UNDP

Transforming Global Governance for the 21st Century

by Ngaire Woods, Alexander Betts, Jochen Prantl and Devi Sridhar

NGAIRE WOODS is Dean of the Blavatnik School of Government at Oxford University. She is also Professor of International Political Economy and fellow in Politics and International Relations at University College, Oxford, and Director of the Global Economic Governance Programme at the Department of Politics and International Relations and Centre for International Studies of the University of Oxford. She teaches for the TRIUM Global Executive MBA programme, an alliance of NYU Stern, the London School of Economics and the HEC School of Management. Her research focuses on global economic governance, the challenges of globalization, global development and the role of international institutions. Her recent books include The Politics of Global Regulation *(with Walter Mattli, OUP, 2009),* Networks of Influence? Developing Countries in a Networked Global Order *(with Leonardo Martinez-Diaz, OUP, 2009),* The Globalizers: the IMF, the World Bank and their Borrowers *(Cornell University, 2006),* Exporting Good Governance: Temptations and Challenges in Canada's Aid Program *(with Jennifer Welsh, Laurier University, 2007), and* Making Self-Regulation Effective in Developing Countries *(with Dana Brown, OUP, 2007). She has previously published* The Political Economy of Globalization *(Macmillan, 2000),* Inequality, Globalization and World Politics *(with Andrew Hurrell, OUP, 1999), and* Explaining International Relations since 1945 *(OUP, 1986).*

Transforming Global Governance for the 21st Century

NGAIRE WOODS, ALEXANDER BETTS, JOCHEN PRANTL AND DEVI SRIDHAR

ABSTRACT

This paper examines the transformation of global governance triggered by the rise of the global South. Section 1 analyses the global governance of finance, the area in which emerging economies have been most open in challenging existing institutions. Section 2 assesses changes in the global governance of security. Power shifts have led to a diffusion of preferences and strategies that reflect a growing contestation of the patterns and understandings of collective action in the global security regime. Section 3 maps the global governance of health. Section 4 examines changes in the global governance of migration, given the significant growth in the number of migrants. Following from this analysis, the paper offers three principles that might guide thinking about transformation: pluralism, where national, regional and global governance systems work in concert; strengthened multilateral processes and the updating of existing international organizations; and stronger accountability to wider groups of governments and stakeholders.

INTRODUCTION

The rise of the global South is transforming global governance. It is creating new demands for multilateral institutions and jumpstarting regionalism. The result is a new range of strategic choices available to developing countries, and a new imperative to reform and reinvigorate multilateral and regional organizations. This paper explores the transformation of governance in four sectors—finance, health, migration and security—and highlights the implications for developing countries. In each area, developing countries have clear and powerful collective interests. There are also challenges for global governance. At one end is the relatively well-institutionalized area of finance, where reforming existing institutions is key. At the other end is migration, where global negotiations are needed, and institutions barely exist.

Over a decade ago, in the wake of the September 11th terrorist attacks, the 2002 *Human Development Report* analysed prospects for deepening democracy at the global level. The report noted a rise in pluralism in world politics, as well as the success of civil society activists in trade unions, non-governmental organizations (NGOs) and transnational campaigns in achieving changes in the global governance of debt relief, access to essential medicines and the enforcement of human rights. Equally, the report highlighted the need to reform international institutions by strengthening representation in them, creating fairer decision-making rules and increasing accountability.

Today, global governance has a new challenge. The rise of the global South and a shift in global power towards emerging economies—China, in particular—has become more obvious. China and other emerging economies have forged deeper and stronger economic relations with neighbours and across the developing world. They have rapidly expanded their global markets and production. As they rely more on global market access, they will increasingly require global rules to protect that access.

Global rules can be made in formal, multilateral institutions, or (as became very popular in the 1990s and 2000s) in informal, standard-setting networks of private and non-governmental actors. Emerging economies are likely to favour the former. Brazil, China, India and the Russian Federation are state-centred in their own governance, and guard their sovereignty in international relations. Multilateral institutions can formalize representation and decision-making, and respect the power and processes of national governments.

Traditional multilateral institutions are not fit for this purpose, however. For decades, powerful governments have

sidestepped the failings of major international agencies. Instead of dealing with out-of-date representation, vested interests, poor leadership and stagnating bureaucracy, they simply created new initiatives to deliver what international organizations could not. Among the many examples given in this paper are the proliferation of voluntary standards in finance, which substituted for global regulation; the emergence of the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), in place of action through the World Health Organization (WHO); the rise of informal groups in the United Nations to bypass a gridlocked or deadlocked UN Security Council; and regional consultative processes on migration and security to make up for a failure to take forward global negotiations. In each case, governments have sought to avert the slow, cumbersome processes of multilateral institutions by creating more nimble, informal networks and private-public partnerships. They must now turn their attention back to the organizations.

The rise of the global South is injecting a new urgency into reforming international institutions, as is most clear in global finance. Faced with global crisis, the status quo powers—the Group of 7 (G7) finance ministers—have had to reach out to emerging economies, including them in the Group of 20 (G20), requesting resource contributions and agreeing to give them more voice in relevant international organizations. However, emerging economies are not yet confident that multilaterals will work for their interests as much as for the interests of Europe and the United States, so they are also pursuing national, bilateral and regional strategies. As we will see below, instead of relying on the International Monetary Fund (IMF), to which they are now contributing more, they are also amassing their own foreign exchange reserves ('self-insurance'), using bilateral credit lines in moments of vulnerability and reinforcing regional arrangements.

In trade, where international rules are crucial, countries have been frustrated by the stalemated Doha negotiations, and have resorted to bilateral and regional negotiations, as in Asia-Pacific. New international negotiating strategies have emerged, such as through the Group of 6 (G6) involving Australia, Brazil, India, Japan, the United States and the European Union.

Shifts are also apparent in climate change negotiations. Collective action is required to reduce greenhouse gas emissions, adapt to a changing climate, share new technologies and secure related financial resources. While multilateral negotiations have continued in one form or another for nearly two decades, many new developments are beginning to redefine negotiating strategies and the global climate regime. Choices of negotiating forums are shifting from the UN Framework Convention on Climate Change (UNFCCC) to smaller groups

such as the Major Economies Forum on Energy and Climate (MEF), the G20 and US-BASIC (the United States and Brazil, China, India and South Africa). Another sign of change is the move from commitments based on top-down targets to bottom-up mitigation actions by individual countries. Bilateral and regional agreements are becoming increasingly important as countries negotiate deals to cooperate on technology development or establish region-specific carbon markets. Links with issues such as trade, intellectual property, health and migration, and financing are more obvious.

All four areas discussed in this paper—finance, security, health and migration—have been traditionally affected by North-South divisions, with the global South viewing governance as dominated by the North. The agenda in each area is now being challenged by new groupings, with countries in the global South often splitting along different interests. Institutions and processes in each area of governance are also being challenged—sometimes directly, and sometimes indirectly by alternative regional and sub-regional systems. New strategic choices for developing countries are emerging in each area.

Section 1 analyses the global governance of finance, the area in which emerging economies have been most open in challenging existing institutions. It highlights ongoing transformations in formal governance, the politics of aid and development finance, and regionalism. Section 2 assesses changes in the global governance of security. Power shifts have led to a diffusion of preferences and strategies that reflect a growing contestation of the patterns and understandings of collective action in the global security regime. Section 3 maps the global governance of health, summarizing a proliferation of initiatives and actors in recent years, with networks forming and becoming indispensable to leadership and coordination. Section 4 examines changes in the global governance of migration, given the significant growth in the number of migrants. See the Annex for a summary.

Based on analysis of governance in these four areas, three principles might guide thinking about transformation. These are:

- Pluralism, where national, regional and global governance systems work in concert;

- Strengthened multilateral processes, and the updating and transformation of existing international organizations; and

- Stronger accountability to wider groups of governments and stakeholders.

1. THE GLOBAL GOVERNANCE OF FINANCE

All countries can be affected by international financial crises, with their vulnerability increased or decreased by global arrangements that create rules, pool resources and coordinate actions. These amplify or constrain strategies available to individual governments. In 1997, when a speculative attack on the Thai baht rapidly engulfed East Asia in a major financial meltdown, Thailand tried several strategies. It used up its own foreign exchange reserves attempting to support its currency. It then floated the currency, yet was still overwhelmed. The prime minister sought bilateral assistance from China and Japan, but neither was willing to provide emergency loans. Finally, the Government was forced into the arms of the IMF. Its programme failed to stem the crisis, and soon Indonesia, Malaysia, the Philippines and the Republic of Korea were forced to take emergency measures.

The crisis highlighted four elements of international cooperation on which countries might ideally rely:

- Insurance against crises caused by others, or the provision of emergency assistance in the event of financial crisis contagion;

- The resolution of sovereign debt crises and the regulation of banking in a world in which sovereign creditors are both numerous and global;

- Exchange rate rules and a forum for discussing alleged infractions to prevent 'currency wars'; and

- Concessionary funding for development in countries and sectors where the market fails to deliver or sustain adequate or appropriate investment capital.

