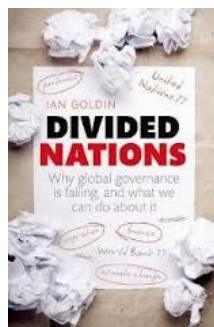


Divided Nations. Why global governance is failing, and what we can do about it

by Ian Goldin. (Oxford University Press, 2013).

Reviewed by John Bunzl, founder of International Simultaneous Policy Organisation.



This is a great little book which tells you everything you need to know about global governance and why it's failing. Our existing global institutions, such as the United Nations, may have served the post-WW2 world relatively well, but they are manifestly failing to meet today's challenges: "The future...", Ian Goldin notes, "will be unlike the past. We face a new set of challenges. The biggest of these is that our capacity to manage global issues has not kept pace with the growth in their complexity and danger. Global institutions which may have had some success in the 20th century are now unfit for purpose." To highlight this, Goldin uses financial crises, health pandemics, cybersecurity, migration and climate change as examples of how present institutions are failing to adequately address global issues – let alone prevent or solve them. We need, he says, "a fundamental rethink of the way we approach global governance." And coming from someone with a wealth of direct experience of global institutions, Goldin's is a voice we'd do well to heed.

The failure of the UN and other existing global institutions, he explains, lies in the fact that they were designed by, and remain beholden to, nation-states. "In the final analysis," Goldin concludes, "the power of the global institutions is circumscribed by its members". For this to be remedied so the UN could gain the necessary power over its member-nations, nation-states would first have to relinquish much of their current powers to the UN—something of a contradiction in terms. This is not lost on Goldin who, even though he makes many good recommendations for reforming present institutions, sensibly concludes that they're unlikely to happen anytime soon, and certainly not soon enough to avoid the on-coming global calamity.

For me, the great thing about Goldin is his realism. He offers a sober analysis of all the many approaches to global problems tried so far, from the existing institutions to all the myriad approaches pursued by NGOs, corporations, professional networks, and others. He concludes, rightly in my view, that none of them are anywhere near enough: "While professional networks, corporations, research groups, and civil society pressure can go a considerable distance in addressing some global management challenges, there are many areas where this soft power is unlikely to be sufficient. ... Some problems can only be solved through the hard power of legislation." It's as if, in the face of mounting global problems, humanity is in denial. We're trying desperately to find all sorts of quick and easy ways out of the problem, and we so much *want* to believe they will work. Because we don't want to admit and face up to the fact that there is, in fact, only one solution that *can* ultimately suffice: some form of *binding global governance*. Global cooperation, indeed, is difficult. And that, perhaps, is why we're so busy trying anything and everything short of it. The difficult question, then, is how to achieve it?

Goldin sets out five principles or requirements for global action that need to be met. These are *subsidiarity*: that only problems needing collective international action should qualify. Everything

else should be left to individual nations; *selective inclusion*: negotiations on a particular issue should include only those countries necessary to achieve the required consensus; *variable geometry*: that nations should be involved only in the stage of negotiations that is relevant to them; *legitimacy*: that sufficient countries must participate in any agreement; and finally, *enforceability*: that nations must respect the rules they agree to and must uphold them going forward.

But the need for binding global governance does not imply the end of the nation-state, but precisely the opposite. For, as Goldin points out, “Navigating the 21st century requires that we forge a new means of cooperation”. Nations need to be brought to cooperate. Nations, in other words, remain central.

