

Global governance: its structures and issues

3.2.1.4 Global systems and global governance

What you need to know
The governance, regulation and reproduction of global systems
Positive and negative effects of the work of the UN and other global agencies
Linkages between local, regional, national, international and global management actions

Introduction

What do we mean by **global governance**? The term suggests broader notions of steering and/or piloting rather than the direct form of control associated with “government”. “Global governance” therefore describes the steering rules, norms, codes and regulations used to regulate human activity at an international level. At this scale, regulation and laws can be tough to enforce, however.

- Global governance is steered by the work on **supranational bodies** such as the UN and EU (bodies where member nations delegate some authority to them).
- In turn, national governments play a role by agreeing to act in line with proposals made by these supranational organisations (e.g. by passing national laws to restrict carbon emissions as their ‘share’ of climate change limitation agreements), or acting according to the UN Declaration of Human Rights).
- Due to their power and influence, TNCs also play an important role in global governance.

The regulation and reproduction of global systems

“**Regulation**” means management achieved through the enforcement of a set of rules. Many rules have been put in place to regulate world trade, for instance. Tariffs are imposed on manufactured goods entering the EU. It is illegal for individuals or companies based in the EU to avoid paying these import taxes deliberately when they are buying goods direct from China or the USA.

“**Reproduction**” refers to the way that the global economic system has - according to its critics - essentially remained unchanged in the post-war period despite mounting evidence that “the rich get richer while the poor get poorer”. Oxfam calculated that the richest one per cent have seen their share of global wealth increase from 44 per cent in 2009 to 99 per cent in 2016. The result is an ‘explosion in inequality’ at a time when one billion people still live on less than US\$1.25 per day. Globalisation critics point to the way that **capitalism** on a global scale is a system which is managed by wealthy societies and states in ways that ensure they continue to benefit most. Fundamentally, the system resists change and reproduces itself over time, extending to ever more countries.

Regulation and reproduction take place in three important ways. These are: the creation of legal frameworks; the steering work done by international institutions and organisations; and the transmission of **social norms** on global scale.

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Laws	An example of global law-making is the UN Convention on the Law of the Sea (UNCLOS). This is a vast global treaty covering navigational rights, territorial sea limits, economic jurisdiction, legal status of seabed resources beyond the limits of national jurisdiction, conservation and management of marine ecosystems, protection of the marine environment. It includes a binding legal procedure for settlement of disputes between states. It is also illegal under UNCLOS for ships that have recently delivered crude oil to use seawater to wash out their tanks. “Possibly the most significant legal instrument of this century” is how the United Nations Secretary-General described the treaty after its signing in 1982. Not all states have signed up to UNCLOS, however.
Institutions	The International Monetary Fund (IMF) and the World Bank are two important institutions. They were founded at the end of the Second World War by the victorious allied nations and other leading industrialised nations at the Bretton Woods conference in the USA. The aim was to help rebuild and guide the world economy. The General Agreement on Tariffs and Trade (GATT) was set up soon afterwards and later became the World Trade Organisation (WTO). Over time, these institutions have been important in reproducing and enlarging the global capitalist system. This has been achieved through a combination of global economic management and free trade policies.
Norms	<p>A ‘norm’ is an acceptance of certain attitudes, practices and regulation as valid and ‘normal’ for states aspiring to a high standard of governance. The UN has done an enormous amount of work to protect human rights and promote sustainable development. Both concepts are social norms insofar as they are widely valued and are viewed as appropriate goals to pursue; moreover, it is expected that there should be universal acknowledgement of their importance.</p> <ul style="list-style-type: none">• The UN Declaration of Human Rights defines global human rights in considerable detail. A Human Rights Council has been established to press for improvements in states and contexts where human rights are denied to people.• The 1992 Conference on Environment and Development (the ‘Earth Summit’ in Rio de Janeiro) established a normative plan of action for sustainable development and laid the groundwork for the Kyoto Agreement in 1997 and many subsequent climate change conferences, accords and agreements.

Issues and impacts of global agencies

Global agreements and organisations existed in the past. The League of Nations was established after the Great War in 1919, for instance. In the post-war period since the Second World War ended in 1945 there has been an acceleration towards even greater global governance. During the post-1945 era, international agencies, including the UN, have

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worked to promote growth and stability. Their actions, however, sometimes exacerbate inequalities and injustices, as the table shows.

