Globalization: Democratic Sovereigns and International Actors

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Received August, 2017; Accepted September, 2017.

Abstract

Globalization provided the world a border-less and integrated global economy. The processes of globalization have impacted the economic, political and social systems of countries across the globe. The world has experienced increased economic integration bridging the gap between territorial space of countries and regions as there exist ever deepening relationships among global governance, global politics and global economy. The rise in number of transnational institutions and their capacity to influence global politics are key features of the modern global system. This paper investigated the effect of the shift of power from democratic sovereigns to international actors and NGOs. It was found that international actors including NGOs form vital force determining governance both locally and internationally. The Global governance system is characterized by lack of equality in global decision making process. Secondary data obtained from official documents and published research sources was used to explore the relationships among global governance, global politics and global economy together with the ever increasing presence of transnational actors and NGOs.

Key words

Globalization, Global Governance, State, Transnational Actors, Global Political Economy

INTRODUCTION

Globalization can be seen as growing interdependence of countries resulting from the increasing integration of trade, finance, people, and ideas in one global marketplace. Globalization describes a process in which the world moves toward an integrated global society and the significance of national borders decreases (Zürn, 2003). International trade and cross-border investment flows are the main elements of this integration. The force of globalization has been driven mainly by two factors, technology and secondly, global trade liberalization. A number of international institutions established in the wake of World War II—including the World Bank, International Monetary Fund (IMF), and General Agreement on Tariffs and Trade (GATT), succeeded in 1995 by the World Trade Organization (WTO)—have played important roles in promoting global free trade.

According to (Akram et al., 2011) globalization has introduced the concept of border-less and integrated world economy. It however, goes beyond simple increases in economic interactions as it includes cultural, military, political and social dimensions.

Over the last three decades the sheer scale and scope of global interconnectedness has become increasingly evident in every sphere, from the economic, politics to the cultural aspects of life. Worldwide economic integration has intensified as the expansion of global commerce, finance, and production binds together the economic fortunes of nations, communities, and households across the world’s major trading regions and beyond within an emerging global market economy. The proliferation of networked global markets, revolution in global communications technologies, and the end of the
Cold War and increased involvement of non-state actors in global affairs all contribute to globalization (Jang et al., 2016).

According to de Ferranti et al. (2009), governance describes the overall manner in which public officials and institutions acquire and exercise their authority to shape public policy and provide public goods and services. Governance represents the overall quality of relationship between citizens and government, which include responsiveness, efficiency, honesty, and quality. Similarly, the United Nations defined governance as the process of decision-making and the process by which decisions are implemented (or not implemented) (United Nations Economic and Social Commission for Asia and the Pacific, UN, 2009).

Global governance has a much wider intellectual history and policy agenda than merely the management of the international economy at the close of the twentieth century (Higgott, 2002). Global governance can thus be defined as the sum of laws, norms, policies, and institutions that define, constitute, and mediate trans-border relations between states, cultures, citizens, intergovernmental and nongovernmental organizations, and the market (UN, 2009). It embraces the totality of institutions, policies, rules, practices, norms, procedures, and initiatives by which states and their citizens try to bring more predictability, stability, and order to their responses to transnational challenges—such as migration issues, climate change and environmental degradation, nuclear proliferation, and terrorism—which go beyond the capacity of a single state to solve. The processes involved in globalization have enormous effects on the global system as it can alter the social, economic, and political systems of countries. Some hyper-globalists argue that globalization is bringing about the demise of the sovereign nation-state as global forces undermine the ability of governments to control or manage their economies or societies (Mcgrew, 2010). While skeptics are of the view that states and geopolitics remain the principal agents and forces shaping the world politics today (Gilpin, 2001). Openness has had positive political as well as economic consequences (Evans, 2000). To be sure, market-based growth and globalization have brought many benefits. Millions of people in the developing world have escaped poverty, and, for the first time in 100 years, the yawning gap between the rich countries and the developing world has narrowed, as China, Brazil, India, and other developing countries grow faster than the United States and Europe (Birdsall et al., 2013).