The difficulty is that in our hyper-competitive globalised world, governments—and even we, ourselves—tend to view the very idea of cooperation as necessarily involving the sacrifice of our self-interest. But Goldin rightly calls for a different perspective to be taken. Rather than nations viewing cooperation as a sacrifice, they need “to imagine a world where sovereignty is not just about preventing but also about enabling. If we redefine sovereignty, to look beyond coercion and exclusion but also consider cooperation and inclusion, it no longer makes sense as something one can monopolize.” What Goldin seems to be suggesting is something we each instinctively know to be true: that far from being about self-*sacrifice*, cooperation is actually about self-*interest*. In other words, what nations should be looking for is how cooperation can benefit them. That is, how can policies that would be *harmful* if implemented unilaterally be transformed into policies which, because of cooperative action, become *beneficial*. To give a crude example, increasing corporation taxes or regulations is today seen by each government as *harmful*, because the higher tax would only drive business elsewhere and cost jobs. But if sufficient nations cooperated to implement the tax increase *together*, the self-same policy would be highly beneficial to all. The key question, then, is how can cooperation on today’s major global challenges be *structured* in a way that makes participation in every one’s interests?

Goldin, doubtless battle-hardened from countless stalled and failed international negotiations in the past, rightly points out that not all global issues need involve all nations and things need to be kept as simple as possible. Much could be tackled, he suggests, by a much smaller group of nations – a coalition of the willing. This is certainly true. However, the fact that each policy to solve a specific global problem would almost inevitably involve some nations losing out (or gaining) more than others, means we also need to be prepared for greater sophistication: that is, we need to consider combining two or more complementary global issues so that what a nation may lose on one issue, it can gain on another.



Prof. Ian Goldin

If, for example, negotiations on a global tax on currency transactions (Tobin Tax) were included alongside a climate negotiation, the countless millions of dollars this tax would raise from financial markets could be used to compensate those nations that may lose out by dramatically cutting their carbon emissions. Although perhaps a simplistic example, this shows in principle how China, the USA and other major emitting nations could suddenly find that drastically cutting their emissions was, because of the compensation, in their *self-interest*. Thus, combining different yet complementary

issues could be part of the key to transforming water into wine; to transforming self-sacrifice into self-interest. This is a critical point which is underlined by evolutionary biologist, John Stewart, who points out that crises of collective action in past evolution, such as the difficult transition from single to multi-celled organisms, were always solved in the same way: by “building co-operative organisations out of self-interested components”; that is, by making co-operation in each competitor’s *self-interest*. But today’s international negotiations notably fail to do this. By dealing with only one issue at a time, there is no scope for trade-offs; a built-in defect that goes a long way to explaining why these negotiations routinely fail to achieve much more than hot air.

A further point Goldin may wish to consider is that if different yet complementary global policies could be combined and grouped together in such a way that nations find it in their self-interest to cooperate, another vexing issue is solved almost automatically: the issue of enforcement. For if the agreement is seen by the nations involved to be in their *interests*, so will be any measures to ensure its on-going enforcement. This, then, is another reason why combining different issues may, despite the greater complexity, be the best—and perhaps only—way forward.

One initiative designed on this basis and which incorporates the five principles Goldin has set out is the Simultaneous Policy (Simpol) campaign (www.simpol.org). Not only does it incorporate a multi-issue policy framework, it is premised on nations implementing the agreed policies *simultaneously*. For, as Goldin himself points out concerning the problem of corporations locating in low-regulation countries, “If standards of transparency are agreed internationally and imposed simultaneously, regulatory ‘shopping around’ becomes impossible.” Simultaneous implementation, then, is the other part of the key to transformation. A simultaneously implemented multi-issue policy that makes cooperation into a win-win proposition could, in other words, offer just the kind of “creative solution” Goldin calls for.

Divided Nations, then, is an excellent contribution to the global governance debate. What is needed to take it forward, however, is for more NGOs, corporations, professionals and, most of all, members of the public, to face up to the fact that today’s problems cannot be solved by their current approaches, nor by nations acting alone, nor by keeping our heads in the sand. Like it or not, only some form of binding global governance can suffice. All the while the global justice movement continues to avoid this reality, it will remain a merely marginal force—making much noise but having no impact. Binding global governance, then, is a topic which far from being the preserve of academics, as it mostly is today, ought to be humanity’s most central and urgent concern.

John Bunzl, April 2013.