

Global Governance

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Introduction

The uptake of new concepts is often a slow process. It usually takes time for scholars and practitioners to adopt a new word, to agree on its meaning and appreciate the value of using it. But every now and then, conceptual change happens overnight. Few concepts have as swiftly entered academic and policy discussions and become *the* organizing concept as “global governance.” A historical parallel might be the way “national security” in the 1940s became the “commanding idea” – a comprehensive label for a range of phenomena, previously discussed as war, defense, military and foreign policy.¹ The historical context for the concept of global governance was the fall of the Berlin Wall and the waning of the Cold War order. At this point in time, the demand was high for new concepts that could capture a rapidly changing world. Global governance is a suggestive term that quickly became established as a key concept in international relations, particularly in UN circles (Jönsson 2010). Weiss (2011: 9) reads the conceptual history of the term as a “shotgun wedding between academic theory and practical policy in the 1990s.” The publication of *Governance without Government* (Rosenau and Czempiel 1992) coincided with Sweden’s launch of the policy-oriented Commission on Global Governance, and the publication of the commission’s report *Our Global Neighborhood* in 1995 coincided with the first issue of the journal *Global Governance: A Review of Multilateralism and International Organization*. Probably because the concept seemed to make immediate sense for capturing and responding to a rapidly unfolding world politics, “global governance” has, rather unfortunately, come to be understood *both* as a new empirical phenomenon and a theoretical term for analyzing it.

Hewson and Sinclair (1999) noted that separate literatures have emerged on global governance – one as a broad theoretical approach and the other as a normative

program for the better management of common resources. Among those who deploy an empirical definition of global governance, the actual interpretations diverge considerably. There are those who use it in a relatively narrow sense to rethink regimes as enmeshed in broader systems of governance instead of delimited issue areas. Other scholars employ “global governance” in a broader sense as a vantage point for understanding the sources and political implications of global change. This means that global governance offers a more comprehensive and integral perspective than do other approaches, such as “globalization” or “neo-medievalism.” Furthermore, the concept of governance articulates an account of political order that relies on neither international “anarchy” nor on the hierarchical authority of the state (Hurrell 2007: 95). By drawing attention to the rise of hybrid, non-hierarchical, and network-like modes of governing on the global stage, global governance is therefore more than a theory “about” international relations – rather it is what international relations are about. The overarching narrative of the discipline is thus changing from one of anarchy in a system of states to governance within a global society (Barnett and Sikkink 2008). Finally, Dingwerth and Pattberg (2010) observe that scholars tend to overestimate the orderly coordination in world affairs when they capture certain areas, such as health and the environment, as global governance.

Within the field of international environmental politics, the global governance of the environment (i.e. “global environmental governance”) became an organizing concept in the mid- to late 1990s, subsuming previous discussions on International Governmental Organizations (IGOs), regime theory, the implementation of environmental agreements at the national level, private (business or civil) self-regulation, social movements, questions about the transparency and legitimacy of international negotiations, legal obligations, and other forms of steering such as codes of conduct or standards. The strength of the concept is its capacity to “convey a sense of an overarching set of arrangements beyond the specificities of individual issue areas or thematic concerns that encompasses a broad range of political foci” (Paterson *et al.* 2003: 1). Global environmental governance can thus be read as the practical answer to one of the discipline’s defining questions:

Can a fragmented and often highly conflictual political system made up of 170 sovereign states and numerous other actors achieve the high (and historically unprecedented) levels of co-operation and policy co-ordination needed to manage environmental problems on a global scale (Hurrell and Kingsbury 1992: 1)?

Many writings on global environmental governance have drawn attention to a new set of actors in global politics. Governance, understood as “the capacity to get things done without the legal competence to command that they be done” (Czempiel 1992: 250), encourages scholars to look for agency beyond the nation-state and instead among, for example, social movements, multinational companies, and scientific networks. Many scholars (e.g. Biermann 2006; Okereke *et al.* 2009) argue that the added value of the global governance concept (*vis-à-vis* state-centric, international approaches) is its ability to account for the increasing participation of non-state actors in the governing of collective affairs.

This brief chapter outlines the main characteristics of global governance as an academic approach to global climate and environmental policy. We trace its

intellectual origin in the mid-twentieth century and present an overview of contemporary interpretations of global governance. The second part of the chapter explores global environmental governance as practice. We particularly look at four different sets of practices through which the climate and the environment are being governed. The conclusion summarizes our reasoning, addresses areas in need of research, and tables some ideas about how to improve the system of global environmental governance, particularly with reference to climate change.