Figure 1 shows increase in the percentage of intra-trade in developing countries indicating a movement towards rebalance of the world economy. The period 1995 to 2010 saw intra trade in developing economies increase and was more evident in East Asia. Again, the imbalance between the North and South development is being challenged by geopolitical and economic shifts, with emerging countries such as China increasing investment in Africa and beyond. Foreign donors has also redirected their programs towards more trade with emerging market economies. Today, state sovereignty has been impacted by changes in the global system; new system involving supranational governance structures are now in existentce (Salmon and Imber, 2008). Political globalization involves the stretching of political relations.
across space and time; the extension of political power and political activity across the boundaries of the modern nation state.

Globalization of the financial sector has become the most rapidly developing and most influential aspect of economic globalization. International finance came into being to serve the needs of international trade and investment activities and increased openness to trade and financial flows has spread around the world over the course of the past few decades, working together with accelerating technological change to create new worldwide economic dynamism in a variety of sectors. Globalization has deepened the relationships existing among global governance, global politics and the world economy. The ability for common people to store, transfer and distribute large amounts of information, the possibility for data to travel across the world in virtually no time, and the increasing availability of high-speed internet have not only changed lives at personal and community levels but also dramatically altered the general dynamics in politics and global affairs (McGlinchey, 2017). As global markets become bigger, deeper, and more integrated, the resulting greater interdependence increases the global space within which citizens of any one country are more likely to be affected by decisions made in other countries over which they have no political control (Birdsall et al., 2013). Citizens are better able than ever to make demands on powerful authorities beyond their countries government and institutions; on the other hand, they stand resistless than ever to the harm other authorities and governments can do to their own welfare.

The main purpose of this paper is to investigate the effect of the shift of power from democratic sovereigns to international actors and NGOs. To do this, the extent to which the processes of globalization has impacted the relationships among global governance, global politics and the world economy will be examined. It aims to add to existing knowledge as to how globalization has distorted the global political, social and economic systems including rule making institutions as well as actors and processes involved in global decision making. Based on the objective of this study, the research question is derived as stated below

Is there effect of the shift of power from democratic sovereigns to international actors and NGOs?

This paper is based on the hypothesis that there is effect of the shift of power from state sovereigns to supranational governance.

The findings of this research will be useful to global policy makers towards efforts to attain good global governance.

**METHODOLOGY**

This study explored the consequences of globalization on the global system over the past thirty years. It includes analysis of global political, economic as well as historical events. Secondary Data and information available was helpful in investigating how the process of globalization influences the interconnections among global governance, global politics and the world economy and the resultant shift of power from democratic sovereigns to international actors and NGOs. Quantitative data obtained from official documents and published research sources were useful as they provided basis for well informed arguments concerning the changing dynamics of global decision making and actors involved. Figures or tables were used where necessary to explain this new and complex phenomenon.

**GLOBAL GOVERNANCE TRENDS AND DEMOCRACY**

Global governance involves all regulations working together to solve specific denationalized problems or providing transnational common goods. Globalization comes with a shift in the scale of social organization, the emergence of the world as a shared social space, the relative deterterritorialization of social, economic, and political activity, and the relative denationalization of power. The growing democratization of the world is an additional form of political globalization. Countries are becoming more similar as democracy as a form of government has spread to more parts of the globe. This homogenization of politics has meant that by the 1990s, most of the people in the world lived in systems that could be characterized as “free” or “partly free (Kaarbo and Ray, 2011). This development has been referred to as the “globalization of democracy. In all political formations, including democracies, there is a persistent governance (i.e., administrative) problem: ruling effectively means having to gather sufficient resources (often in the form of taxes) to serve all people without causing them to be dissatisfied enough to turn against the prevailing group or sovereign in power (Rajan, 2007). (Figure 2) shows that democracy and autocracy are the major forms of governance. In democratic countries there is institutionalized procedures for open and competitive political participation, competitive elections takes place and there is checks and balances on the powers of the chief executive.

In a perfect autocracy, by contrast, citizens’ participation is sharply restricted or suppressed; chief executives are selected according to clearly defined (usually hereditary) rules of succession from within the
established political elite; and, once in office, chief executives exercise power with few or no checks from legislative, judicial, or civil society institutions (Marshall and Cole, 2008).