Cooperation in global finance since World War II has mostly been coordinated through regional and international institutions, primarily the IMF and the World Bank Group. The 2002 *Human Development Report* described the system as dominated by the United Statues and the European Union, but challenged by the rise of powerful, transnational NGOs. Determined to hold the IMF and the World Bank to account, these groups successfully put debt relief, poverty alleviation, environmental and human rights concerns, and transparency on the agenda of international institutions. That said, they were predominantly northern NGOs, challenging a northern paradigm.

Since 2002, as emerging economies have become more powerful players in global financial governance, they have taken new places at the tables of discussion and rule-making. They have become financiers in their own right. And they have developed their own regional monetary and support arrangements. This rapid transformation poses new challenges and strategic choices for developing countries. Three issues are analysed here: the rise of emerging economies in global discussions of finance, the new politics of aid and the increase in regional monetary arrangements.

THE RISE OF EMERGING ECONOMIES IN GLOBAL DISCUSSIONS OF FINANCE

East Asia's 1997 financial crisis exposed global financial governance as outdated. The G7, which for years was the informal steering group of the IMF in a crisis, realized that it needed to consult more broadly. More specifically, emerging economies needed to be at the table to effectively manage the crisis. To this end, Canada and the United States created the G20 with finance officials from just over 20 of the world's largest economies. In so doing, they sidestepped calls for immediate radical reforms of the governance of the IMF and the World Bank, but they sowed the seeds of a process of change.

The 2008 financial crisis accelerated shifts that began after 1997. Brazil, China, India and the Russian Federation were called upon to provide emergency backstop lines of credit to the IMF. In turn, they acquired a veto over the use of the lines.[1] Today, after decades of wrangling over tiny changes in relative voting power, emerging economies have won important advancements in governance. China is set to become the third most powerful shareholder and now has a deputy managing director at the IMF. The World Bank's chief economist is Chinese, and China has become an important contributor to the International Development Association. The G20 has become the world's emergency committee, supplanting (but not eradicating) the G7. It has created a Financial Stability Board, and sought to widen participation in host institutions, such as the Bank for International Settlements.

While smaller developing countries have not been formally included in the reforms, the result has not necessarily been further marginalization, as some predicted. At different moments, the major emerging economies—not always unified—have sought support from developing countries; each has variously held itself out as speaking for a wider group. These changes in governance and active cooperation, however, have offered only a short-term response to the four issues listed above, as revealed by the 2008 crisis.

The crisis originated in the United Kingdom and United States, and soon exposed weaknesses across the European Union. The first wave occurred as the conveyor belt of global

---

1   These are detailed in Woods 2009.

finance spread a 'credit crunch' across countries that had opened their financial systems to global banking. Hungary, Iceland, Romania and Ukraine plunged into disarray. A second wave quickly followed, transmitted through the 'real economy', as the credit crunch caused economies to seize up, halting global trade and spreading recession across the world. The IMF and the World Bank used the phrase 'development emergency' in their report monitoring the impact of the crisis on the poorest countries (World Bank and IMF 2009).

Emergency measures were undertaken. Large economies coordinated a response that included having their central banks lower benchmark interest rates, and the United Kingdom and United States set up massive bank rescue plans. In November 2008, G20 leaders agreed on measures to reinvigorate their own economies without damaging global trade, regulate global finance, assist the poorest countries and reform global institutions. In April 2009, they declared they were arming the IMF with US $1 trillion.

The 2008 crisis and the Eurozone crisis in its aftermath underscore the need for cooperation that delivers on the four issues listed above. Even as industrialized countries have turned to international institutions, however, emerging and developing countries have sought increasingly to rely upon themselves.

THE NEW POLITICS OF AID

2005 marked a pivotal point in the world of aid and development financing. The Group of 8 (G8) pledged to double development assistance to Africa (G8 2005)—but members mostly failed to meet this goal.[2] Commentators began to notice that China was quietly increasing its trade, aid and investment relations with Africa. Conservative estimates in 2007 suggested that Brazil, China, India, Kuwait, the Republic of Korea, Saudi Arabia, the United Arab Emirates and Venezuela would at least double their current official development assistance to a little over $1 billion by 2010 (IMF and World Bank 2006, Reisen 2007).

The increased interaction between emerging economies and developing countries occurred against a background of serious discontent with the established 'aid system' and donors of the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD-DAC). Donors were failing to deliver promised aid, to 'listen' to recipient countries and to respond to their needs, instead imposing their own ever-changing priorities and conditionalities. They did not use simple, workable systems for aid

transactions and reporting, defaulting instead to requirements that poor countries use unwieldy, duplicative, bureaucratized and resource-wasting procedures.

In contrast, emerging economies have been keen to lend and give aid without conditionality, with a strong rhetoric of respect for the sovereignty of other governments. China, for example, frames its aid around eight principles that emphasize sovereignty, equality and mutual respect. India's aid programme, which began in the 1950s, centres around respect of territorial integrity, mutual non-aggression, mutual non-interference in domestic affairs, equality and mutual benefit, and peaceful coexistence (Price 2005). Emerging donors have increased their aid against a background of their own economic success, entwining it with trade and investment strategies that promote economic growth with some degree of self-reliance.

For all the talk of increasing aid coordination, 'established' donors continue to establish and sustain multiple separate aid agencies and processes, creating a cacophony of voices making different demands on overstretched, aid-needy governments. The governments of Canada, the United Kingdom and the United States speak daily to developing countries through dozens of megaphones, including their own national agencies and special initiatives, alongside several multilateral agencies (UNDP, the World Bank, the IMF, WHO, the World Trade Organization or WTO and so forth). More perversely, even when donors use multilateral organizations, they encumber them with special demands and funds, and additional procedures. One example is the increasing use of trust funds. A former UK government aid official describes this practice at the World Bank: "We construct an elaborate mechanism for setting priorities and discipline in the Bank, and then as donors we bypass this mechanism by setting up separate financial incentives to try to get the Bank to do what we want" (Masood 2006, p. 90).

Emerging economies have not sought to engage with or to overturn the rules of multilateral development assistance. However, by offering alternatives to some aid-receiving countries, they have introduced competitive pressures and in some cases weakened the bargaining position of Western donors.

THE NEW REGIONALISM IN MONETARY COOPERATION

In the wake of the East Asian crisis, emerging economies began to amass foreign exchange reserves to ensure their own financial independence in the event of adverse developments. They sought alternative insurance to the pooled assistance offered by the IMF, seen as paying out only with strong conditionality and generating a stigma. Individual reserves provide one such alternative, but in most regions, countries have sought to bolster this with a set of regional arrangements.

---

2   In the World Bank's assessment, net official development assistance (ODA) disbursements overall declined by $3 billion in 2006 (World Bank 2007, p. 55).

In Asia, the Chiang Mai Initiative (CMI) emerged as a series of swaps arrangements. Subsequently, the 10 members of the Association of Southeast Asian Nations (ASEAN) plus China, Japan and the Republic of Korea have created a multilateral fund with resources of $120 billion. Members can draw on it to address balance-of-payment and short-term liquidity difficulties. Where they draw more than 20 percent of their allotted disbursements, they must have an IMF programme in place.

In the Middle East, the Arab Monetary Fund (AMF) now has about $2.7 billion.[3] It was founded in 1976. Cooperation among the 22 member countries includes emergency financing as well as broader monetary cooperation and an aspiration for a unified Arab currency. It also requires its borrowing members to have an IMF programme.

The Latin American Reserve Fund (FLAR) now has about $2.34 billion. It was founded in 1978; members include Bolivia, Colombia, Costa Rica, Ecuador, Peru, Uruguay and Venezuela. Like the other regional funds, it offers its members balance-of-payments support. It also guarantees third-party loans, and facilitates reserve investments and the regional coordination of monetary policies. Unlike the CMI or the AMF, the FLAR does not require its borrowing members to have an IMF programme.

The limits of self-insurance and regional arrangements were tested during the 2008 crisis. The Republic of Korea had amassed over $200 billion in reserves as the sixth largest reserves holder in the world. Yet it soon found that using its reserves, even though they were abundant, cracked the confidence of investors. A more collective solution was needed. It did not turn to the IMF, given lingering bad feelings about the 1997 IMF programme, or the CMI. Instead, it drew on a $30 billion swap-line with the US Federal Reserve, and extended bilateral swaps agreements with China and Japan.

The 2008 crisis, given its impacts on global institutions, the aid system and emergency financing, suggests three lessons for emerging and developing economies:

- First, national resilience is crucial. Whatever the global or regional governance arrangements, countries need to build up their national resources and resilience, such as through the control of public finances, banking regulation, appropriate prudential measures and reserves. This is their first line of defence.

- Second, global arrangements cannot be ignored. Developing countries will be affected by global agreements, resources and delivery mechanisms, and must find ways to influence

those processes. Seeking greater voice and voting power so as to push well-prepared positions is important. Equally, using networks to coordinate positions among developing countries and to feed these into the G20, the IMF and the World Bank is crucial.

- Finally, regional arrangements and a growing number of potential donors give developing countries greater choice. This can strengthen their resilience as well as their bargaining power.