Global Governance as an Academic Approach

The concept of “governance” was introduced in the 1940s and used systematically in areas such as business organization, economics, and neo-corporatism since the 1960s (Pierre 2000). Cajvaneanu (2011) shows how governance historically coincided with the representation of society as highly complex and functionally differentiated. The concept emerged as a reflection on areas of “private government” (corporations, labor unions, and, later on, the university) as “autonomous, self-governing units within society that share the governing of individuals with the public government” (Cajvaneanu 2011: 70). This early articulation of governance as referring to a system of rules that organized the functioning of entities in both the public and private spheres (Merriam 1944; Eells 1960) helps us to understand where contemporary ideas about “global governance” originated. In the 1960s and 1970s, the concept of governance was shaped through developments within cybernetics and systems theory (control in the context of high complexity); in the development of transaction cost/neo-institutional economics (markets and networks as alternative governance structures that can enhance economic efficiency); and, finally, through the debates on the crises of the welfare state and the inefficiency of centralized policy-making. These later “areas of thought” laid the foundation for the normative “good governance” discourse (transparency, accountability, rule of law, participation) that organizations like the World Bank, IMF, and OECD have promoted (Cajvaneanu 2011) and which frames many contemporary discussions on global environmental governance.

While global governance as an academic approach emerged in the early 1990s, its main precursor in IR was the literature on transnational environmental actors in the 1970s. Keohane and Nye’s (1972) edited volume *Transnational Relations and World Politics* is one of those few publications that instantaneously demarcate a new field of study. The book tried to account for what was understood as a new phenomenon in world politics – the influence of non-state actors (mostly multinational companies) on state behavior. Shortly afterwards, Keohane and Nye (1977) formalized the arguments into a theoretical model, “complex interdependence,” which captured a world where transnational activity affects states’ capacity to act. Military force was seen as ineffective in a world characterized by new interdependencies (of which the environment was one) and, hence, the distinction between “high politics” (security) and “low politics” (trade) appeared obsolete. Moreover, the mutual independence of states and other actors and the multiplicity of intersocial contacts were believed to lead to the breakdown of the state-centric nature of international politics.² Already at this point, environmental politics was an empirical terrain that inspired important research for the discipline at large. Thompson-Feraru’s (1974) classic “Transnational Political Interests and the Global Environment” theorized non-state activities at the

United Nations Conference of the Human Environment (UNCHE). Henceforth, the literature on environmental NGOs in international politics has had its own lineage through publications such as Willets (1982), Chatterjee and Finger (1994), and Keck and Sikkink (1998) (see also Chapter 16 in this volume).

While Keohane and Nye's original intention was about measuring changes in state power and influence, a key contribution of the literature on global governance has, in fact, been a return to questions of authority in world politics. Borrowing from earlier writings on governance throughout the social sciences, Rosenau (1992: 4–5) argued that governance

embraces governmental institutions, but it also subsumes informal, non-governmental mechanisms . . . Governance is a system of rule that is dependent on intersubjective meanings as on formally sanctioned constitutions and charters.

And, in a formulation that has become the trademark of global governance, Rosenau (1992: 5) stated that “it is possible to conceive of governance without government – of regulatory mechanisms in a sphere of activity which function effectively even though they are not endowed with formal authority.” The emergence of such new authority structures led Rosenau to identify two (separate) political worlds, one “state-centric” consisting of “sovereignty-bound states” and the other “multi-centric” consisting of “sovereignty-free” actors. In *Turbulence in World Politics*, Rosenau (1990) elaborated the elements, parameters, and evolution of these two separate worlds, while the sequel, *Along the Domestic–Foreign Frontier* (Rosenau 1997), accounted for non-state actors as more generic “spheres of authority” which govern within their respective and often overlapping domains.³ Rosenau's pathbreaking usage of the global governance concept therefore consists of three trends that are significant for global change: the relocation of authority in multiple directions (rescaling and new spheres of authority), the emergence of a global civil society, and a restructuring of the global political economy (Hewson and Sinclair 1999).

Global Environmental Governance

The academic study of international environmental politics (IEP) is informed by a dominant narrative that commands widespread support. Because environmental degradation does not respect territorial borders, environmental problems are located within the realm of the international – a political space that has certain characteristics (sovereign authority, territoriality), which turns IEP into a question of how to regulate the polluting activities of states in the absence of a world government. The catchphrase of the Brundtland Commission “the Earth is one but the world is not” (WCED 1987: 28) captures this predicament. The need for collective action leads to the creation of international environmental regimes, which play a significant role in forging cooperation between states. Regimes are seen as the key institutions for tempering or overcoming the fundamental condition of international anarchy.