From early 1990s there has been rapid shift from rigidly autocratic regimes toward more open governance. There was a steady decline in number of autocracies from a peak of 89 countries in 1977 to 25 at the end of 2007. As at late 2007 there were 94 countries classified as democracies with countries such as Burundi, Comoros, Ghana, Guinea-Bissau, Kenya, Lebanon, Liberia transitioned to, or returned to, democratic governance since 2000. The circuitizing of democracy gave rise to establishment of civil societies in countries where citizens associations were previously restricted. Moreover, there has been growing tension between decision-making processes at the national and global level as local challenges “have become an integral part of global stakes” (Severino and Ray, 2009). Domestic policies can have significant (positive and negative) spillover effects on global well-being, depending on the weight of a given economy and the level or pattern of its integration into the global economy. Fundamentally, globalization and nationalism are opposed to one another and therefore destined for the relationship of resistance and confrontation. States often vie for influence with international actors such as (WHO, ILO, UNEP, UNDP, etc.), the World Bank, the International Monetary Fund, the European Policy Forum, the Organization for Economic Cooperation and Development (OECD), the European Central Bank etc in global affairs and politics. International actors has risen to play vital roles in states national policy agenda. Foreign institutions has huge impact in areas such as environment, aids, drugs, trade and industry, terrorism etc. Low income and developing countries national policy agendas are more affected as they become open to international actors. The traditional agenda has been limited and international agenda issues such as environment, technology, human rights, gender, organized crime, and numerous other social and legal problems are now in focus. (Landell Mills and Serageldin, 1991) state, “Because poor countries generally have fragile politics and weak systems of accountability, with few autonomous institutions and little power to offset that exercised by the central government, external agencies are potentially key political players, capable of exerting considerable influence. States control of national policy agenda has lessened in recent times as global issues interact with national and local ones in the global policy agenda.

Countries were made to open up their trade with international community by reducing barriers and further liberalization and privatizing of public enterprises were
made under pressures from foreign institutions and agencies (Zaei, 2014).

In some areas of the world there is wide feeling of large scale interference with local beliefs, norms and identities. Samuel Huntington, in his influential 1996 article, “The Clash of Civilizations?” argued that in the future, global conflict will revolve around differences in “civilizations,” such as Western, Confucian, Japanese, Islamic, Hindu, Slavic-Orthodox, and Latin American. According to Huntington, “The interactions between peoples of different civilizations are increasing; these increasing interactions intensify civilization consciousness and awareness of differences between civilizations and commonalities within civilization. It is often asserted that globalization undermines domestic democracy (Cerny 1993). The Peace Treaties of Westphalia and Osnabruck (1648) established the legal basis of modern statehood and by implication the fundamental rules or constitution of modern world politics (McAndrews, 2010). It introduced the principles of territoriality, sovereignty and state autonomy to global politics. It is however, difficult to find a modern political institution not under threat, transformed, or subverted by globalization processes. The globalization process has resulted in complex interdependence as the main characteristic of global politics. Due to increased democratization of the world, there now exist multiple channels involving various actors deliberating and making decisions in multiple issues and military force is not as effective or frequently used as it was in the past. Thus, Emmanuel Adler and Steven Bernstein (2005), note that “the decoupling of coercive force and legitimate rule is the most striking feature of contemporary global governance.

Furthermore, rather than social, economic, and political activities organized solely on a local or national scale they are also increasingly organized on a transnational or global scale today. Globalization therefore denotes a significant shift in the scale of social organization, in every sphere from economics to security, transcending the world’s major regions and continents (McAndrews, 2010). In area of dispute, there has been a significant increase in international judicial bodies. In 1960, there were only 27 quasi-judicial bodies; by 2004, this number had grown to 97 globally.