The implications for global governance are threefold:

- First, global governance arrangements must respect the mixed strategies that countries are choosing. In finance, countries will want to diversify their exposure and insurance policies. They will seek to use a mixture of national reserves, bilateral credit lines, regional arrangements and the IMF. The international regime needs to be pluralist.

- Second, transformed multilateral institutions are crucial, since international cooperation and rules can reduce costs, and increase the support and information available to developing countries. The global South is likely to use multilaterals more only if they are transformed into institutions seen as acting as much in the interests of the global South as in those of the United States and Europe.

- Third, the accountability of global institutions to their full membership and beyond will be greatly scrutinized at each stage. This is partly because a wider group of governments see themselves as stakeholders. Equally, the information revolution makes scrutiny far easier for a much wider range of actors.

2. THE GLOBAL GOVERNANCE OF SECURITY

The post-Cold War period has seen a significant drop in high-intensity political violence, defined as conflicts with 1,000 or more battle deaths per year (Human Security Report Project 2010). While this may be considered an improvement in global security, poor countries are disproportionately affected by remaining conflicts. Civil wars incur an estimated average cost of $64 billion each year (Collier 2008). Poor countries often remain locked in a trap where they struggle to develop after a conflict. If they cannot do so, the risk of a relapse grows. Where conflict reoccurs, it further erodes development.

The stabilization of fragile states has become a priority on international security and development agendas. At the

---

3   For a useful summary, see Lamberte and Morgan 2012.

global level, the risk of security spillovers and concern for human development have prompted international interventions in fragile states, especially on the African continent, through formal and informal institutions, and via multilateral and unilateral channels. Yet the authority of the UN security regime and wider development assistance has been increasingly challenged by failures to deliver effective outcomes, and by the growing activities of emerging economies such as Brazil, China, India, Saudi Arabia, South Africa and Venezuela. At the regional level, the high costs of state failure are borne mainly by neighbouring states, which are often fragile themselves. This provides clear incentives for cooperation within affected regions, but such action is often obstructed by a lack of resources, sovereignty concerns, and conflict or tensions between states.

Global security is currently in a state of flux and great uncertainty. The patterns and understandings that evolved in the post-Cold War period are contested. As a result, global and regional security arrangements often overlap and at times compete. Western ideas about security—such as 'comprehensive security' and 'cooperative security'—dominated in the 1990s.[4] US hegemony prevailed in the early 2000s. Now the shift in global power has led not only to a diffusion of power, but also to a diffusion of principles, preferences, ideas and values (Hurrell 2012), with implications for global governance. On the one hand, emerging powers criticize international cooperation as too Western-centric. On the other, Western powers themselves are very critical of international cooperation for not harnessing emerging powers, making statements such as: "China is failing to be part of the solution,"[5] "India is being obstructionist"[6] and "Iran is a rogue state."[7]

Three factors drive transformation in global security. The first is the quantity and complexity of conflicts dealt with by international organizations. The second is the increased functional and normative ambition of the international community,

as epitomized in the concepts of human security, the responsibility to protect and the security-development nexus. Third, international organizations have found it difficult to formally adapt to global power shifts, even as there is increasing pressure on regional and global stakeholders to adjust to new realities.

Post-1945 multilateralism was a supplement to rather than a substitute for inter-state relations (Keohane 2006). Furthermore, multilateralism was not very multilateral. It was centred on the United States and the industrialized global North, and largely excluded the developing global South. Its aims and scope were partial.

While the transformation of the security landscape has triggered high demand for mechanisms to govern global and regional security, there has been no global institutional reform. UN Security Council reform is a case in point. Although the Council is not necessarily the pinnacle of global security governance, it nevertheless has, according to Article 24 of the UN Charter, the primary, though not exclusive, responsibility for the maintenance of international peace and security. Since the early 1990s, it has been common wisdom that the Council is overdue for radical reform. But this continues to be a divisive topic among global and regional stakeholders both from the global North and South. Despite the smoke screen of summit declarations, there is no agreement on the issue among Brazil, China, India, the Russian Federation and South Africa, the BRICS.[8] While China and the Russian Federation, at the 2011 BRICS Summit in Sanya, "reiterate[d] the importance they attach to the status of India, Brazil, and South Africa in international affairs, and understand and support their aspiration to play a greater role in the UN,"[9] declaratory policy is not indicative of operational policy. At the beginning of this year, the informal Group of 4 (G4) coalition—comprising Brazil, Germany, India and Japan—launched another bid to expand the Council, which received instant criticism from China and the so-called 'United for Consensus' group led by Argentina, Canada, Colombia, Italy and Pakistan.

The perceived crisis of UN-centred governance stands in sharp contrast to the boom in peace operations. By February 2012, more than 118,000 military and civilian personnel were serving in 15 peace operations, with an annual budget of $7.8

---

4   On 'comprehensive security' see, for example, CSCE 1990 and 1992. On 'cooperative security', see Carter, Steinbruner and Perry 1992.

5   For example, the Obama administration has repeatedly pressed the point that China needs to be part of the solution on climate change. A similar argument may be made vis-à-vis China's (lack of) efforts to strengthen the nuclear non-proliferation regime.

6   This was typical of views expressed by Western governments in the context of the WTO Doha Round and the UN climate conference in Copenhagen, epitomizing the perception that India has always been good at keeping the moral high ground and bad at effectively negotiating towards mutually acceptable collective action.

7   The term 'rogue state' originally emerged during the Clinton administration, describing countries with a hostile attitude to the United States that were suspected of sponsoring terrorism or developing weapons of mass destruction and missile programmes. The core 'rogue states' have been the Democratic People's Republic of Korea, Iran, Iraq and Libya.

8   Both China and the Russian Federation occupy permanent seats on the UN Security Council. Any expansion in permanent membership would inevitably reduce their relative power at the negotiation table. Although one could well argue that the BRICS group as a whole could turn the Council into a power-political instrument of emerging countries, this overestimates the coherence of BRICS views on key security issues. In fact, BRICS cooperation has remained selective thus far.

9   BRICS Summit Declaration, Sanya, Hainan, China, 14 April 2011, paragraph 8.

billion (United Nations 2012). This suggests that the Security Council is not quite 'the imaginary invalid', although there is much room to improve its decision-making, effectiveness and representativeness. However, if Security Council membership was to be adapted to better reflect global power shifts, what would this mean in practice? Most reform proposals are overly concerned with enlarging the Council's membership as a proxy for legitimacy and representativeness. Yet there are two problems with this approach.

First, Security Council reforms need to strike a balance between efficacy and representativeness—a larger Council is not necessarily more effective. Second, much of the Security Council's weakness rests in political disagreements among powerful current and aspiring members; these need to be settled prior to any large-scale Council reform. The recent Russian Federation and Chinese vetoes on Myanmar (2007), Zimbabwe (2008), and Syria (2011 and 2012) reflect the difficulties in agreeing on underlying rules and principles of collective action in global security. The central question is how to *politically* engage key stakeholders such as Brazil, China, India, the Russian Federation and South Africa inside and outside the Security Council to manage 21st century security relations collectively and responsively. Without deep political engagement and a new bargain among stakeholders, initiatives to change the formal structures of global institutions will fail. Engaging in facilitative multilateralism needs to be the order of the day.

The proliferation of informal institutions—G-X groups, contact groups, core groups of friends—constitutes a significant structural change in the process and substance of UN crisis management (Prantl 2006). Such groupings have come to play a range of critical roles and occupy a vital space between multilateral governance and traditional major power diplomacy. Between 1990 and 2006, one could observe a growth from 4 to more than 30 such mechanisms in UN conflict resolution. The increase paralleled the surge in conflict prevention, conflict management and post-conflict peacebuilding activities by the United Nations and others.

Informal institutions allow exits from the structural deficiencies of the Security Council and provide voice for countries not represented there. In effect, those mechanisms may alleviate the pressure for formal adaptation. Yet they are certainly not the deus ex machina for curing the public 'bads' of security governance. At best, such mechanisms may be complementary and strengthen the global governance architecture by offering an alternative route for the application of more flexible procedures in addressing collective problems. At worst, informal institutions may be competitive

and further erode the already challenged authority of international organizations. If successful, informal institutions must accommodate an extremely fragile balance between the competing demands of efficacy, legitimacy, representativeness and accountability. The challenge is to find ways of making multilateral pluralism coherent.

There has been a significant change in the role of the five permanent members of the UN Security Council. While coordination among them is still substantial, bilateral China-US consultations have become far more important. At the same time, the BRICS, with mixed results, aim at coordinating their positions on important Security Council matters.

Contestation of the security order operates at the global and regional levels. At the global or UN level, this is particularly visible in debates surrounding the implementation of the responsibility to protect framework. It specifies both the responsibility of individual states towards their populations, and the responsibility of the international community to address genocide, war crimes, ethnic cleansing and crimes against humanity when states fail to do so within their own borders. Despite the universal adoption of the framework by the UN General Assembly at the 2005 World Summit, there is a deep political divide over application. From the beginning, Brazil, China, India and the Russian Federation either directly opposed or were extremely lukewarm to the idea. China, in negotiations leading to adoption, actively pursued a strategy of weakening the breadth of the concept (Prantl and Nakano 2011). The summit declaration did not include any specific criteria for intervention. It affirmed the primary responsibility of the Security Council to authorize intervention, leaving intact a Chinese or the Russian Federation veto of any unwanted action.