Soon after Rosenau's pioneering work in the early 1990s, “global environmental governance” emerged as a key theme in IEP. Books such as *Global Governance: Drawing Insights from the Environmental Experience* (Young 1997), *Global Civil Society and Global Environmental Governance: The Politics of Nature from Place*

to *Planet* (Lipschutz and Mayer 1996), and *Environmental Governance: The Global Challenge* (Hempel 1996) explored various dimensions of the concept. Young (1997) provided a seminal contribution, but the concept of governance used was narrower than, for example, Lipschutz and Mayer's (1996) multi-scalar and civil society-oriented approach, which argues that governance through some form of non-state-based social relations, rather than hierarchy or markets, is likely to be the most effective means of protecting nature. The units of governance will be defined by function and social meanings, anchored to particular places but linked globally through networks of knowledge-based relations (1996: 254). Jagers and Stripple (2003), for instance, built a case around the activities of the insurance industry's attempt to govern climate change "beyond the state." They argued that global climate governance could be conceived as comprising "all purposeful mechanisms and measures aimed at steering social systems towards preventing, mitigating, or adapting to the risks posed by climate change" (2003: 385).

Paterson *et al.* (2003) draw attention to how the inaugural issue of the journal *Global Environmental Politics* displays rather different interpretations of global environmental governance. One set of articles articulated a green version of the debates surrounding the Commission on Global Governance. Global environmental governance (GEG) here is taken to mean a programmatic, reformist orientation to institutional arrangements in global politics, principally the UN system (Paterson *et al.* 2003: 2). Another set of articles explored globalization and resistance and here "GEG can be seen as a product of two phenomena: the pursuit of neoliberal forms of globalization; and the resistance to such centralization of power." The differences in the interpretations of each of the words "global," "environmental," and "governance" have led scholars to imagine global environmental governance in very different ways. Scholars with a background in neoliberal institutionalism have reconceptualized regimes as enmeshed in broader systems of governance instead of issue areas (Stokke 1997). GEG becomes the sum of the overlapping networks of interstate regimes on environmental issues (Paterson *et al.* 2003: 4). Biermann (2006), who also writes within a liberal institutionalist framework, delineates how a new system of global environmental governance departs from *international* politics. Biermann tries to seize the middle ground between the rebranded, but still state-centric, regime theory and Rosenau-inspired, rather vague definitions where almost anything can be labeled global governance. Biermann argues, on empirical grounds, that global governance is defined by a number of new phenomena in world politics. Hence, the concept of global governance should be restricted to denote those features that make "the world of today different from what it used to be in the 1950s" (2006: 241). Biermann points to (1) the increased participation of non-state actors (e.g. networks of experts, environmentalists, multinational corporations but also new agencies, intergovernmental organizations, and international courts); (2) new forms of cooperation beyond the traditional negotiation of international law (partnerships, networks, practices of standard-setting); (3) a new segmentation of policy-making, both vertically (multilevel governance) and horizontally (multipolar governance) (2006: 243–247).

However, it seems that the empirical focus on patterns of global governance has come at the expense of a sustained analysis of power dimensions. The processes through which global activities are directed and world orders are produced

ultimately require an analysis of the workings of power (Barnett and Duvall 2005: 2). The limits, silences, and unwanted legitimations of the concept have not been properly understood and there is an urgent need to develop a self-consciously critical governance approach. Barnett and Sikkink (2008: 79) urge scholars to consider multiple dimensions of power – from “compulsory power” and “institutional power” to power inherent in the constitution of subject’s capacities (“structural power”) and in the discursive production of subjectivity in world politics (“productive power”). Furthermore, Douglas (1999) contends that global governance scholars misread the history of the modern state and the genealogy of modern power. In his view, globalization extends, rather than fragments, state power. The modern project of government cannot be confined to actions of state institutions, and thus decentralization and diffusion “beyond the state” imply an extension of the modern project of government. Neumann and Sending (2010) describe global governance as a particular way of governing, a neoliberal governmental rationality characterized by a drive to govern *more* in the sense of covering more and more geographical and functional domains, but also in the sense of governing *less* – governing through “indirect rule,” that is, through the freedom of subjects to govern themselves in various areas. There is also a large literature on the political economy of global environmental governance (Paterson 2000; Newell 2005) which criticizes the existing literature for neglecting the “root causes” of environmental change (the way in which trade, production, and finance are organized in a globalized world economy) and for failing to account for the substantive outcomes of emerging governing mechanisms. On this view, global environmental governance will necessarily fail if the underlying growth dynamic of capitalism is not confronted.

