GLOBAL GOVERNANCE AND THE RISE OF NGOs

Shaughn McArthur

“The federal government shares domestic policy with state and local governments and with NGOs – and state and local governments do the same. These changes are not the result of an explicit policy decision; rather, they grew gradually and imperceptibly from hundreds of tactics decisions over two generations of public policy. They have cumulated, however, into a fundamental transformation of governance – a transformation that poses substantial challenges for public institutions and how we manage them” (Kettl 2000, 496).

The term governance is commonly traced to prescriptions made by the World Bank in the 1990s, when it began calling for ‘good governance’ as a prerequisite for sustainable economic development in a new era of public affairs. The World Bank laid out its vision in the following paragraph:

Good governance is epitomized by predictable, open, and enlightened policy-making (that is, a transparent process); a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; a strong civil society participating in public affairs; and all behaving under the rule of law (World Bank, 1994: vii).

According to this definition, the World Bank envisioned quite a different role for government from what it had been prior to the fall of the Iron Curtain. Bureaucracies needed to exhibit more professionalism, governments more accountability and predictability and, heeding the principles of the rule of law, policymakers needed to open their doors to private stakeholders to a much greater extent than ever before. Perhaps most importantly, crucial in keeping public officials in line with this new standard, governments had to accept a substantial role for civil society in a new age of cooperative policymaking. The World Bank’s conception of modern governance entailed “a pluralist institutional structure which creates intermediaries between the government and the people...These groups will hold government accountable, and provide a countervailing force to the power of the state” (Williams 1996, 164).

This shift from governance by government to governance with government, as it has often been termed, was spurned by fundamental changes in patterns
of socio-political interaction that characterized the period after the end of the Cold War. In what Swyngedouw calls a process of ‘neo-liberal destatistation’ following the triumph of capitalism and the free market over socialism, nation states around the world suddenly found themselves caught up in an unprecedented tide of global market forces (Swyngedouw 2005, 1998). Governments, in turn, found themselves operating under an entirely new sphere of influences, over many of which they had only limited control.

As market forces sustained and deepened their role in society, the new governance arena and the many new actors it encompassed called for a more participatory and cooperative approach to policymaking. Where governments of nation states had once been the top decision-making authorities within their jurisdictions, they now operated in a much diversified constellation in which actors from the private and civil sectors on occasion exercised powers over them. Hierarchical accountability, that is to say, was replaced by broad horizontal accountability: A new era of ‘stakeholder governance’ was born in which universal norms were defined and increasingly defended by private actors, and against which governments’ legitimacy would increasingly be measured (Swyngedouw 2005, 1995). Hence, says Williams, “good governance presents a picture of interlocking disciplinary practices whereby the state is disciplined by society and society by the state” (Williams 1996, 157).

Two important characteristics of this transformation can here be briefly noted: Firstly, that the emergence of the new ideals of governance was inextricably linked to a parallel acceleration in the pace of globalisation in the 1980s and 1990s (World Bank 2000, 1); and secondly, that that it was, as Youngs says, “an actor-based phenomenon, linked to specific NGO strategies, not an impersonal structural trend” (Youngs 2004, 140). Both of these factors coincided in a way that defied what Zürn calls the “spatial congruence” (Zurn 1999) of traditional governance by governments. As governance redefined itself as a phenomenon taking place within international political spheres increasingly committed to the advancement of global issues, traditional governments, bound by old borders, were unable to project their governing capabilities across those borders with the same agility that non-state actors could.

The central spot occupied by non-state actors, including nongovernmental organisations (NGOs) and multinational corporations (MNCs), in this global governance constellation is summed up in the following description of contemporary transnational policy networks:

A model of world politics in which advocacy networks define new global issues, win commitments from ‘policy actors’ to address related concerns, and monitor
the implementation of those commitments. These advocacy networks, consisting of non-state, state, and intergovernmental entities – but dominated by the first – operate on a fluidly transnational basis (Spiro1998, 809).