In democracy the leaders rule on the basis of mandate provided to them by voters when dealing with other countries. Keohane (2003), makes a distinction between internal and external accountability. Internal accountability applies when the principal and the agent live in the same polity or community. They usually provide means by which the potential accountability gap can be closed. The situation is much more complex in the area of external accountability where the agent is outside the borders of the principal, the people who are significantly affected, usually in an adverse way, from afar without having recourse to means to close the accountability gap. This gave rise to the concept of global governance as a means of creating a global political framework or structure to manage the complexity of external accountability. We are in the midst of deep-seated change in the organization of the world economy and world politics, a transition to a transnational or post-Westphalian order that is in some ways comparable to the transition from the medieval to the modern era in the sixteenth and seventeenth centuries (Kobrin 1998). Three aspects of that transition are directly relevant to problems of economic governance: the fragmentation of political authority; the diffusion of the boundary between the public and private spheres; and changes in the nature and meaning of geographic space. In the modern global governance system there exist multiple actors (supranational, national, subnational governmental institutions, private and non-profits) involved in junctions of decision-making exceeding the traditional state-centric, hierichical approach that dominated much of the period prior to 1990.

GLOBAL GOVERNANCE AND GLOBAL POLITICS

Though most authors of global governance treat states as key actors in the international realm, international organizations and such non-state entities as transnational corporations and non-governmental organizations (NGOs) are taking important positions. There seem to be widely held belief that states retained its position as the most powerful decision-makers in the global system, some clearly more so than others, but state power is being transformed in terms of deep relationship between states, markets, and various civil society associations. In the modern times of deepened globalization and increased global governance structures there has been growing acknowledgement of the many various actors in the international political arena. (Finnemore 1996) puts it; Modern states are enmeshed in a global economic system and complex governance structures; they are “bound in a tightly woven fabric of international agreements, organizations and institutions that shape their relations with each other and penetrate deeply into their internal economics and politics. Lives are more affected by policies or decisions made across country borders now than ever been.

Global Governance Institutions (GGIs) in modern days, institute policy programs, create standards, make rules and laws, diffuse norms, establish agendas, adjudicate
legal disputes, monitor and evaluate results in various countries on different issue areas. The increasing institutionalization of global politics and the expansion and strengthening of global governance institutions is one of the most prominent political developments in recent decades (Westergren, 2016).

Global governance institutions have increased in level of importance, activities and number. Activities ranging from environment, human rights to security have more GGIs involvement. In global economic sphere, international financial and trade institutions set out binding rules for trade, govern international regulatory harmonization, formulate intellectual property law, shape and oversee economic restructuring, engage in conditional lending, issue fiscal and monetary standards, and shape the politics surrounding development and fight against poverty. The transnational networks of international organizations and NGOs (Non-Governmental Organizations) that play political roles arguably compose a new system of global governance. Norms regarding women’s rights and human rights mostly advocated by INGOs (International Non-Governmental Organizations) for example, can have powerful effects on states’ behavior, and a number of such norms have received global acceptance and are becoming codified in international law. In the past global governance was thought to depend primarily on state authority and intergovernmental institutions. However, the growth in private governance is based on a recognition that authority in global politics, and particularly in global environmental politics, also exists in the wider economic and social sphere.

Cooperation between governmental and non-governmental entities has given us a new concept known as hybrid governance. The institutional form of hybrid governance refers to arrangements in which at least two different types of actors cooperate to regulate, administer, or generate social, political and economic activities (Väyrynen, 2003). Hence, governance has been introduced as an alternative to traditional methods of governing (Kettl, 2002).

GLOBAL POLITICAL ECONOMY

Global political economy is a field of study that deals with the interaction between political and economic forces. At its center have always been questions of human welfare and how these might be related to state behavior and corporate interests in different parts of the world (Walzenbach, 2016). Economic globalization refers to the increasing interdependence of world economies as a result of the growing scale of cross-border trade of commodities and services, flow of international capital and wide and rapid spread of technologies (Gao, 2000). Worldwide economic integration has intensified as the expansion of global politics, commerce, finance, and production binds together the economic fortunes of nations, communities, and households across the world’s major trading regions and beyond within an emerging global market economy. There is too much integration of the world economy to the extent that no country can protect itself from the effect of a spin of the global financial market. The global financial crisis of 2007-2009 has generated signs that the norms of financial governance are in flux, with many advanced market economies having implemented dramatic measures that at the time flew in the face of long-held policy beliefs (Chwieroth, 2011). The crisis has had significant implications for the politics of international financial regulation. As the leading advocates of light touch regulation, the crisis has clearly put the U.S. and Britain, and the institutions based in their financial centers, on the defensive. The financial crisis which originated in the North Atlantic but had global implications for both developed and developing countries underlined the need to strengthen the reforms of the international financial set up. Several moves have been taken since the crisis to strengthen financial regulation and supervision, and to enhance macroeconomic policy cooperation and some of these moves were given reading further.