Besides such diverse conceptual approaches to global environmental governance, how is governing actually achieved in these arenas in the absence of the formal authority of the state? In the next section, we briefly review and illustrate what might be called the practices of global environmental governance. By this we mean to highlight different processes of governing. We will cast the net wide and draw attention to four different sets of practices through which environmental and climate issues are being governed.

Global Environmental Governance as Practice

Our typology of practices covers norm creation, informational governance, standard-setting, and capacity-building and implementation. It is important to note that this represents a set of simplified distinctions. More often than not, any particular governance mechanism involves more than one practice and the third and fourth elements of this list are effectively reliant on the existence of governing norms and informational resources. While seemingly inferior to international, state-based, and “hard” legally grounded mechanisms for altering the behavior of actors and achieving formal compliance, the above list of practices reflects a wide variety of “soft” instruments of global governance (Bulkeley and Newell 2010: 56). Soft instruments work through moral persuasion or economic incentives and they encourage self-binding. In the medium term, they may still achieve a measure of transnational governance, if governance is understood broadly as “authoritatively allocating resources and exercising control and coordination” (Andonova *et al.* 2009: 55). Furthermore, transnational

governance is to be distinguished from mere ad hoc cooperation between different actors by the emergence of “institutional arrangements that structure and direct actors’ behavior in an issue-specific area” (Falkner 2003: 72, 73).

Norm Creation

A prime example of “soft” practices of global governance is the creation of norms that stipulate overarching ethical principles or prescribe certain forms of political or commercial conduct. Although norms should be seen as an essential part of any governance activity, practices of norm creation are usually wrapped up in broader, more diffuse strategies and campaigns by civil society actors, international organizations, and national governments. One of the rare instances of norm creation as an explicit objective was the World Commission on Dams (WCD). Set up in 1997 at a meeting of critics and proponents of large hydroelectric dams, this cross-sectoral initiative consisted of 12 official Commissioners, who represented the whole spectrum of opinions, and of a forum with 70 members to facilitate discussions with a wide variety of stakeholders. The WCD was not a spontaneous development, but drew on decades of civil society mobilization around large dams and their often destructive impact on livelihoods and the environment. Its ultimate aim was to provide for a transparent and inclusive process of fact-finding and discussion to enable mutual learning and the articulation of normative guidelines for future projects (Khagram and Ali 2008).

The WCD’s final report was published in November 2000, but it was not universally welcomed. For instance, the Chinese delegation had already withdrawn by this time and the Indian government rejected the legitimacy of the initiative. Nor could the WCD report be used as a blueprint for decision-making, as it reflected a rather complex collection of overarching values, strategic priorities, and policy guidelines. However, regardless of criticism or support, it was very significant that this norm-creating process could not be ignored by any of the major policy actors. Subsequent developments confirmed that the values, norms, and guidelines projected by the report began to spread to other global governance institutions. The World Bank recognized the normative framework, UNEP set up a Dams and Development Project to ensure follow-up, and development policy-making around the world was, to some degree, influenced by the WCD’s results. As Dubash (2011: 207) concludes, it may therefore be best to view the WCD as a “norm-changing process” with long-term effects.

Frequently, of course, normative shifts happen largely outside institutional venues through political campaigns and processes of global socio-cultural change, as for example with the increasing interest in “climate justice” and the practice of carbon offsetting in the late 2000s (Pattberg and Stripple 2008). At the same time, normative dynamics on their own do not necessarily suffice to bring about new governance practices. Strategic economic self-interest on the part of nation-states and MNCs may play an important role, even if these interests can only be understood within a broader normative context – such as concerns over a company’s reputation among consumers and investors. But before such definable interests come into play, there must be a sufficient degree of relevant knowledge and other informational resources that help to make an issue “governable” in a technical sense.

Informational Governance

At its most basic level, meaningful information has to be generated before it can be diffused. The UNFCCC, for instance, provides detailed guidelines for the national accounting of greenhouse gas emissions. In the transnational realm as well, efforts are underway to increase transparency with regard to the environmental and social impacts of multinational corporations. The Global Reporting Initiative (GRI), established in 1997 by the US-based non-profit organization CERES and UNEP, is a cross-sectoral initiative which – with the help of stakeholder committees – defines and disseminates one of the most widely used, voluntary standards for sustainability reporting, often referred to as triple bottom line standards. Equivalent goals of measurement, standardization, and comparability are pursued by the 1998 “Greenhouse Gas Protocol,” an organization that runs along similar lines under the aegis of a think tank (the World Resources Institute) and a business NGO (the World Business Council on Sustainable Development). Its own web site describes it as “the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions.”⁴ The GHG Protocol is now working to develop new accounting standards for agriculture and food products, for cities, and for national-level climate mitigation policies (Ranganathan 2011).