Elaborating on the discussion sparked in the preceding paragraphs, the following paper examines the interlinked phenomena of globalisation, governance and the increasing importance of NGOs in contemporary policymaking. It begins by examining the diminution of state governments as supreme political authorities – as political, economic and informational transactions in the 1990s became increasingly global in scope – through a process Zürn calls *denationalization*. It shows how the gaps in public policy frameworks brought about by the shift to global governance were organically filled by the rise of NGOs and other non-state actors. It investigates how in the global governance constellation NGOs seek to govern *around* – that is, *extra-institutionally* – and increasingly *with* governments. It shows how NGOs exercise moral authority, thereby creating sensibilities to influence peoples’ and institutions’ behaviour and streamlining them with their own political objectives. Finally, extrapolating from this discussion, the paper concludes by briefly considering whether this transformation has engendered a process of democratization, as civil society has often claimed; and whether NGOs in the 21st century can in fact be deemed legitimate guardians of the concerns of humanity.

**Denationalization and the Transformation of the Nation State**

The national constellation, that is the convergence of resources, recognition and the realization of governance goals in one political organisation – the nation state – seems to be in a process of transformation into a post-national constellation. The nation state is no longer the only site of authority and the normativity that accompanies it (Zürn 1999).

Where most political scientists would use the term globalisation to refer loosely to the same phenomenon, Zürn prefers the term denationalization, he says, because the increase in cross-border transactions – of goods, services, money, people and information – is yet far from being global. His point -- that major disparities still exist in the proportion of such transactions taking place between core countries and those reaching the periphery - is well taken. As concerns the present discussion of the significance of nation states’ within a global governance framework, however, the term denationalisation carries relevant innuendoes about the types of challenges facing nation states under globalization. It invokes the difficulty national governments face in trying to achieve their goals in an era in which “the social space to be governed is no
longer national” (Zürn 1999). The term denationalisation therefore may be understood as describing a phenomenon under which physical space and national objectives have given way to transnational actors and normative ideologies as the base-factors delineating spheres of governance.

Recapitulating the blow this change has dealt to the traditional conception of nation states, at the 1999 UN General Assembly South African President Thabo Mbeki stated that “the process of globalisation necessarily redefines the concept and practice of national sovereignty” (Keohane 2000, 6). But while so-called ‘hyper-globalists’ have equated this process with the decline in relevance of the state to near obsolescence, and even a shift towards some future ill-defined world government, a large and expanding body of more moderate literature suggests that nation states will retain their importance. Governments of nation states will continue to play a central role in governance, the literature argues, as long as they are able to adapt to new constraints – often placed on them from outside their national borders, and over which they have only limited control - and to operate in a more cooperative governance framework. Those that fail to demonstrate willingness to work in tandem with other major actors will bear crippling burdens of pressure. Their foreign policy objectives in particular will be severely constrained. As mentioned earlier, the resulting paradigm shift has largely involved the weakening of vertical power structures, in which authority was delegated from the top of the state apparatus downwards, to a more horizontal system in which states have (often through a process of deregulation or cooperation with advocacy networks) relinquished some of their powers to non-state actors (Thürer 1999, 40).