While the North Atlantic Treaty Organization (NATO) operation Unified Protector in Libya was authorized in March 2011 by Security Council Resolution 1973 with direct reference to the responsibility to protect, the case is very unlikely to serve as a model for future interventions. Brazil, China, India and the Russian Federation, which had abstained from the vote, expressed strong reservations against the very broad interpretation of the resolution. They particularly opposed the arming of Libyan rebels and the outright pursuit of regime change. China's and the Russian Federation's vetoes of collective action in Syria in October 2011 and February 2012 need to be seen in light of the Libyan experience.[10]

However, there has been no consistent BRICS opposition. Brazil, India and South Africa (the IBSA group of democracies)

10　See UN documents S/PV.6627, 4 October 2011, and S/PV.6711, 4 February 2012.

have shown closely aligned positions that can be substantively different from those of China and the Russian Federation. IBSA's voting record in October 2011 and February 2012 is indicative.[11] While these countries jointly abstained on the first draft resolution on Syria, they voted for the second. Brazil has adjusted its strategy and recently assumed the role of mediator between the more interventionist United States and Europe, and opposing BRICS members such as China and the Russian Federation. At the General Assembly's General Debate in September 2011, Brazil acknowledged the importance of the responsibility to protect while highlighting the need for complementary norms—including last resort, proportionality and balance of consequences—to be taken into account prior to the Council's authorization of military force. It stressed "the accountability of those to whom authority is granted to resort to force,"[12] highlighting strong demand for new principles of accountability.

At the regional level, contestation has become most explicit in the creation of alternative structures of security governance. The Shanghai Cooperation Organization (SCO) is a good example (Prantl 2013). Established in 2001, it brings together China, the Russian Federation and four Central Asian countries—Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. It is the only international organization where contemporary China has been a stakeholder from inception. The SCO process is driven by what is often referred to as the so-called Shanghai spirit (Shanghai *jingshen*), which includes, according to former Chinese Foreign Minister Yang Jiechi, "mutual trust, mutual benefit, equality, consultation, respect for diversified civilizations and pursuit of common development" as well as "the democratization of international relations" and "a multipolar world."[13] Consequently, the SCO serves an inward and an outward function: On the one hand, it regulates relations among members of a highly diverse group of autocratic or semi-autocratic states, providing a platform for cooperation; on the other hand, it provides a bulwark against and an alternative model to the perceived threat of a US-led Western liberal order. For both China and the Russian Federation, the SCO is a multilateral forum to articulate and legitimize these aims.[14]

The Astana Declaration on the SCO's 10th anniversary effectively adopted the Russian Federation language on missile defence by highlighting that the "unilateral and unlimited build-up of anti-missile defence by a particular country or a narrow group of countries could damage strategic stability and international security."[15] Furthermore, the SCO's 2001 Convention on Combating Terrorism, Separatism and Extremism constitutes a fundamental challenge to the UN Global Counter-Terrorism Strategy. SCO agreements stipulate that member states are required to target separatists and extremists, as defined by the organization, whether or not they use violence. While those practices violate international norms against *refoulement*, the SCO provides a framework for self-legitimation, setting the rules and principles of counter-terrorism strategies within the Central Asian regional context.

From the above analysis, emerging countries have essentially three basic choices in pursuing their strategies and positions regarding global governance of security:

- Confrontation, where emerging countries, especially China and the Russian Federation, can block governance by preventing collective action on key security issues;

- Contestation, where emerging countries can contest existing global normative frameworks by constructing competing institutional alternatives at the regional level and recruiting enough followers to legitimize this process; and/or

- Mediation, where emerging countries can assume the role of responsible stakeholders and mediate between entrenched positions of the global North and South.

In sum, three principles for forging collective action on global security governance can be deducted.

First, pluralism is crucial. There is no one-size-fits-all strategy for effective security governance. Ideally, cooperation at the regional or sub-regional level will complement that at the international level.

Second, a strengthened multilateral process is crucial. Great powers—whether at the regional or international level—need to engage on issues of security. A political bargain among key stakeholders on 'the rules of the game' is a sine qua non. These rules are the foundations on which international institutions proceed, and help to foster some degree of compliance with principles of conduct.

Third, stronger accountability is required in the global governance of security. In light of the contested and fluid nature of global security governance, accountability of those who wield power and military force is of paramount importance.

---

11 Brazil served as a non-permanent member of the UN Security Council in 2010-2011. India and South Africa were elected members of the Council for the period 2011-2012.

12 UN document A/66/551-S/2011/701, 11 November 2011, para 11(i). The document contains the concept note on 'responsibility while protecting', as developed by the Government of Brazil.

13 Xinhua News Agency, 11 June 2011.

14 Both countries have used the SCO at times to criticize perceived Western double standards.

15 Shanghai Cooperation Organization 2011, paragraph V.

3. THE GLOBAL GOVERNANCE OF HEALTH

Global health governance refers to the formal and informal institutions, norms and processes that govern or directly influence global health policy, and collectively promote and protect health. The essential functions of health governance are generally agreed upon and include convening stakeholders, defining shared values, ensuring coherence, establishing standards and regulatory frameworks, providing direction (e.g., setting priorities), mobilizing and aligning resources, and promoting research (Sridhar, Khagram and Pang 2009).

The risks to health and development caused by globalization disproportionately affect people in the developing world, as exemplified by the potential health impacts of climate change and global warming. There are concerns that negative fallout from the global financial and economic crises could include cuts to health budgets of resource-limited countries. Health and education are often the first victims of budget cuts in times of limited funding and competing priorities.

As the crisis originated in the now debt-ridden developed world, ODA has been affected, a particular concern for countries where external resources make up a significant proportion of national health budgets.[16] WHO estimates that 23 countries have over 30 percent of their total health expenditures funded by international donors. In terms of disease challenges, threats of epidemics and pandemics continue as demonstrated by recent outbreaks of cholera in Zimbabwe, Ebola virus in Angola and increased activity associated with avian influenza. Developing countries also have to deal with chronic diseases and injuries, estimated to make up 70 percent of the global disease burden by 2020.

All of these factors make global governance essential in dealing with global health challenges such as pandemic disease and health care financing, as well as the related challenges of human migration, conflict, urbanization, global trade and so on. Today, the main two multilateral organizations working on health are WHO, the focal body, and the World Bank (Sridhar 2010).

WHO was established in 1948 to aid all peoples in the attainment of the highest possible level of health, broadly conceived. It was created to be the director and coordinator of international health work. It has focused on two activities: providing scientific and technical advice, and setting international normative standards. But WHO is currently struggling to remain relevant; there are pressing talks about how to reform the body to make it effective in the 21st century.

---

16   See: www.healthmetricsandevaluation.org/publications/policy-report/
financing_global_health_2010_IHME.

The World Bank was not created to address health directly, but has a more broad poverty alleviation objective. Since 1980, it has played an increasingly important role in health primarily due to its financial power as a lender, its interaction with ministries of finance in developing countries and its reputation for intellectual prowess.

In parallel to the work of the multilaterals are a number of bilateral programmes, with the largest financial player being the US Government's Global Health Initiative (previously the President's Emergency Plan for AIDS Relief or PEPFAR). Although cooperation is typically classified into multilateral and bilateral, a recent OECD-DAC report noted that about 40 percent of multilateral funding is given through what it calls 'multi-bi' aid (OECD-DAC 2010). This refers to donors choosing to route non-core funding, earmarked for specific sectors, themes, countries or regions, through multilateral agencies. At first glance the funding looks multilateral but upon investigation it is more bilaterally controlled. The practice occurs in both WHO and the World Bank through voluntary contributions and trust funds, respectively. It is also part of two of the largest new health initiatives, which are both public-private partnerships—the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and the Global Alliance for Vaccines and Immunisation (GAVI) (Sridhar and Woods 2012).

States have increasingly cooperated on health through regional bodies. For example, modeled after the European Union, the Union of South American Nations (UNASUL) is an intergovernmental union integrating the Southern Common Market (Mercosur) and the Andean Community of Nations. It includes the 12 South American countries, and its objectives include strengthening health systems and services, as well as their related institutions. Important developments include the creation of the South American Commission on Social Determinants of Health and the South American Council on Health (CSS), involving ministers of health of member states.

In Asia, several groups are active on health: the ASEAN, the Ayeyawady–Chao Phraya–Mekong Economic Cooperation Strategy (ACMECS) and the Asia Pacific Economic Cooperation forum (APEC). The African Union (AU), an intergovernmental organization consisting of 53 African states that was established in July 2002, has held four conferences with ministers of health, and has been actively involved in health issues, including challenges related to infectious diseases, health financing, and food security and nutrition. The IBSA countries have agreed to work together to coordinate international outreach on education, environment, health and medicine, and created the IBSA Fund, to which each

nation contributes $1 million a year for collaborative work in low-income countries. Each country has promised dedicated research efforts for particular diseases—Brazil for malaria, India for HIV and AIDS, and South Africa for tuberculosis.