Initiatives like the GRI and the GHG Protocol do not only hope to influence the activities of other transnational organizations and of national governments, but are also based on the assumption that rendering environmental damage measurable makes it more likely that companies will begin to factor it into product design, procurement, and marketing. Some programs go a step further by actively encouraging the disclosure of environment-related information and thus exposing the measured emissions to the public at large. For example, by collecting and publishing data on carbon emissions from participating companies in around 60 countries, the Carbon Disclosure Project (CDP), which assembles over 500 institutional investors with a total of US\$71 trillion in assets, seeks to influence public and private investors’ decisions by highlighting companies’ performance on energy use and climate mitigation. The peer pressure that commonly operates in investor–company relationships has allowed it to gather an increasing number of data submissions from large companies – over 3000 in 2010 and achieving a 74% disclosure rate from the 500 largest companies (measured by market capitalization). The literature suggests that disclosure of carbon intensity/emissions and carbon reduction measures can improve a company’s relationship with government, lower the reputational risk of negative campaigns by NGOs, and may lead to increasing interest by investors (Ziegler *et al.* 2011). Altogether, though such practices of information sharing do not amount to targeted regulatory efforts, they “perform crucial governance functions by framing issues, setting agendas, defining what counts as responsible for effective action, offering inspiration, and providing a means of benchmarking achievements” (Bulkeley and Newell 2010: 56).

A second category of informational governance is the generation and dissemination of knowledge – for instance about the scientific foundations of climate change and the effectiveness of environmental or climate policy. Regarding the science of climate change, the Intergovernmental Panel on Climate Change (IPCC) was created

in 1988 by national governments and its published assessments are, to some degree, subject to negotiation. Yet, the IPCC also draws on the services of a large number of scientists from around the world and can therefore be regarded as a transnational epistemic community.⁵ Notwithstanding significant uncertainties within the natural science of climate change, the vast majority of specialists agree on the basic processes and ramifications of anthropogenic global warming. Because of the perceived legitimacy and authoritative nature of this form of knowledge, there is considerable cognitive pressure on policy-makers to acknowledge the problem and devise appropriate policy responses.

This cognitive background applies to all levels of policy-making, and where political actors concur on the main causes of climate change, they may seek to generate policy-relevant knowledge that can be diffused and applied in many different settings. The required degree of consensus has been easier to achieve at the local level than in international forums, and several global transnational municipal networks are actively employing knowledge-related governance mechanisms. First, the Climate Alliance (assembling over 1500 European cities and indigenous rainforest peoples), founded in 1990, focuses on local climate mitigation through projects on energy efficiency and renewable energy. Second, the Cities for Climate Protection Program (hosted by the International Council for Local Environment Initiatives) originated in the same year and works on both climate mitigation and adaptation. Third, the Large Cities Climate Leadership Group (dubbed C-40) emerged in 2005 and proclaims a special responsibility of the biggest global cities, given that over 80% of global GHG emissions are produced within city boundaries. Fourth, World Mayors Council on Climate Change (established in December 2005) has over 70 members. They engage in political advocacy but their regular interaction also provides the benefits that these types of initiatives have traditionally delivered, namely, the dissemination of knowledge related to policy formulation and implementation, for instance through “showcasing” best practices and successful climate policies with the potential to be replicated in other municipal settings (Bulkeley and Newell 2010). Some scholars refer to the “technical leadership” (Toly 2008) exerted by cities in demonstrating how the necessary transition in the energy and transport sectors could be accomplished in practical terms. In sum, therefore, the actions of global transnational municipal networks may well affect the political dynamics within nation-states and international regimes, but their chief contribution arguably lies in the realm of policy learning.

Standard-Setting

Norms, information, and knowledge are not merely used in indirect ways to influence the decisions of governments and economic actors. At times, they equally provide the basis for the formulation of well-defined standards, which, although still voluntary, may acquire considerable importance in the global marketplace (see also Chapter 23 in this volume). When initiated by civil society actors, the mechanisms of choice tend to be certification and labeling schemes. These can be understood as “deliberative and adaptive governance institutions designed to embed social and environmental norms . . . that derive authority directly from interested audiences, including those they seek to regulate, [. . . and] not from sovereign states” (Bernstein

and Cashore 2007: 348). In short, they represent “a combination of normative and market mechanisms” (Andonova *et al.* 2009: 61).