The outcome of this reorganisation of nation states’ place in the authority chain of policymaking is what Keohane and Nye refer to as networked minimalism: “Networked – because globalism is best characterized as networked, rather than as a set of hierarchies. Minimal – because governance at the global level will only be acceptable if it does not supersede national governance and if its intrusions into the autonomy of states and communities are clearly justified in terms of cooperative results” (Keohane 2000, 14). To say that nation states are ‘retreating’ or ‘withering away’, as some have been done is warranted; rather, the nation state today simply finds itself “increasingly embedded in complex constellations of actors and structures” (Djelic 2006, 9). As a matter of choice, the government of a nation state can enjoy the benefits of having these new actors as allies and learn to operate with them multilaterally, or shun them and learn to seek out an existence under the suspicious gaze of the ‘international community’.
The implications of this should not be underestimated. As Youngs points out, nation states’ increasing interdependence with transnational networks and organisations of state and non-state actors has altered their very self-identity, especially as those networks increasingly inform and guide governments’ foreign policy decisions (Youngs 2004, 139). Indeed, as indicated in passing above, the very legitimacy of state governments within the international community increasingly relies upon their adherence to certain global ideals – the observance of human rights being the most important of these – and their willingness to cooperate with certain international bodies. Nation states’ governments are increasingly evaluated within the international community according to their compliance with, for instance, the International Atomic Energy Agency (IAEA), Transparency International, or Amnesty International. Failure to comply with such global standard-setting organisations and the networks they represent may result in sanctions from transnational organisations, such as the UNSC or the European Union. Repercussions for non-abidance to such standards can also come from other states who, often under pressure from non-state actors (such as advocacy networks composed of NGOs), seek to strengthen their own domestic political legitimacy by applying their authority towards popular objectives. NGOs themselves often reinforce such sanctions with naming and shaming, demonstrations, letter writing and other pressure tactics. The overarching implication is that in an era in which a government’s legitimacy increasingly relies on international perception, “governance beyond the nation state cannot take the form of governance by government, but rather it needs to be a form of governance with governments such as we find in international institutions, or governance without government as in transnational institutions, or supranational governance” (Zürn 1999). What Zürn neglects to mention in this passage is that the agendas and mechanisms used by these institutions are increasingly substantially shaped and guided by the work of NGOs.

Standing at the centre of this new dynamic of governance with or without governments, where multinational corporations (MNCs) may be said to rule the sphere of economic globalization and forward agendas of financial interests and intergovernmental organisations (IGOs) to forward the interests of governments, non-governmental organisations (NGOs) may be conceived of as the champions of social globalization. Sometimes referred to as the “Fifth Estate in Global Governance,” NGOs have evolved over the past two decades to become widely accepted – and contested – as the de facto guardians of the interests of humanity; filling the gaps in global governance where governments lack a foothold (SustainAbility 2003, 9). Put differently, international NGO movements are understood as representing “issues of people rather than states... a new dynamic of embryonic participatory democracy to the global community” (Youngs 2004, 139).
The next two sections of this paper seek to deepen the understanding of the rise of dynamic non-state actors and the parallel maturation of their role in and approach to global governance.

**The Rise of Civil Society and the Relevance of ‘Soft’ Power**

The key question for global governance is, who are ‘we the people’ when there is no sense of political identity and community, and the political world is organized largely around a system of unequal states? (Keohane 2000, 32-33).

Civil society – sometimes referred to as the ‘third sector’, indicating its distinct status from the public and private sectors – encompasses NGOs, social movements, churches, foundations, intellectuals and consumer groups. In more formal terms, civil society describes organisations of “social forms and relations that are neither state nor market” (Swyngedouw 2005, 1996). In less formal terms, civil society is organized by and for the people. It is involved in the delivery and implementation of public goods and services, as well as the monitoring of established institutions for any breaches in their commitments to public welfare, global public goods such as the environment, and human rights. Largely due to the terms under which civil society organisations are registered by national bureaucracies, especially for purposes of taxation and financial auditing, in common usage the terms civil society organisation (CSO) and nongovernmental organisation (NGO) have widely evolved into synonyms for one another. These organisations are also variously known as non-profit or not-for-profit organisations (NPOs), can include sub-groupings such as community based organisations (CBOs), and under special arrangements between governmental agencies and private actors can also denote hybrids such as quasi-nongovernmental organisations (QUANGOs) (SustainAbility 2003, 13).

