such as codes of conduct which have resulted from interaction between corporations and civil society, do at least derive their regulatory goals from international agreements and declarations.

Apart from these theoretical and conceptual findings, the results of the research project are of practical significance as well. Our study once more underlines the argument that societal actors are increasingly important for political regulation on the international level. Business and civil society organisations are already relevant players in this field. Often, they pursue a kind of “foreign policy”, sometimes outflanking traditional diplomatic efforts of nation-states. Transnational alliances between domestic and international NGOs demonstrate the importance of these new forms of governance. However, state agencies should be aware that private governance initiatives do not automatically decrease the prominence of state action. They should rather be seen as additional channels of influence, that may even increase the power of states – especially, when action is co-ordinated between society and government. Therefore, one of the main tasks of all governmental agencies dealing with international affairs in the 21st century will be to establish dynamic relations to private actors working in the same issue area.

3. *What Makes this a “Critical Perspective” on Global Governance?*

We have tried to show that a major innovation of global governance, understood as a multi-level and multi-stakeholder approach to developing more effective and democratically legitimate patterns of governance in accordance with the substantial and procedural demands of the concept of sustainable development, consists in the “empowerment” of non-state actors. However, from the perspective of making governance more effective and more democratic a couple of critical questions can be raised.

Concerning the various codes of conduct there is a suspicion that

“few of these corporate initiatives are genuine efforts to improve working conditions, but many are only public relations tools intended to deflect consumer inquiries about workplace conditions and corporate social policies. The standards they contain are weak – either vague or incomplete – and there is no commitment to implement, monitor or verify that the standards are applied” (www.cleanclothes.org/codes.htm, last accessed October 6, 2002).

This causes doubts as to the *effectiveness* of such “soft” forms of regulations. The same doubts are raised by the regulatory approach represented by the Global

Compact. Rather than being a platform for encouraging a competition for “best practice” in the field of environment and development, the interest of the participating companies may primarily be caused by the prospect of evading pressure from both civil society and the state calling for “tougher” hierarchical regulation. Especially in contrast to far-reaching initiatives from civil society, the Global Compact can be regarded as a relatively weak instrument or code of conduct, that merely enables participating companies to gain social and even political reputation vis à vis their competitors.

Another strand of criticism focuses on the lack of *democratic legitimacy* of the new actors involved in global governance. Whereas governments should ideally be accountable, transparent and public interest-oriented, private actors such as companies and NGOs can not be judged by the same standards. Very often, the organising principles of both types of actors more or less contradict each other: on the one hand, political regulation in modern, pluralistic societies has to be founded on arguments that convince the majority of voters. Moreover, agents participating in governance have to be democratically structured allowing norm addressees to voice consent or discord, thus securing compliance. On the other hand, private actors, especially companies, must retain hierarchies in order to secure their interests, i.e. profits – sometimes despite new management techniques emphasizing the value of non-hierarchic forms of control. Similarly, NGOs should not be overcharged with pursuing public interests in general. This would decrease their value as sources of (alternative) information and agents of (partisan) monitoring.

Given that the model of a hierarchically structured majoritarian democracy can not be transferred to the international sphere and that a totally de-hierarchised system of governance is not desirable on a global scale, which form of (global) governance can prevail beyond the nation-state? We argue, that the observed changes of patterns and goals of governance could evoke a multiplicity of (sometimes cross-cutting) sectoral public-private policy-networks consisting of state and non-state actors who cooperatively share different purposes in political regulation. This would still be compatible with the idea of sustainable development as laid out in the Agenda 21, which states that its implementation “is first and foremost the responsibility of governments”. Global governance in accordance with the idea of sustainable

development can neither mean a complete retreat of the state, nor does it mean that more private involvement or even self-regulation automatically leads to more effectiveness and democratic legitimacy. Therefore, the emerging global “spheres of authority” should encompass “sovereignty-bound” as well as “sovereignty-free” actors (Rosenau 1997).

Thus, we conclude that the continuous existence of states providing guarantees and the political and social infra-structure that enables non-state actors to engage in political regulation is a precondition for the ongoing process of de-hierarchisation. States will remain convenors and facilitators of governance understood as a public interest-oriented process. However, the growing importance of non-state actors can help governments to better perform their services as long-term providers of public security and welfare. Moreover, this development may be seen as a functional equivalent for the apparent imperative of expanding spaces of political regulation in order to re-establish the desirable congruence of political and social spaces. This should be good news, because any attempt to centralise political authority above the international society is bound to meet continual resistance from powerful states like the U.S. or China. This opposition could very likely result in more and more deteriorating effectiveness and less and less democratic legitimacy of global governance. In contrast to this agonising perspective, we hope to show that another option exists in the process of transforming patterns and goals of political regulation.

References

- Cortell, Andrew P./Davis, James W. Jr. 1996: How do International Institutions Matter? The Domestic Impact of International Rules and Norms, *International Studies Quarterly* 40, 451-478.
- Lafferty, William M. 1998: The Politics of Sustainable Development: Global Norms for National Implementation, in: Dryzek, John S./Schlosberg, David (Eds.): *Debating the Earth: The Environmental Politics Reader*, Oxford: Oxford UP, 266-284.
- Risse-Kappen, Thomas 1995: Ideas do not Float Freely: Transnational Coalitions, Domestic Structures, and the End of the Cold War, *International Organization* 48:2, 182-214.
- Risse, Thomas/Jetschke, Anja/Schmitz, Hans-Peter 2002: *Die Macht der Menschenrechte. Internationale Normen, kommunikatives Handeln und politischer Wandel in den Ländern des Südens*, Baden-Baden: Nomos.

Rosenau, James N. 1997: *Along the Domestic-Foreign Frontier: Exploring Governance in a Turbulent World*, Cambridge: Cambridge UP.