In the climate change arena, transnational standard-setting is a relatively recent practice. The Verified Carbon Standard (VCS), the Climate, Community, and Biodiversity Standard (CCB), the Carbon Fix Standard (CFS), and the Gold Standard represent initiatives that have established particular standards for voluntary carbon markets. They all have slightly different orientations, with the CFS aiming at carbon sequestration from forestry projects and putting somewhat less emphasis on sustainable development objectives than the CCB, but more than the VCS. Perhaps the most interesting scheme is the Gold Standard, which straddles the Kyoto Protocol’s Clean Development Mechanism (CDM) and voluntary carbon markets. Established in 2003, it seeks to remedy some of the flaws of the existing CDM process which generates carbon credits that can be bought by countries (and sometimes firms) to meet their climate reduction targets. The Gold Standard strives to ensure the environmental integrity of projects while delivering sustainable development benefits. It does so through a more rigorous assessment and certifies only well-designed and -managed projects in the areas of renewable energy and energy efficiency. The certified credits are attractive to countries and organizations wanting to maximize the climate-mitigating effects of their “offsets” as well as to buyers in the voluntary markets concerned about the reputational risks of ethically questionable projects (Levin *et al.* 2009). For now, it remains to be seen whether the Gold Standard will stagnate in the future or whether it will gain an ever-greater market share, for instance by being adopted as the minimum standard of emergent national, regional, or global carbon markets.

Such projections are critical for assessing the overall effectiveness of transnational standard-setting, but they are easier to attempt when it comes to more long-standing initiatives. One prominent example is the Forest Stewardship Council (FSC), a multi-stakeholder organization created in 1993 to remedy the absence of an international forestry regime and to “promote environmentally appropriate, socially beneficial, and economically viable management of the world’s forests.”⁶ Accordingly, its main decision-making organ, the General Assembly, consists of three chambers of environmental, social, and economic organizations – subject to an agreed North–South allocation. The FSC label is granted to a variety of forestry products and guarantees their provenance from certified forests that are managed in line with the 10 Principles and 56 Criteria for Forest Stewardship. Working through its nationally tailored standards and with the help of independent auditing firms, by December 2011 the FSC had certified over 147 million hectares of forest in 80 countries. There is some evidence that the legitimacy and credibility of the FSC label – particularly in the OECD world but also beyond – has influenced retailers’ management of supply chains, consumer purchasing decisions, and national forest policies. Nevertheless, the FSC’s global market share, as measured in certified forest area, has remained under 10%, and the overwhelming majority of certified forests are located in the global North. Moreover, an increasing number of environmental NGOs argue that the FSC’s continued growth has been achieved only through the watering down of its standards (Gulbrandsen 2010). The relative success of the FSC in setting and monitoring normative standards for forestry products, however, is coming under threat from the proliferation of competing, less stringent standards, such as the

Sustainable Forestry Initiative (SFI) or the Programme for the Endorsement of Forest Certification (PEFC).

If particular producer groups feel squeezed by an erosion of conventional markets or the cost of certification and regular auditing, then the same fate is likely to befall similar standard-setting activities initiated by progressive corporations and civil society organizations. In this respect, it is worth briefly considering the Marine Stewardship Council (MSC), set up in 1996 by the World Wide Fund for Nature and Unilever. The MSC is organized along similar lines to the FSC, but its Stakeholder Council only has an advisory function. With certification covering more than 7% of the world's fisheries, the most visible success of the MSC has been the generation of consumer awareness, brand recognition, and thus the delivery of clear marketing advantages for certified products. However, this influence remains largely confined to Europe and North America and has barely affected fast-growing Asian markets (Hale 2011). The experience of individual countries nonetheless suggests that the MSC might be more likely to simultaneously shape retailers' and consumers' purchasing decisions, on the one hand, and retain the cooperation of major producer groups, on the other. For instance, in the Netherlands the growing importance of MSC labels has compelled fishermen and NGOs to seek enhanced institutional and personal interactions. At the national, though not necessarily global, scale this process may over time generate more trust between stakeholders and ensure a stable market environment for sustainable fishery products (de Vos and Bush 2011).

Capacity-Building and Implementation

A final practice associated with transnational actors are coordination services and direct interventions "on the ground." Early examples included financial transfers in return for increased environmental conservation, as intended by the debt-for-nature swaps pioneered by the NGO Conservation International in the mid-1980s. For the desired outcome to be attained, however, the active cooperation of two governments (debtor and indebted) is also required and this pattern of public-private mixity has become a hallmark of many practices in global environmental governance. Activities such as capacity-building, implementation, financing, and coordination assume a general acceptance of core norms, standards, and policy objectives as well as the possession of considerable informational and material resources. These requirements often lead to the formation of hybrid global public policy networks and public-private partnerships whose functional advantage lies in the ability to "leverage transnationally the resources and skills of multiple actors from different levels of governance and sectors in society" (Andonova *et al.* 2009: 65).