Non-state actors are also significant and powerful stakeholders in global health governance, perhaps in contrast to other issues that remain the purview of governments. For example, the Bill & Melinda Gates Foundation contributes huge amounts of money both to countries and multilateral organizations (McCoy et al. 2009). NGOs such as Oxfam GB, the People's Health Movement and Doctors without Borders (MSF) play central roles as well.

Given the huge number of initiatives and actors operating in global health, networks have formed to provide stewardship and coordination. These include Health 8 (H8), an informal group of eight health-related organizations—WHO, the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the Joint United Nations Programme on HIV/AIDS (UNAIDS), GFATM, the GAVI Alliance, the Bill & Melinda Gates Foundation, and the World Bank. Informal senior official networks have also been created. For example, the BRICS health ministers, after meeting in Beijing, issued a declaration committing to a package of global health priorities, trade regimes and values.[17] There are now discussions on making this a permanent institutional forum for coordination and technological cooperation.

Within various areas of collective action, each of the above actors takes a leading role. On rules and norms, WHO is the only body that can pass international law. In finance, GFATM, GAVI and the Gates Foundation lead the way. No player is dominant in the area of ideas. While some recent developments have been called 'revolutionary' for global health in terms of improved health outcomes (output legitimacy), there are worries that many new actors are not accountable the way that WHO is (input legitimacy), leading to a deepening of the democratic deficit and an undermining of global governance.

Governments have adopted various strategies to achieve their interests. It is useful to look at two case studies to explore this area: WHO reform and GFATM's portfolio, and the role of the BRICS within them. Both topics have been top debates within the global health policy community, given that these two actors are arguably the most important in global health.

Questions about the relevance of WHO have persistently increased (Sridhar and Gostin 2011). In January 2011, the WHO Executive Board considered the agency's future. After a

year-long consultation with member states, Director General Margaret Chan called the organization overextended, and unable to respond with speed and agility to today's global health challenges. This crisis in leadership is not surprising to those familiar with WHO—the United Nations endowed it with extensive normative powers to act as the directing and coordinating authority on international health. Yet new initiatives such as GFATM and GAVI, bilateral programmes such as the US Global Health Initiative, and well-funded philanthropic organizations such as the Gates Foundation often overshadow the agency. WHO is subject to political pressure, and a tense relationship with both industry and civil society.

Initial dialogue on WHO reform was among OECD donors/European countries that mainly fund the agency. Subsequently, developing countries raised concerns regarding suggestions that WHO spend less attention to technical and policy support at country level. Among the BRICS, Brazil is an extremely active player, often representing poorer sub-Saharan African countries, and having clear and strong positions on trade and intellectual property rights. Brazil showed leadership on the Framework Convention on Tobacco Control, on ensuring universal access to antiretroviral medicines, and on pushing for flexibility with the trade-related aspects of intellectual property rights (TRIPs).[18] India has been vocal on trade and drug issues. Both Brazil and India have opposed reform, and in fact have been stalling the process.

There is some wariness around suggestions by Margaret Chan and others to open WHO to industry through a Global Health Forum or related mechanism. China has been very supportive of this direction, which some attribute to ties to Margaret Chan, whom it campaigned hard to get elected. China agrees with programmatic directions of the reform, and sees WHO as an ally to gain access to international processes. Its main concern relates to the status of Taiwan Province of China. Taipei was invited last year to participate, for the first time since 1971, in the enforcement mechanism of the International Health Regulations and as an observer at the World Health Assembly. China is worried that Taiwan Province of China will use WHO as a platform to increase its international visibility and political imperatives (i.e., independence). The Russian Federation has not played any major role in the discussions on WHO reform.

The second debate in global health circles involves the GFATM portfolio, and replenishment and disbursements. The total global pledge of $11.7 billion over the next three years falls short of the fund's desired minimum amount of

---

17 See: www.cfr.org/global-health/brics-health-ministers-meeting----beijing-declaration/p25620.

18 See: http://csis.org/files/publication/101110_Bliss_KeyPlayers_WEB.pdf.

$13 billion.[19] GFATM executive directors are continually calling on emerging economies to shoulder some of the financial burden (Sridhar and Gomez 2011).

Brazil has received $45 million in grants and only contributed $200,000. In 2010, its proposal for work on HIV and AIDS in the 10th round of disbursements was not approved. Brazil did not pledge or contribute in 2008 or 2009, or indicate its intention to contribute in the recent replenishment round. Its relationship with GFATM has now evolved to working with countries in the Caribbean and Africa on how to prepare successful grant applications.

The Russian Federation has received $354 million and donated $254 million, mainly through paying back grants. It pledged $60 million in the latest replenishment meeting. Engagement has primarily been over policy positions. In 2009, harm reduction programmes were put on hold when GFATM finance came to an end due to a new policy that made the Russian Federation ineligible for HIV and AIDS funding. The Russian Federation Government refused to fund prevention or treatment for injecting drug users until the fund reversed its decision and granted $24 million.

India has received $1.1 billion and only donated $10 million. In the latest replenishment meeting, it pledged an additional $3 million. China has received $2 billion and donated $16 million. At the replenishment meeting, it pledged $14 million.

To summarize, all four emerging economies are major recipients. Considering that in the recent recession many financially hard-hit donor countries have had to scale back or eliminate commitments, the fact that the relatively economically stable BRICS have not stepped up their contributions has raised questions among those in the global health community about their investment in global health leadership in the long term.[20]

Nonetheless, China, India and Brazil, for all their economic success, remain countries still struggling with poverty and inequality, with a need for high growth as a political imperative. In 2008, China had the 5th largest economy in terms of gross domestic product (GDP) but was 91st in terms of per capita income. Brazil had the 12th largest economy, but ranked 65th in terms of per capita income. India had the 14th largest economy, but ranked 118th in per capita income.[21] All face massive health problems at home. As the *Lancet* series on Brazil noted, it has made significant improvements in maternal

and child health, emergency care and infectious disease reduction.[22] But it continues to have high rates of injury mortality due to the large number of murders, especially those involving firearms. Obesity levels are increasing; caesarean section rates are the highest in the world. The Russian Federation's working-age male population has one of the highest mortality rates from preventable causes (e.g., alcohol poisoning, stress, smoking, traffic accidents and violent crimes). In India, the number of hungry people increased between 1990 and 2005 by 52 million; 43 percent of Indian children under age five are malnourished. China has pledged $124 billion to reform its own health care system and remains focused on solving its domestic health challenges.

In sum, the major emerging economies are playing roles that reflect their domestic constraints and needs. When Brazil, China, India and the Russian Federation do engage, it seems to be in issue-specific areas such as access to essential medicines, on technological cooperation or on TRIPs.

Where these countries engage often seems to be driven by regional concerns, which explains the reinvigoration and creation of regional bodies in health. In general, global health is not a high priority compared to other international issues, such as financial policies or national security. An exception is Brazil, which has embraced health as a core part of foreign policy.[23]

As key global decision-making moves from the G8 to the G20, it is not clear whether the G20 holds real promise as an institution for resolving key health issues that have traditionally been on the agenda of the G8.[24] The G8 is largely composed of 'like-minded' countries with similar strategies on how to improve health. It has played an important role in financing global health through making formal commitments, creating new institutions and prioritizing certain issues on the global stage. For example, the G8 was the driving force behind the creation of GFATM; a large portion of funding continues to come from G8 countries. Japan recently took advantage of its leadership of the G8 and used the 2008 Toyko summit to push for health system strengthening. In 2005, under UK leadership, the G8 committed to achieving universal access to antiretroviral medicines for those living with HIV and AIDS. Despite hope from the health community that the G20 would play a similar role,[25] it has yet to tackle health in a significant way. Having more countries at

---

19 See: www.theglobalfund.org/.

20 See: http://csis.org/files/publication/101110_Bliss_KeyPlayers_WEB.pdf.

21 World Development Indicators.

22 See: www.thelancet.com/series/health-in-brazil.

23 See: www.thelancet.com/journals/lancet/article/PIIS0140-6736(07)60498-X/abstract.

24 See: www.globalhealthpolicy.net/?p=141.

25 See: www.chathamhouse.org/publications/papers/view/109482.

the table does not automatically mean better articulation of global concerns. Further, the 2011 and 2012 G8 meetings did not discuss global health.[26]

The evolution of global health governance reinforces the three principles of governance highlighted in this paper:

- First, countries are choosing to cooperate at different levels, including regional and global. Coherent global health governance needs to be pluralist, considering diverse forms of cooperation.

- Second, there is a key role for multilateral institutions, first among them WHO as the chief coordinator and director of cooperation in global health. To play this role, the agency needs to be perceived as independent and neutral. It requires strengthening.

- Third, global health governance must be accountable to the people across the world that it claims to serve.