Often described as ‘epistemic communities’, NGOs have in the past two decades mobilized communications technologies in such a way as to defy physical space as never before, bringing people with similar interests together in transnational social and activist networks, and coordinating between them on a massive and highly organized scale (Djelic 2006, 10). In this sense, then, international NGOs (sometimes referred to as INGOs) may be considered the social offspring of political and economic globalisation – at once a response to and representation of the universal needs of humanity, as the products and externalities of capitalism permeate ever more international borders.
In the decade following the fall of the Iron Curtain, the number of international INGOs rose from 6000 to 37,000. Together, these INGOs delivered more aid than the ensemble of the entire UN system. Additionally, some 1000 NGOs enjoyed consultative status at the UN Economic and Social Council (Youngs 2004, 139); today that number has tripled, to 3051 (UN Department of Economic and Social Affairs). The total number of NGOs worldwide continues to swell, reaching well into the millions if one counts those not operating internationally (Kettl 2000, 491). Even if measured in terms of their sheer numbers alone, NGOs’ impact on global governance would presumably be significant. Consider the fact that the NGO sector now constitutes the 8th largest economy in the world – representing over $1 trillion annually, 19 million paid workers and countless volunteers, and $15 billion in development aid every year – and the significance of NGOs in the mobilizations of funds, goods and services, ideas, norms and people around the world is enormous (Hall-Jones 2006). Indeed, in today’s global governance constellation NGOs “are powerful engines for organizing and driving policy change, and their influence has been impressive” - so much so, says Kettl, that “national sovereignty, even for the world’s superpower, has been eroded” (Kettl 2000, 491). Yet, when one takes account of the fact that NGOs have no powers of regulation or enforcement, the nature of their impact may seem puzzling.

In comparison with state and interstate actors, which can establish and enforce regulations in varying capacities, civil society is commonly said to wield “soft” power. As inferred in the quotation from Kettl above, the potency of this type of power should not be underestimated. In the global governance arena soft power has become an important means of achieving behaviour-changing outcomes, both within and beyond the proper jurisdictions of nation states, as well as of state governments, IGOs and MNCs themselves: “Non-state actors (such as corporations and NGOs) may exercise power above, below and around the state, so that they may advance political objectives even where they fail to secure regulation and other forms of governmental action,” says Spiro (Spiro 1998, 809). Soft power, in other words, exercised through sensitization and pressure tactics, is the mechanism of authority by which NGOs overcome limitations inherent in their position outside the public sector. This seemingly unstructured mechanism, in other words, enables actors within the NGO sector to govern extra-institutionally.

This positioning of NGOs outside of formal institutional infrastructures has played out in interesting ways in the history of the rise of NGOs. Where once these organisations operated on the fringes of major political systems and were seen as anti-establishment and anti-institution – for example, protesting massively against free trade and the WTO, the World Bank, summits of the G8 and the OECD’s Multilateral Agreement on Investment (MAI), to name
just a few – NGO’s today do an increasing amount of governance with governments and other established institutions (The Economist 1999). Indeed, even Vladmir Putin has in recent years been caught participating in a Civic Forum at which NGO leaders provided input on Russian government policy (SustainAbility 2003, 9).

Increasing numbers of ‘expert NGO’ consultants now also contribute to the policies of the World Bank, often to the point of determining those policies. They play comparable roles at the UN and other intergovernmental organisations (The Economist 1999). Furthermore, in a more recent development, a growing number of NGOs – especially the bigger, ‘brand-name’ NGOs - receive increasing proportions of their budgets from state governments and IGOs (Paul 2000). The European Union, for example, channels some two-thirds of its development and relief aid through NGOs (Keane 2001, 26). One obvious implication of this is that these NGOs must be pursuing objectives that governments and governmental organisations consider complimentary to their own foreign policy objectives, and possibly even that they do it better and more efficiently than governments can themselves.