The Gold Standard certification for carbon credits, described in the previous section, is one illustration of a hybrid governance instrument, as it represents a private initiative interacting with the public enterprise of the Kyoto Protocol's carbon market. Hybrid public-private policy networks often become formalized and instituted as partnership arrangements. So-called "type 2" public-private partnerships constituted the principal outcome of the 2002 World Summit on Sustainable Development (WSSD). By December 2011, 348 such partnerships had been registered with the UN Commission on Sustainable Development (CSD). Although they could be regarded as modest substitutes for the failure of legally binding international agreements,

partnerships may also represent “flexible cooperation mechanisms” that deliver at least three important functional and political benefits: “[1] learning by doing, [2] building coalitions of the willing, and [3] dividing a complex governance problem into smaller components” (Andonova 2009: 197).

Selected “type 2” partnerships can, moreover, demonstrate the practical, outcome-oriented nature of cooperative ventures which may often encompass governmental actors, international organizations, and private actors. Szulecki *et al.* (2011) have analyzed the effectiveness of a number of partnerships in the field of sustainable energy and have recorded their functions as including services such as knowledge dissemination, technology transfer, technical implementation, training, planning, and capacity-building. For example, one of the largest CSD partnerships, the Renewable Energy and Energy Efficiency Partnership (REEEP), which is linked to a network of over 250 other organizations, does not merely list services related to information-sharing and professional advice, but also funds and promotes small-scale projects as well as strategic mechanisms for the further development of sustainable energy.⁷ REEEP’s greatest impact is likely to derive from its contribution to capacity-building and market development in over 50 countries (Parthan *et al.* 2010).

It is important to recognize that practices of implementation and capacity-building are not necessarily more politically neutral than the preceding three categories of transnational governance (norms, information/knowledge, and standards). As Bulkeley and Newell (2010: 58) put it:

[B]y being able to determine the criteria on which funding is distributed, to set the rules of the game, and by providing certain forms of advice or access to particular sorts of technologies or information, networks can find themselves in powerful positions.

With regard to capacity-building, clear differences can, for instance, be discerned between the World Bank’s Prototype Carbon Fund (PCF) and the Global Environment Facility’s Small Grants Programme (SGP). Bäckstrand (2008: 85) describes the PCF as an “implementation partnership between multinational firms and governments to promote Kyoto carbon markets.” The PCF, established in 1999, claims to offer a “learning-by-doing” opportunity for all the parties involved (17 MNCs and 6 OECD governments) and invests their contributions in projects that deliver both sustainable development and emission credits. This form of institutional capacity-building is, in one way, merely a pragmatic service, but it also represents a platform for launching a new “product” (i.e. carbon credits) and familiarizing potential buyers with the mechanics of using the emerging carbon market.

By contrast, the Global Environment Facility (GEF) designed the SGP to favor more bottom-up forms of capacity-building. Since 1995, it has awarded 12 000 small grants (of up to US\$50 000) in 122 countries, usually directly allocated to local communities and NGOs that seek to reconcile socio-economic and environmental goals, for instance through projects on biodiversity or climate change. The SGP’s objectives are to simultaneously increase the effectiveness of implementing global environmental objectives and ensure greater local “ownership” of these overarching agendas (Andonova 2009: 211). Thus, proclaimed as the “people’s GEF” on the SGP web site,⁸ the program is clearly driven by a strategic motivation. But its grass-roots

structure and selection of projects partners allow for considerable leeway, which marks a real difference from the more prescriptive, tightly organized PCF.

Evidently, both the nature and the performance of the above governance practices have been critically investigated by many scholars. There is now a growing literature examining the legitimacy of transnational governance, with a focus on key components such as representativeness/participation, transparency, accountability, and effectiveness. While hybrid public–private initiatives, such as the Clean Development Mechanism, score most highly due to multiple accountability features (Bäckstrand 2008), there remain serious deficiencies which, at the very least, “complicate a simultaneous attainment of procedural quality and problem-solving effectiveness” (Lövbrand *et al.* 2009: 76). The deliberative potential of multi-actor transnational governance schemes may be further questioned because of unequal participation of Northern and Southern representatives. Examining three of the initiatives surveyed above (WCD, GRI, and FSC), Dingwerth (2008) concludes that only the FSC has institutionalized North–South parity among its stakeholders and that, in general, Southern actors tend to be underrepresented when it comes to the knowledge-related aspects of decision-making. Notwithstanding the proliferation of transnational governance practices, it thus remains to be seen whether sufficiently legitimate compromises can be found in a context marked by inequalities of political and economic power/resources and divergent interpretations of sustainable development.