4. THE GLOBAL GOVERNANCE OF MIGRATION

Global governance is rapidly emerging in the area of international migration.[27] In the aftermath of World War II, no coherent UN-based multilateral regime was developed. However, with the subsequent growth in migration, from 70 million people in 1970 to over 200 million today, and given its increasing significance for both human development and national security, there has been a renewed demand from states to establish international rules.

Migration, by definition, affects more than one state. One state's immigration or emigration policies will inherently exert externalities on another state, and it is beyond the scope of any one country to address migration in isolation. So far, a fragmented set of formal and informal migration institutions has emerged at the multilateral, regional and bilateral levels. Not all states share the same vision of global migration governance, nor are they adopting the same institutional strategies.

Migration is important to study precisely because different countries have distinctly different priorities, and these affect their institutional interests and strategies. In the past, many predominantly migrant-sending states of the South pushed

for the development of multilateral responses and formal rule-making to ensure better access to labour markets and improved rights for their citizens abroad. The predominantly migrant-receiving states in the North have generally been far more sceptical about the need to develop binding multilateral institutions, instead preferring to preserve sovereign authority over their immigration policies, and to use unilateralism or bilateralism to cooperate on migration. This difference in priorities has often polarized multilateral discussions.

Consequently, there is still no coherent global migration regime or UN migration organization. The notable exception is strongly institutionalized multilateral cooperation on refugees, through the UN High Commissioner for Refugees (UNHCR) and the 1951 Refugee Convention (Betts et al. 2012). In other areas—such as irregular migration and labour migration—states predominantly act unilaterally, develop bilateral or regional cooperation, or use informal networks referred to as regional consultative processes (RCPs).[28] For both irregular migration and labour migration, the International Organization for Migration (IOM)—a body that exists outside the UN system—provides a range of services to states to support managed migration; however, its role is primarily as an implementing organization. It has almost no normative function.

Two main debates focus on improved collective action on migration. The first involves migration and security, and relates to questions of border management, especially the control of irregular migration. It is a predominantly North-led dialogue, mainly taking place within RCPs and facilitated by IOM.

The second debate is on migration and development. It is a predominantly North-South dialogue that dwells on issues such as brain drain, diasporas, remittances and circular migration. It has tried to identify ways in which better cooperation might lead to 'triple wins' for northern receiving states, southern sending states and migrants. The main sites for this debate have been multilateral. In 2006, the United Nations convened a High-Level Dialogue on Migration and Development (UNHLDMD) to explore prospects for improved multilateral cooperation on migration. The dialogue led directly to the creation of the Global Forum on Migration and Development (GFMD), an annual, informal, multilateral dialogue outside the UN system that has taken place annually since 2007. In 2013, there will be a second UNHLDMD to reflect again on the future of global migration governance.

Among the different actors, southern states have been pushing for greater multilateralism. In particular, the goal

---

26 See: http://blogs.cgdev.org/globalhealth/2012/03/what-happened-to-health-at-the-g8.php.

27 Betts 2011, Hansen et al. 2012, Kunz et al. 2011, Newland 2010, Koslowski 2012.

28 Hansen 2010, Duvell 2011, Nielsen 2007.

of developing a formal UN-based migration forum has been strongly backed by the South, while being strongly resisted by the North. In 2006, a debate took place in the General Assembly on whether or not to locate the GFMD within the UN system. The voting patterns divided almost entirely along North-South lines. Canada and the United States voted 'no', the rest of the OECD states abstained, knowing that doing so would effectively be a 'no', while the entire South voted 'yes' (UNDESA 2008). This division is unsurprising given that the South has much to gain from tying the North to binding immigration rules, while the North has a stake in preserving the autonomy to unilaterally determine immigration policies.

Although a form of multilateralism has emerged outside of the UN—the GFMD—it remains largely ineffective, valued more by the South than the North. The annual fora have created opportunities for inter-state dialogue, but many southern states see the GFMD as mainly a 'talking shop' with no independent secretariat, no focus on developing binding norms and almost no continuity in subject matter. It has excluded critical issues, notably those relating to the security dimensions of migration. Many northern states have admitted to pursuing the dialogue simply as a way to appease the South while pursuing more meaningful cooperation away from the forum. The United States did not even participate in the first GFMD. Only occasionally has the GFMD led to the creation of formal agreements. For example, Mauritius-European Union pilot projects on circular migration have been attributed to initial discussions at the forum.

While many RCPs are conceived as North-South or South-South regional or inter-regional dialogues, they are generally facilitated using northern money, and are based on an RCP model created by industrialized states and refined by IOM based on the input of its core northern donors. Many RCPs—such as those in Bali and Budapest, the Regional Consultative Mechanism (RCM), the Mediterranean 5+5 and the Abu Dhabi Process—are inter-regional and straddle sending and receiving regions in ways intended to enable capacity building, technical standardization and agreements on issues such as readmissions. Even where RCPs are South-South, as with the Migration Dialogue for Southern Africa (MIDSA), the Migration Dialogue for West Africa (MIDWA) or the Intergovernmental Authority on Development (IGAD)-RCP in the Horn of Africa, they are usually funded with northern money and facilitated through IOM to strengthen immigration control capacities in ways that may reduce South-North irregular migration. Both through the RCPs and independently of them, northern states predominantly seek to pursue bilateral agreements with southern migrant-sending states in ways that can enable them to exclude 'undesirable migrants' while having ongoing access to 'desirable migrants'.

Some southern states have gained from North-led bilateralism and networks, but these have mainly been a privileged few. Northern states have frequently selected privileged partners with whom to cooperate. Nigeria and Switzerland, Morocco and Spain, Tanzania and the United Kingdom, Denmark and Kenya, South Africa and the United States, Australia and Malaysia, and Italy and Libya (under Gaddafi) have all brokered major bilateral partnerships around circular migration, migration capacity building, readmission agreements and visa arrangements. These relationships have often offered southern states pay-offs in areas such as trade and development assistance in exchange for cooperation on migration. For a small number of countries, being strategically placed as important migrant-sending or transit states has enabled them to use migration as a bargaining tool with northern states (Greenhill 2010, Paoletti 2011).

BRICS responses have varied. China and India have generally reverted to unilateralism and bilateralism rather than seeking a strong influence on multilateral debates or attempting to work through RCPs. The general trend—as both immigration and emigration states—has been to work pragmatically to secure their interests. China has been conspicuously absent from debates on all aspects of global migration governance. It has sought to safeguard its sovereignty, avoiding drawing attention to its own restrictions on internal mobility or its restrictive asylum policy towards the Democratic People's Republic of Korea, while attempting to ensure its citizens have access to foreign labour markets to the greatest extent possible. India has attempted to negotiate greater labour market access, and facilitate the movement of high-skilled and low-skilled migrants, mainly through bilateral agreements. Although it has used forums such as the WTO to push for greater visa liberalization, it has largely worked unilaterally and bilaterally through, for example, the Ministry of Overseas Indian Affairs.

The other BRICS have mixed positions as both migrant-sending and -receiving states. South Africa has attempted to play a leadership role on behalf of the African Union in global debates on migration, and has tried to build regional cooperation through the Southern African Development Community (SADC) and MIDSA. It has also increasingly tried to maintain its own unilateral migration management policies while engaging in privileged bilateral agreements with northern states to promote better migration management within southern Africa. Brazil has gradually expanded its presence in multilateral debates as a 'spoke-state' for southern countries, including in the GFMD and UNHCR's Executive Committee.

the Russian Federation has attempted to compete to import immigrant labour from South Asia, for example, while also working to ensure its citizens get access to foreign labour markets, mainly through bilateral cooperation.

These diverse strategies underscore the complexity of global migration governance. While a multilateral space has been preserved, it has largely been procedural. Disempowered southern states have pushed for greater multilateralism and binding norms, while the BRICS and more powerful developing states have worked bilaterally and through informal networks.

These patterns can be partly explained by an efficiency logic. The governance of different categories—refugees, irregular migrants and high-skilled migrants, for example—involves varied externalities. While refugee governance is to some extent a global public good, the benefits from other kinds of migration are more appropriately characterized as club goods or private goods (Betts 2011). Hence, from an efficiency perspective, there can be no 'one size fits all' approach. The apparent incoherence and absence of a single multilateral migration regime is not illogical.

This is not to say that what exists does not have gaps. There are important pockets in which greater collective action is needed, and where states would be better off by acting together. For example, many northern states need immigrant labour to address their demographic challenges, while many southern states can benefit from exporting labour, including through the acquisition of remittances or skills. As another instance, while states may collectively value rights, the absence of coordination leads to a 'race to the bottom' that is arguably sub-optimal for states and problematic for migrants. Other gaps are found in the lack of mechanisms that might overcome collective action failures. Many states are reluctant to endow forums such as the GFMD for fear that it might lead to 'norm creation' and undermine sovereignty.

Despite the case for greater collective action, the main barriers to international cooperation are domestic political ones, in both northern countries and many southern democracies. Economic crisis has deepened the electoral concerns of politicians and provided disincentives to pursue collective approaches.