Agency	Actions and scope	Evaluation
United Nations	The United Nations was the first post-war intergovernmental organisation (IGO) to be established. It has become an umbrella organisation for many global agencies, agreements and treaties. Its remit now includes a whole range of areas of governance spanning human rights, the environment, health (WHO – the World Health Organisation) and economics.	The UN has helped promote geopolitical stability alongside a developmental agenda including the Millennium Development Goals. However, because there are 193 member states, it is sometimes hard for agreement to be reached on issues. When Russia annexed Crimea in 2014, UN member states were divided on whether to recognise and accept the change or to condemn it.
World Bank	The World Bank is based in Washington DC, USA. It promotes economic development by providing advice, loans and grants for the reduction of poverty. The World Bank's role is primarily to offer long-term assistance rather than crisis support (which the IMF deals with). In the 1980s, the World Bank introduced Structural Adjustment Programmes (SAPs) for countries who had experienced severe financial difficulties.	Under SAPs, borrowing countries must agree to make concessions in return for new lending. This might involve privatising poorly-run government services, or withdrawing costly state support for inefficient industries. Critics of SAPs say they sometimes exacerbate poverty instead of solving it and further undermine the economic sovereignty of borrowing states. It assists the 'reproduction' of capitalist and free-trade market systems by insisting on this model as a basis for financial assistance.
World Trade Organisation (formerly GATT – General Agreement on Tariffs and Trade)	Since 1995, the WTO has formulated trade policy and agreements, and has tried to settle trade disputes. Overall, the WTO aims to promote free trade on a global scale. Unfortunately, a round of negotiations which began in 2001 stalled for 14 years. Trying to get 162 member states to agree anything can be challenging. As a result, many countries have instead focused on making regional and bilateral trade deals instead (between two individual nations).	Difficult problems which the WTO has failed to deal with satisfactorily include: 1. rich countries failing to agree over how far trade in agricultural produce should be opened up 2. the fast growth of emerging economies, including China, which makes it harder to agree on fair policies for so-called 'developing' countries

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Linkages between local, regional, national, international and global management actions

Interactions between the local, regional, national, international and global scales are fundamental to understanding global governance. This can be demonstrated by taking a look at the global governance of Arctic and Antarctic regions. A range of management actions have been taken at global/international, national and regional/local scales:

- **Global/international agreements and organisations** have attempted to influence what happens in these cold environments. For instance, the number of bowhead whales in Arctic waters has been recovering at 3 per cent annually since the 1970s thanks to the global ban on commercial whale hunting that was introduced by the International Whaling Convention in 1986. **The Antarctic Treaty** is often cited as an international success-story (see 3.2.1.5). Countries in the Arctic Circle have tried to emulate this success by creating an organisation called the Arctic Council which wants to deliver sustainable development throughout the entire Arctic region. The Arctic is tougher to govern than Antarctica, however, due to the fact that the region is home to settled populations living in eight countries.
- **National governments** in the Arctic region may attempt to resolve the conflicting interests of many different groups, ranging from indigenous people to big businesses, with varying success. Nowhere is this clearer than in Alaska. The state is running short of money due to low world oil prices. Some of its politicians, including Senator Lisa Murkowski, want to increase oil production to increase Alaska's income. While in office, US President Barack Obama took a different view. He wanted to maintain what he called "the integrity" of the Alaskan wilderness. President Obama banned oil exploration from taking place in 12 million acres of the Arctic National Wildlife Refuge (ANWR). The future of Alaska is an issue that will continue to divide American politics.
- **Regional and local organisations** try to support the interests of groups of people who may not otherwise be heard. The Inuit Circumpolar Council (ICC) in Canada is a non-profit organization that represents indigenous people from Nunavut and other northern regions. In Canada, the Dene people of the Mackenzie River Basin have opposed the arrival of global oil companies. While appreciating the economic benefits, they fear environmental damage.

Successful governance of the Arctic region requires "joined-up thinking" between the politicians and other players who operate at these three overlapping geographic scales.