Conclusion

This chapter has shown how, since the early 1990s, the suggestive concept of global governance has inspired (and subsumed) a vast amount on research on the environment. Global governance, as an academic approach, has pioneered the study of modes of governing where states do not occupy the pole position. Instead, the emergence of non-state and network-like forms of governance in various issue areas (e.g. forestry, fisheries, biodiversity, climate) have been approached as instances of “global environmental governance.” Rather than focusing on the wide range of political actors in this domain – which has been a staple of the global governance literature – we have reviewed four different sets of practices through which environmental and climate issues are being governed: norm creation, informational governance, standard-setting, and capacity-building and implementation. Our ambition has been to explore how governing is performed in the absence of the formal authority of the state. However, as the various examples have demonstrated, the jury is still out on the extent to which the new practices of environmental and climate governance are making a genuine difference.

For an issue like climate change, where the intergovernmental struggle to construct a comprehensive legal architecture is progressing at a snail’s pace, all eyes are naturally turned toward the possibility (and capability) of governing “beyond the state.” Biermann (2010: 287) points out that it is too early to judge if the current experimentation with various climate governance initiatives is indicative of a fundamental incapability of the modern state to deal with the complexity of the global climate or if this is just a temporary phenomenon. The latter would imply that non-state networks and institutions might lose their influence and significance once an intergovernmental consensus on the key parameters of a strong global climate regime

emerges. Yet, it is also possible to understand global climate and environmental governance as part of a broader shift. The institutionalization of environmental governance “beyond the state” resembles what Ruggie has called the reconstitution of a global public domain. As a domain, it does not replace states but embeds systems of governance in broader global frameworks of social capacity and agency that did not exist previously (Ruggie 2004: 519). Therefore, it is possible that the activities “beyond the state” that we have captured in this chapter indicate, in Ruggie’s words,

the arrival on the global stage of a distinctive public domain – thinner, more partial, and more fragile than its domestic counterpart, to be sure, but existing and taking root apart from the sphere of interstate relations (Ruggie 2004: 522).

In our opinion, instead of the endless waiting for – or imaginative design of – a “global climate deal,” the cutting of the Gordian knot that will settle matters for years to come with a brief stroke of a pen, scholars and practitioners should try to grasp the emerging climate order in its entirety. The overall *global climate governance complex*, the state *and* the non-state in a single analytical framework, is not very well understood, although Keohane and Victor (2011) have made an inspiring start. Here awaits a potentially fruitful area of scholarship on the norms, rules, and practices it embodies and on the ways in which it is shaping the subjects of governance, such as states, communities, and individuals. To view environmental governance as a “governance complex” might deliver a small seed of hope in times of despair.

Notes

- 1 Yergin (1977: 195) notes that the concept of “national security” entered with such force that it “seemed always to have been with us.”
- 2 However, Keohane (1984) moved a few years later away from the idea of providing a quite separate perspective on non-state actors in world politics and instead constructed a functional theory of regimes that could account for patterns of international cooperation. This crucial move made Realist and Liberal schools of thoughts united in a shared “rationalist” research program, premised on the condition of anarchy in the international system and oriented towards investigating international cooperation generally, and specifically when, where, and how regimes and institutions make a difference. This agenda still inspires considerable research in international environmental politics.
- 3 Rosenau (2003: 295) includes a list of illustrations: “An SOA can be an issue regime, a professional society, an epistemic community, a neighborhood, a network of the like-minded, a truth commission, a corporation, business subscribers to codes of conduct (e.g., the Sullivan principles), a social movement, a local or provincial government, a diaspora, a regional association, a loose confederation of NGOs, a transnational advocacy group, a paramilitary force, a credit-rating agency, a strategic partnership, a transnational network, a terrorist organization, and so on across all the diverse collectivities that have become sources of decisional authority in the ever more complex multi-centric world.”
- 4 <http://www.ghgprotocol.org> (accessed October 20, 2012).
- 5 Haas (1992: 3) defines epistemic communities as networks of professionals with “recognised expertise and competence in a particular domain and an authoritative claim to policy relevant knowledge within that domain or issue-area.”
- 6 See http://www.fsc.org/vision_mission.html (accessed October 20, 2012).
- 7 See <http://www.reeep.org/48/about-reeep.htm> (accessed October 20, 2012).
- 8 See <http://sgp.undp.org> (accessed October 20, 2012).

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