Taking this analysis a step further; these changes in the NGO sector’s approach to public policy in recent years show striking evidence that these organisations, once considered the “shock troops” of civil society, are maturing in their role as global governance partners (SustainAbility 2003, 4). Once considered the arch enemies of globalization, for example, NGOs are increasingly navigating the channels of major transnational, governmental and intergovernmental institutions as a means of ensuring that the right kind of global policies are being pursued: “Paradoxically, perhaps, many NGOs now argue for more globalization, not less. In the process, however, they stress that it needs to be refocused on globalizing human rights, justice and accountability for those that abuse those rights” (SustainAbility 2003, 2). Finally resolved to the inevitability of the so-called age of globalization, in other words, NGOs see themselves as the protectors of an increasing number of issues that have become inextricably linked to and affected by the increasingly free movements of peoples, ideas, goods and services – not to mention the negative externalities of international industry – across international borders. These issues include the environment, labour rights, human rights, gender rights, and consumer rights, to name but a few.

This self-proclaimed mandate is laudable, to be sure, but do NGOs live up to their own expectations? This question is taken up in the next section.
Deepening Civil Sector Engagement: Democratisation, or Inflated Expectations?

As discussions continue about democracy and accountability in global decision-making, it becomes increasingly clear that NGOs have a vital role to play. Globalization has created both cross-border issues that NGOs address and cross-border communities of interest that NGOs represent. National governments cannot do either task as effectively or as legitimately. In the globalizing world of the twenty-first century, NGOs will have a growing international calling (Paul 2000).

“Democratisation and technological progress have revolutionised the way in which citizens can unite to express their disquiet,” wrote the authors of The Economist in a 1999 assessment of the impact NGOs were having and could be expected to have on global governance in the 21st century (The Economist 1999). Indeed, the preceding pages have gone to great lengths to show that the rise of NGOs was clearly a product of globalization, enabled by technology; but are NGOs simply an outlet for social disquiet, as this quotation would seem to suggest? Are they really no more than a negative force in world diplomacy? Or does the rise of NGOs’ engagement in public affairs in fact strengthen and spread democracy around the world? Are NGOs truly, as former UN Secretary General Kofi Annan once said, “The conscience of humanity” (Paul 2000)? And if so, what kind of controls are in place to ensure they were accountable to those on whose behalf they propose to advocate? Are the brokers of political legitimacy properly scrutinized to ensure they are legitimate themselves? These were just some of the questions social scientists around the world were asking themselves at the turn of the millennium. Alas, the relationship between NGOs, democracy and their claim to represent the voice of humanity is almost predestined to be a tenuous one, and NGOs are by no means short of their critics: “Non-state actors often cloak self-interest with the mantle of moral authority,” says Spiro; “and not all transnational networks are politically progressive” (Spiro 1998, 810). Inasmuch as moral authority is linked to the very identity of the NGO sector, and the representation of humanity to the very notion of democracy, any discussion of ‘global civil society’ would be incomplete without some investigation of these important points of contention.

The boom of NGO presence and creation in newly democratised countries in Eastern Europe and Africa in the 1990s cannot be refuted, and the fall of the Iron Curtain itself is often linked to the strengthening of civil society (Hall-Jones 2006); but to say that democracy is a catalyst or precondition for NGOs is not the same as to say that in the long run NGOs will help spread, ameliorate or entrench democracy. After all, NGOs themselves can claim little more than accountability to their memberships – although often numbering in the
millions – as proof of democratic underpinning in their own organisational structuring. But although their leaders are unelected, NGOs often defend themselves against accusations of being structurally undemocratic and unaccountable by pointing to controls in the forms of boards of directors, large memberships and accountability to the donors who provide their budgets as mechanisms of self-regulation.

An improving degree of external regulation of NGOs also exists. Even in the most open and democratic countries NGOs are subject to controls in the form of financial auditing and registration processes; and NGOs seeking consultative status at the UN go through stringent processes of accreditation and review to ensure their representative legitimacy. NGOs are also increasingly subject to peer regulation through their engagement within advocacy networks and coalitions. “Thanks partly to these controls and to the ethos of public service in the NGO community,” writes James A. Paul, “NGOs are not often accused of corruption, breaches of the law, gross failure to live up to their mandate or other serious abuses. Compared with the frequent scandals of corruption and abuse of authority by officials of nation states, NGOs appear as relatively virtuous” (Paul 2000).