The year 2016 was another year of twist and turns in global political system which had several implications on global economy. Brexit referendum distorted global markets especially those who gain from UK membership of the European Union (EU). Another remarkable political event that shocked global markets was the US Presidential Election results. The election of President Donald Trump has implications for the global system; example, the Trans-Pacific Partnership TPP which the US has pulled out. Trump administration has also impacted global environmental politics as the American President in June, 2017 announced the USA is pulling out of the Paris Climate Change Agreement. Furthermore the ongoing Gulf Crisis again shows how political decisions in one country or region affect other countries or regions. The Gulf has been hit by its biggest diplomatic crisis in years after Arab nations including Saudi Arabia, the United Arab Emirates, Egypt and Bahrain cut ties with Qatar on June 5, 2017 accusing it of destabilizing the region with its support for Islamist groups. The move saw countries halt all land, air and sea traffic with Qatar, eject its diplomats and order Qatari citizens to leave the Gulf States within 14 days thus
leaving some consequences; most yet to be seen on the world economy.

Global governance includes political authority, institutions, and, ultimately, control. Governance in this sense denotes formal political institutions that both aim to coordinate and control interdependent social relations and that also possess the capacity to enforce decisions. Economic growth has been connected to government practices and the way governments govern both directly and indirectly (Adams and Mengistu, 2008; Ndulu and O’Connell, 1999; Pradhan and Sanyal, 2011). In addition, governing processes are affected by economic crises (Furubotn and Richter, 2005; Smith, 2007). For decades, international organizations (IOs) such as the International Monetary Fund (IMF), the United Nations, and the World Bank have argued that good governance is a means to an end: economic growth and human development (Kaufmann and Kraay, 2002; Mehanna et al., 2010). Scholars and researchers agree that a strong relationship exists between economic growth and governance, yet it is debatable whether good governance practices lead to economic growth or whether economic growth leads to good governance (Acemoglu et al., 2001; Arndt and Oman, 2006; Dixit, 2009).

GLOBAL ECONOMY AND GLOBAL GOVERNANCE

This part aims to analyze and understand the dynamics shaping global economy and global governance. Economic interdependence, in terms of trade and finance, has certainly been present among the wealthy countries of the North, integrated together after World War II in the Bretton Woods system. Global economic governance sums the institutions, norms, practices and decision making processes that generate rules, guidelines, standards, and codes with the purpose to manage the global economy. It follows that the emerging pattern embraces a rich mixture of actors and processes (Balazs Ujvari, 2011). What makes current economic dynamics in the global spread of these practices to most of the rest of the world (Kaarbo and Ray, 2011). Global governance is a movement towards political cooperation among transnational actors, aimed at negotiating responses to problems that affect more than one state or region. Institutions of global governance—the United Nations, the International Criminal Court, the World Bank, etc.—though play major role in the global system, they tend to have insufficient power to enforce compliance. In the traditional approach to governing, government has the upper hand in decision-making processes (Hysing, 2009; Peters and Pierre, 1998); in contrast, under governance, other players affected by governmental decisions (e.g., civil society and the private sector) participate in decision-making processes (Kettl, 2002; Newman, 2001; Osborne and Gaebler, 1992).

