

## Workshop Report

# “Institutional Grey Zones” in Global Governance

## Long-term trends – current options for action

SEF-Expert Workshop  
23-24 September 2011  
Social Science Research Center Berlin (WZB)

Dr Michèle Roth, September 2011



*In September 2011, around 25 experts from academia, civil society and politics convened at an Expert Workshop hosted by the Development and Peace Foundation (SEF) to explore the concept of “institutional grey zones” in global governance. As defined by the SEF, these are new types of forum consisting of a limited number of self-appointed participants and generally characterised by informality, a low level of transparency, and a narrow thematic focus.*

*These “institutional grey zones” acquire relevance for global governance and policy-making when the agreements reached by them have an effect – either voluntary or involuntary – which radiates beyond the group of participants themselves, particularly as regards the supply of global public goods. The institutional features of these “grey zones” are as diverse as their objectives and influence. The Expert Workshop therefore attempted to determine the political significance of these forums, with reference to various “ideal types”, with a focus on their role in the various stages of standard-setting, from formulation to implementation.*

Longer-term trends which could well influence global governance now and in future aroused particular interest in this context. Since the early 1990s, for example, there has been a strong numerical increase in “new” or “alternative” forms of global governance, complementing and not necessarily contrasting with traditional institutionalised and formalised multilateralism. Here, a distinction can be made between the increase in informal forums at intergovernmental level, and the increasingly complex and diverse landscape with a plethora of multi-stakeholder forums at transnational level.

### **Growing international and transnational pluralism**

An expansion of informal governance at the intergovernmental level, with an increase in weakly institutionalised forums, can be observed, especially since the start of the Millennium; this was preceded by an unparalleled upsurge in institutionalisation since the 1970s. In this context, three types of informal intergovernmental arrangement can be identified: a) alliance/lobby groups within the framework of international organisations as the functional aspect of institutional multilateralism; b) clubs (coalitions) of the willing, in which like-minded parties work together on a limited agenda; and c) clubs (coalitions) of the relevant/club governance. The “clubs (coalitions) of the relevant” comprise those countries which, it is hoped, will make an important contribution to problem-solving. They convene regularly to discuss one or more topics, the expectation being that they will transcend (their own) narrowly defined interests and make a governance contribution which will benefit large parts of the world.

At the transnational level, a strong increase in the number of forums and initiatives to address limited transnational/global issues has been observed since the 1990s, and while this growth has tailed off somewhat in recent years, it is still ongoing; the activities surrounding Rio+20 are just one example. These forms of global governance range from multi-stakeholder initiatives to transnational development partnerships / public-private partnerships (PPPs) and private standard setters. Their common feature is the involvement of private actors with varying levels of input from governments and their agencies. These transnational forums are also highly diverse in terms of their size, geographical scope, strategies, governance contributions, and driving forces. The outcome is growing transnational pluralism.

### **No clear distinction between state and private actors**

Very few initiatives in the transnational arena are genuinely “private”, at least not in the long term and not successfully. The participation of governmental or intergovernmental actors takes many diverse forms, ranging from the initiation and funding of transnational forums to direct participation as stakeholders, indirect recognition of private-sector rules and even the formal incorporation of private-sector standards into national legislation. A clear separation between state and private actors is therefore almost impossible nowadays, also due to the complexity of the regulatory context, which often requires interaction across several levels.

Whereas a trend towards informalisation is emerging at the international level (in parallel to institutionalised multilateralism, which continues to evolve), the trend which can be observed at the transnational level points towards greater institutionalisation and formalisation. For multi-stakeholder initiatives, for example, a “model structure” has emerged: this consists of a streamlined decision-making structure (board) supported by broad stakeholder participation (with limited rights of participation). A modicum of institutionalisation and robust rules are now well-established success criteria for these initiatives.

In the global environmental field in particular (and possibly also in other areas which received less attention at the Workshop), there is an evident trend towards what sociologists term the “scientification” of policy-making. Far greater weight is now attached to technocratic expertise and scenario- and model-based thinking; by contrast, expertise in the social sciences has failed to keep up, because it tends to adopt a retrospective view and lacks the tools to develop future-oriented scenarios. The political influence of science and technology is increasing, but the decision-making power remains in the political arena. The politicisation of science makes it more vulnerable. This also applies to the Intergovernmental Panel on Climate Change (IPCC), a unique body in that it possesses a defining authority which erodes the plurality of science.

### **“Excess pressure” in the system**

“Permanent excess pressure” in the system of international relations was diagnosed as the main cause of the described trends. Whether it is in fact the often described crisis of institutional multilateralism which is responsible remains a contentious issue, however. There has been a considerable and continuing increase in international juridification and regulation, and yet the system still displays major shortcomings and an inability to respond to the rapidly growing problems. Faced with a substantial requirement for regulation in a globalised world, countries are resorting to “fire-fighting” and are delegating governance tasks, formally or informally, to other actors, or are at least sharing these tasks with them. This “excess pressure” in the system has the potential to generate a high level of creativity and thus improve its performance. The strong increase in the number of multi-stakeholder initiatives and “trial and error” in the search for the best possible division of responsibilities between governmental and private actors can be seen in this light.

On the other hand, the “excess pressure” in the system reinforces the trend towards exclusive club governance, impelled by the hope that a small number of relevant actors will be able to identify effective (or indeed any) solutions to the problems. Consequently, the formation of a club is often not based on a properly thought-out long-term concept, but is, rather, a rapid reaction to an acute crisis.

### **Whither the trend?**

The question, then, is where these trends are leading in the longer term. We may be witnessing a transformation of global governance towards a system of institutional multipolarity which will steadily erode institutionalised multilateralism (although this will certainly remain in place). But this is likely to hinder problem-solving and reinforce existing inequalities, at the expense of the poor and vulnerable, who lack the capacities to access and utilise these diverse formats. What is unclear, however, is whether we are currently in a transitional phase or are at the start of a permanent process of trial and error – an ongoing “bridging period”.

There is consensus, however, that the growing pluralism will produce competing rules and norms. Is some form of self-coordination conceivable, or is there a need for an overarching coordination body? And could club formats fulfil this role?

Due to the plurality of forums and the ongoing lack of success criteria and benchmarks, it proved impossible to formulate general recommendations for policy action. Nonetheless, the Workshop recommended that broad guiding principles be defined for the new forms of global governance described, such as the “common but differentiated” principle or the “polluter pays” principle.