Accountability thus aside, evidence also shows that the pluralism represented by the engagement of NGOs in global governance does in fact improve the range and diversity of issues on policymakers’ agendas. Even if merely in their ability to work at once in the field, face-to-face with people affected by the various global concerns NGOs claim to represent, and at the highly institutionalized national and international levels, NGO’s represent an important link between humanity and the wielders of traditional ‘hard’ powers in policymaking. Taking into account their additional ability to inform and guide the final drafting of policies in the global governance arena, not to mention their important involvement in implementing those policies on the ground (in many cases with more legitimacy and ability than imparted to governmental actors, as indicated in the quotation above), it is clear that NGOs “are becoming, to an ever growing extent, actors in their own right, exercising a certain measure of authority, and must, in so far, be seen as highly relevant members of the international community” (Thürer 1999, 39).

Yet, powerful forces as they may represent, NGOs will never be fully independent or unilateral actors; rather, they are inextricably tied to traditional units of governance. As much as governments and intergovernmental organisations depend on NGOs to perform very important functions, NGOs themselves depend on those institutions for their very raison d’etre as interlocutors, as well as for increasing proportions of their budgets and, paradoxically – as indicated above, governments increasingly depend on NGOs for
their legitimacy in the “global issues arena” (Spiro 1998, 809) – for their legitimacy abroad vis-à-vis governments less willing to cooperate. An NGO seeking to deliver HIV/AIDS services in Uganda, for example, will encounter much different reception from the host government and be permitted to operate under much different conditions – that is, more or less freely and with more or less access to and cooperation from local state-level power brokers – if it is, say, Canadian based, UN accredited and funded by private donors than if it is based in Iran and funded by scarcely known religious organisations. Put differently, NGOs “can mobilize bits and pieces of their national legacies in the negotiation around transnational governance” (Djelic 2006, 16). Indeed, co-dependence between governments and NGOs is mutual and affects the global governance efforts of both state and non-state actors in very definitive ways.

The Final Analysis

The relationship between the rise of NGOs and the advent of global governance in the past two decades should by now be quite clear to the reader. Global governance is at once the arena that allowed a ‘global civil society’ to flourish, and that which made cooperation with such interlocutors necessary to reach ever more remote corners of the earth and segments of humanity. One important result of this rise and spread of NGOs is that peoples are forever becoming less isolated from one another, and their concerns less isolated from the agendas of state, interstate and supranational governing bodies. Hence, this paper is quite confident and not alone in stating that “NGOs contribute to the blurring of regional as well as national boundaries” (Skjelsbaek 1971, 439). It thus follows that the rise of NGOs carries significant and, indeed, inevitable implications for modern systems and mechanisms of governance.

While OECD Future Studies holds that NGOs’ “very existence is an implicit indictment of governments” (OECD Future Studies 2001, 58) – that if IGOs seamlessly performed their mandate as international governing bodies there would be no need for NGOs – evidence raised in the discussion above shows that this sweeping statement completely misses the point. This paper has attempted to expose the relationship between the growing multiplicity of global governing bodies – be they non-state, state or interstate – as complementary, not substitutional. Each actor in the global governance constellation has its strengths as well as its weaknesses, and one cannot perform the proper contemporary function of the other more effectively; each has its turf, and has come a long way over the past two decades towards learning the extent and
limitations of its competencies in the new political spheres of global governance.

Simultaneously, as the shift to global governance enters adulthood, its actors are learning to cooperate and coordinate with one another more effectively, fomenting the rules of engagement in a relatively new constellation. It is in recognition of this evolving relationship that political scientists increasingly speak of ‘multi-level’ governance; that is, governance performed by a multitude of actors organized for different purposes and performing different functions according to their capacities and expertise. Together, and not in a rivalrous relationship to one another, these layers of actors form a global governance constellation that is more diverse and versatile than its precursor, making it better suited to handle the complex range of policy issues that have become the preoccupation of an ever expanding and deepening international community.
References