The potentially diverging strategies of the North, the BRICS and the least developed countries (LDCs) challenge the delicate balance between efficiency, legitimacy and representation. As the BRICS become increasingly active participants in migration, it will be interesting to observe the extent to which their positions reflect or diverge from the LDCs. South Africa's role offers an interesting illustration. On the one hand, it seeks to represent the interests of sub-Saharan

African states within international forums on migration. On the other hand, as the principal migrant-receiving state on the continent, it has interests and strategies that manifestly diverge from those of its neighbours. Mechanisms to build consensus at regional levels may enable better BRICS representation on LDC interests at the multilateral level.

To what extent is the process of fragmentation created by the dominance of the RCP model undermining or strengthening global governance? At their best, the RCPs provide a forum within which all states affected by particular migration systems can engage in dialogue and collective action. When the RCPs achieve this, they offer a means to govern migration based on the principle of subsidiarity, enabling cooperation to forge ahead among the 'club' of states immediately affected. However, the subsidiarity principle can be undermined if and when RCPs exclude countries affected by participating states' policy choices. The emerging network architecture of global migration governance therefore faces a delicate balance of achieving subsidiarity while ensuring inclusivity.

THE THREE GLOBAL GOVERNANCE PRINCIPLES APPLY TO MIGRATION IN SEVERAL WAYS.

First, pluralism is crucial. Effective migration governance is not inevitably or exclusively multilateral. The appropriate level and scope depends on the type of migration and the externalities involved. The challenge is to ensure that there is coherence across the emerging RCPs. Overarching coordination mechanisms are needed to connect regional and interregional networks, and bilateral agreements.

Second, a stronger multilateral system could yield great gain through collective action. Global migration governance would be enhanced by a forum and a secretariat structure at the multilateral level. This should not be a northern enterprise. The BRICS have much to gain, and as sending and receiving states, they could play a key role in brokering agreement. For developing countries at large, despite North-South power asymmetries, migration can be an avenue for influence. Since the GFMD has extremely limited capacity, the IOM might be one obvious organization to facilitate identifying opportunities for collective action; however, it is currently highly constrained in its mandate.

Third, greater accountability and inclusion is possible in a system with a proliferation of governance mechanisms at the regional and bilateral levels. There is potential to promote governance based on subsidiarity, but it must pursue the inclusion of all states significantly affected by policy externalities.

CONCLUSIONS

FINDINGS FROM THE FOUR AREAS OF GOVERNANCE

Three key findings arise from comparing structural changes in four different arenas of global governance, and the strategies of emerging and developing countries. The first is that numerous new bodies have been created to address perceived global governance deficits. As key concerns within the United Nations, all four areas have a referent institution (finance, the IMF; security, the Security Council; health, WHO; and migration, UNHCR) created after World War II. While these institutions are outdated and anachronistic, there has been almost no formal institutional reform to make them more relevant to the 21st century. Rather, new bodies, particularly regional organizations, have been created. This has led to a situation where states have options to pursue their interests and can engage in 'forum shopping'.

As a second finding, there has been a rise in all four areas of powerful, transnational NGOs determined to hold key multilateral organizations to account on a wide range of issues. For example, groups such as the Green Party successfully pushed the World Bank to adopt environmental safeguards for its large infrastructure projects. Within health, MSF and Oxfam have successfully lobbied WHO to adopt the Global Strategy on Public Health, Innovation and Intellectual Property, which puts health concerns above economic or trade interests.

A third finding is that despite the attention to the BRICS as a group of 'like-minded' emerging economies, the countries take different and often conflicting positions in the four areas. For example, China and the Russian Federation, both permanent members of the UN Security Council, do not have any desire to elevate Brazil, India and South Africa as permanent members. The BRICS seem reluctant to take global leadership roles and remain focused on advancing domestic concerns. This makes sense, since all four, while economically successful, still struggle with difficult development challenges.

PRINCIPLES FOR EFFECTIVE GLOBAL GOVERNANCE IN THE 21ST CENTURY

Answers to the question of how collective action can more efficiently, equitably and legitimately address the challenges of tomorrow depend on political standpoints. But some broad principles for fostering more effective global governance follow from the analysis above.

1. COHERENT PLURALISM

In each of the four areas, developing and emerging economies are choosing to cooperate in different ways—bilaterally, regionally and internationally. This is a rational strategy for working in a system not of their own making, which arose after World War II in response to the needs and interests of the major powers at that time. It was a system premised upon the notion that inclusive, formal multilateralism was the only game in town for global collective action. Norms were assumed as having universal applicability. International organizations were vested with a de facto monopoly status over particular policy fields.

Over time, however, as new sets of challenges have emerged, states have created new forms of governance that diverge from this model. Both norms and organizations have proliferated at the bilateral, regional and inter-regional levels, and informal networks have flourished, such that today global governance can be characterized as a complex array of fragmented institutions operating at different levels. For some, these trends have been negative, posing risks of exclusion, duplication and inter-agency competition, and jeopardizing the authority of the global multilateral order. For others, they represent a more positive turn, enabling states to cooperate in sub-global groupings that may enable faster and more efficient forms of cooperation to emerge, bypassing the polarization that often characterizes larger multilateral forums such as the UN General Assembly. Indeed, many global challenges do not entail pure global public goods, in which all states are equally implicated. Many are instead club goods, for which it makes sense for groups of like-minded states, whether regionally or inter-regionally connected, to forge ahead with cooperation.

The challenge is to ensure that pluralism works for rather than against the collective good. Even within the context of institutional proliferation there remains a central role for multilateralism and the UN system. First, there will continue to be many areas of governance requiring inclusive multilateralism, notably to address challenges that involve genuinely global public goods. Second, multilateralism will be needed to ensure coordination across diverse institutions operating at different levels of governance. In particular, potential complementarities need to be promoted and potential contradictions minimized in a way that requires a new form of coordination at the multilateral level. Third, in certain areas, such as public international law, it will become more rather than less important to have a recognized source of authority that can arbitrate between competing and diverging values within the global order.

2. TRANSFORMED MULTILATERALISM

Perhaps the most simple observation from the above analysis is that global governance is ultimately built upon politics. As power and interests evolve, so do the structures of global governance. In order to be effective, global governance has to recognize and work with the prevailing distribution of power

in the international system. The extent to which it actually needs to reflect those structures is debatable, but a failure to acknowledge and adapt to the political reality risks undermining the relevance of international institutions and reducing the prospects for mutually beneficial collective action.

A better alignment of politics and institutions is important in order to enhance prospects for effective compliance mechanisms. It will also become important for institutions to reflect the new distribution of power to effectively mediate divergent interests. The degree to which the BRICS are engaging with global governance varies across issue and state, but any effective global governance will need to recognize the power, interests and ideas that they bring if it is to have global reach and yield effective collective action.

Transforming multilateral institutions requires two elements. The first is to align them with contemporary political power so as to vest them with authority. Second, they need to have the expertise and information to mediate and facilitate effectively; to play a 'catalytic' or 'convening role' in bringing divergent stakeholders together; and, based on political analysis of the divergence in interests, to propose workable and mutually beneficial outcomes.

This implies strengthening what might be referred to as 'facilitative multilateralism'. Recognizing that institutions may legitimately exist at different levels of governance—national, regional and network-based—facilitative multilateralism nevertheless preserves a multilateral role for convening dialogues and negotiations, and proposing possible ideas for collective actions, from which a variety of forms of collective action may emerge.

3. Renewed accountability

With the fragmentation of global governance, the relationship between international organizations and states is being transformed. As institutions proliferate, inter-agency competition is emerging as a feature of contemporary institutional politics, with organizations seeking to retain 'relevance'. Where once international organizations often had a de facto monopoly over particular policy fields at the international level, today states can choose between multiple, competing forums and service providers.

Yet a notable feature of the global multilateral order since World War II is that no major international organization has yet gone out of existence. Instead, faced with institutional competition, organizations are seeking to transform their own mandates or to engage in 'mission creep'—surviving by trying to better meet the short-term demands of particular states. Many multilateral institutions are being 'captured' by particular interests that enable narrower unilateral, regional

or even private sector actors to place initiatives under the banner of 'multilateralism' in a way that risks disconnecting international institutions from the democratic legitimacy on which their creation was premised. In this context, there is a need for new principles of accountability.

Accountability is about restraining the exercise of public power. It is inextricably linked to justice and legitimacy in politics. It lies at the core of all systems of governance. When it is argued that democratic governments rule with the consent of the governed, homage is paid to a raft of domestic political institutions that ensure the accountability of the governors to the governed. International institutions cannot be as democratic or accountable as national and regional governments, but the changing global order and the resulting fragmentation in international institutions at least require a re-articulation of their accountability.

At this level, accountability can be thought of as having three core elements. First, constitutional accountability: Every international organization is founded on a treaty that defines the powers that have been delegated to it by member states. These are the constitutional limits within which the organization must act. However, in the international arena there is little, if any, legal redress against an organization that is pushed by one member state to act outside these limits.

Second, political accountability: International institutions have an obvious democratic deficit because people do not directly elect, or throw out, their representatives in them. Instead, different kinds of regulatory mechanisms need to be established to ensure that institutions legitimately serve states and, ultimately, the people they represent.

Third, financial accountability: Budgets need to be overseen and clearly supervised by states.

It is crucial to ensure that these accountability principles are re-embedded within the structures of global governance. The challenge that emerges most strongly is how to create accountability that balances universal rights with democratic principles. In an increasingly plural world, certain core values, such as human rights, need to be upheld. Simultaneously, buy-in by all states and their populations is crucial to the legitimacy and sustainability of effective governance.

Two basic and related principles may help guide this difficult balance: proportionality and subsidiarity. First, proportionality implies that the accountability of each organization should be congruent with its functions. The more intrusive an organization is into the traditional realm of national politics, the more consent from and accountability to the governed it requires. Second, subsidiarity implies that authority should rest at the most local and democratic level possible, and should not be delegated to higher levels unless absolutely necessary.

ANNEX: A SUMMARY OF CHANGES IN FOUR AREAS OF GLOBAL GOVERNANCE

	Security	Finance	Health	Migration
Referent organization	United Nations/UN Security Council	IMF, World Bank, OECD-DAC, G8/G20	WHO	UNHCR/IOM
Major institutional changes	Building of regional capacity Proliferation of informal institutions (G-X groups, contact groups of friends)	Reform of governance in the IMF and World Bank, and emergence of G20 Proliferation of aid agencies Invigoration of regional monetary arrangements	Rise of the World Bank New institutional mechanisms (UNAIDS, GFATM, GAVI, Gates Foundation)	Emergence of regional networks (RCPs) Creation of forum for dialogue on migration and development (GFMD)
BRICS strategies	No coherent strategies; case dependent	Increased influence in the IMF and World Bank Create own bilateral aid programmes Invigorate regional monetary arrangements	Pursue strategic interests through regional forums	Mainly unilateralism and bilateralism
LDC strategies	Seek to strengthen multilateralism, the patterns and understandings of which are contested	Seek to use whatever representation they can in global fora (e.g., president of African Development Bank speaking to G20) Seeking aid from emerging economies and regional development banks	Seek to strengthen WHO but the move towards the G20 has left health off the main agenda	Seek to strengthen multilateralism but highly constrained due to lack of wider interest in multilateralism

REFERENCES

Betts, A. 2011. *Global Migration Governance.* Oxford University Press.

Betts, A., et al. 2012. *UNHCR: The Politics and Practice of Refugee Protection.* Routledge.

Carter, A. B., J. D. Steinbruner and W. P. Perry. 1992. *A New Concept of Cooperative Security.* Brookings Institution Press, Washington, DC.

Collier, P. 2008. *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It.* Oxford University Press.

CSCE (Conference on Security and Cooperation in Europe). 1990. "The Charter of Paris for a New Europe." www.osce.org/mc/39516.

———. 1992. "CSCE Helsinki Document 1992—The Challenges of Change." www.osce.org/mc/39530.

Duvell, F. 2011. "Irregular Migration." *Global Migration Governance,* ed. A. Betts. Oxford University Press.

Greenhill, K. 2010. *Weapons of Mass Migration.* Cornell University Press.

G8 (Group of 8). 2005. Gleneagles G8 Communique. 8 July. www.g8.gov.uk.

Hansen, R. 2010. "An Assessment of the Principal Regional Consultative Processes on Migration." IOM, Geneva.

Hansen, R., et al. 2012. *States, Migration and International Cooperation.* Routledge.

Human Security Report Project. 2010. *Human Security Report 2009/2010.* www.hsrgroup.org/human-security-reports/20092010/overview.aspx.

Hurrell A. and S. Sengupta. 2012. Emerging Powers, North-South Relations and Global Climate Politics. *International Affairs*, v88 n3: 463-84.

IMF (International Monetary Fund) and World Bank. 2006. "Applying the Debt Sustainability Framework for Low-Income Countries Post Debt Relief." *IMF Staff Report*, 6 November. Washington, DC.

Keohane, R. O. 2006. "The contigent legitimacy of multilateralism." *Multilateralism under Challenge?* eds. E. Newman, R. Chandra Thakur and J. Tirman. United Nations University Press, Tokyo, New York.

Koslowski, R. 2012. *Global Mobility Regimes*. Palgrave MacMillan.

Kunz, R., et al. 2011. *Multilayered Migration Governance: The Promise of Partnership*. Routledge.

Lamberte, M., and P. J. Morgan. 2012. "Regional and Global Monetary Cooperation." ADBI Working Paper Series No. 346.

Masood, A. 2006. "Votes and voice: reforming governance at the World Bank." *Rescuing the World Bank,* ed. Nancy Birdsall. Center for Global Development, Washington, DC.

McCoy, D., et al. 2009. "The Bill & Melinda Gates Foundation's grant-making programme for global health." *The Lancet* 373(9675), pp. 1,645-1,653.

Newland, K. 2010. "The Governance of International Migration." *Global Governance* 16(3).

Nielsen, A. G. 2007. "Cooperation Mechanisms." *International Migration Law,* eds. R. Cholewinski et al. Asser Press.

OECD-DAC (Organisation for Economic Co-operation and Development). 2010. *2010 DAC Report on Multilateral Aid*. www.oecd.org/dataoecd/23/17/45828572.pdf.

Paoletti, M. 2011. *The Migration of Power and North-South Inequalities*. Palgrave MacMillan.

Prantl, J. 2006. *The UN Security Council and Informal Groups of States: Complementing or Competing for Governance?* Oxford University Press.

J., and R. Nakano. 2011. "Global Norm Diffusion in East Asia: How China and Japan Implement the Responsibility to Protect." *International Relations* 25(2), pp. 204-223.

Prantl, J. 2013. "The Shanghai Cooperation Organization: Legitimacy through (Self-) *Legitimating International Organizations*, ed. D. Zaum. Oxford University Press, Oxford.

Price, G. 2005. "India's Official Humanitarian Aid Programme." HPG Background Paper. Overseas Development Institute, London.

Reisen, H. 2007. "Is China actually helping improve debt sustainability in Africa?" OECD Development Centre, Paris.

SCO (Shanghai Cooperation Organization). 2011. Astana Declaration on the 10th Anniversary of the Shanghai Cooperation Organization, paragraph V. 15 June, 2011.

Sridhar, D. 2010. "Seven Failings in International Development Assistance for Health." *Journal of Law, Medicine and Ethics* 38(3).

Sridhar, D., and E. Gomez. 2011. "Health Financing in Brazil, the Russian Federation and India: What Role Does the International Community Play?" *Health Policy & Planning* 26(1).

Sridhar, D., and L. Gostin. 2011. "Reforming the World Health Organization." *JAMA* 305(15).

Sridhar, D., S. Khagram and T. Pang. 2009. "Are Existing Governance Structures Equipped to Deal with Today's Global Health Challenges?" *Global Health Governance* 2(2).

Sridhar, D., and N. Woods. 2012. "Trojan Multilateralism: Global Cooperation in Health." Working paper.

United Nations. 2012. "United Nations Peacekeeping Operations, Factsheet." 29 February. www.un.org/en/peacekeeping/documents/bnote010101.pdf, accessed 6 April 2012.

UNDESA (United Nations Department of Economic and Social Affairs). 2008. Map illustrating UN General Assembly voting patterns on the GFMD. New York.

Woods, N. 2009. "Global Governance after the Financial Crisis: A new multilateralism or the last gasp of the great powers?" *Global Policy* 1(1).

World Bank. 2007. *Global Development Finance 2007*. Washington, DC.

World Bank and IMF (International Monetary Fund). 2009. *Global Monitoring Report 2009: A Development Emergency*. http://go.worldbank.org/AR2V89HT70. Washington, DC.

Human Development Report 2013

The Rise of the South:
Human Progress in a Diverse World

The Human Development Report is an independent publication commissioned by the United Nations Development Programme (UNDP). Its editorial autonomy is guaranteed by a special resolution of the General Assembly (A/RES/57/264), which recognizes the Human Development Report as "an independent intellectual exercise" and "an important tool for raising awareness about human development around the world."

From the beginning, the Report has been a pioneer of methodological innovation and development thinking. Often provocative, the Report was launched in 1990 with the goal of putting people at the center of development, going beyond income to assess people's long-term well-being. The Reports' messages — and the tools to implement them — have been embraced by people around the world, as shown by the publication of autonomous National Human Development Reports by more than 140 countries over the past two decades. The Human Development Report is translated into more than a dozen languages and launched in more than 100 countries annually.

Contributors to the Report include leading development scholars and practitioners, working under the coordination of UNDP's Human Development Report Office

Human Development Report 2013:
The Rise of the South – Human Progress in a Diverse World

The 2013 Human Development Report examines the causes and consequences of the "Rise of the South," and identifies policies emerging from this new reality that can promote greater sustainability, social cohesion and human development progress throughout the world in the decades to come.

The report may be downloaded at http://hdr.undp.org/
Printed copies may be ordered at https://unp.un.org/hdr/

United Nations Development Programme
Human Development Report Office
304 E 45th Street, FF-1204
New York, NY, 10017 USA

Copyright 2013, UNDP