Global governance exists in the context of globalization and globalizing regimes of power: politically, economically and culturally. Global financial integration has had powerful effects on national policies and on international monetary and financial relations (Walter and Sen, 2009). It has made it more difficult for most countries to maintain explicit exchange rate pegs. The United Nations system, the World Trade Organization, and the array of activities of national governments are among the central components of global governance. Economic activities in one country; especially the advanced ones, affects other countries. The evolving global governance complex comprises the multitude of formal and informal structures of political coordination among governments, intergovernmental and transnational agencies—public and private designed to realize common purposes or collectively agreed goals through the making or implementing of global or transnational rules, and the regulation of trans-border problems. Within this global governance complex, private or non-governmental agencies have become increasingly influential in the formulation and implementation of global public policy (Baylis et al., 2011). For example, the major credit-rating agencies, such as Moody’s and Standard and Poor’s, determine the credit status of governments and corporations around the globe. This is a form of private global governance in which private organizations regulate in place of global public authorities, in aspects of global economic and social affairs. Transnational actors include both non-profit actors and private businesses that operate across borders as Labor, capital markets and goods are more interconnected across borders, with important economic and political implications.

The 2008 economic crisis slowed down international trade, economic growth caused political instability and business bankruptcies world over. Although these are serious issues, simply developing a government policy that injects an economy with money is not an appropriate means to achieve economic recovery and long-term economic development unless combined with an effective and efficient governing system (AlBassam, 2013). The financial crisis was largely caused by some groups and institutions including notable actors in the US such as the greedy bankers who lent continuously to borrowers without due consideration of their earning capacity or savings. The Great Recession has clarified the extent of the gaps, distortions, asymmetries and other failures in global economic institutions and policies, and the enormity of the costs which they have caused (Langmore
and Fitzgerald, 2010). The neo-liberal financial system in US which believed that participants operate rationally within a competitive market and will set prices in accordance with all necessary information failed in 2008. The assumption was that there is no need to regulate the market as the market has the ability to regulate itself in order to avoid market failures. According to (Stiglitz, 2002) Financial globalization which integrated countries local financial system with international financial markets and institutions and globalization has ‘failed to live up to its promise,’ in large part, because of predictable market failures, failures which are apparently invisible to the IMF because of its ideological commitment to a ‘worn out’ vision of how a capitalist economy works.

DISCUSSION

Global Governance Actors

Globalization intensified the demand for international actions on various aspects of human life and provided the ground for current global governance mechanisms which has resulted in attracting various actors in global decision making. According to (Jang et al., 2016). Global governance is a product of neo-liberal paradigm shifts in international political and economic relations. There has been a shift to Multi-level governance; that is, governance involving different actors (local and foreign) organized for and performing various functions according to their capacities and expertise. The following are identified as actors in contemporary global governance.

States

State is a combination or association of persons in the form of government and governed and united together into a politically organized people of a definite territory. States continue to be important actors in global governance especially in compliance to international treaties, agreements, norms and standards. States alone have sovereignty, which has historically given them authority not only over their own territory and people, but also over powers delegated to international institutions. Going further, it is sovereign states that are the center of most decisions and policies that have implications beyond any country’s borders (financial services, trade, taxes, immigration, fishing, forests and other climate-relevant policies), and it is states that have the tax, regulatory, and enforcement powers needed to back up coordinated policies and cooperation in and through international institutions (Birdsall et al, 2013).

To be sure, today’s reality is that sovereignty is compromised by many states’ own weaknesses, by globalization, the internet, and social media, by conditionality on international aid, and by the influences of international norms and NSAs such as banks, global financial markets, and NGOs (Karns et al., 2015). By signing international treaties, states willingly limit their sovereignty by accepting global standards and rules. For example the United Nations is an organization of sovereign States, which voluntarily join the UN to work for world peace and they agree to play by the rules of UN. The Paris Climate Change Agreement is one such treaties where many governments, private bodies have made voluntary commitments to reduce greenhouse gas emissions. While states certainly remain important actors, the global system is no longer state-centric: NGOs, multinational corporations and international organizations such as the World Trade Organization have emerged as significant transnational actors in world politics (Kobrin, 2008). The level of influence for each state varies in the global governance decision making process. Advanced, large, richer and more powerful countries such as USA, UK tend to have more roles to play. Though this US and Western dominance is under threat by the rise of emerging powers such as China, India, and Brazil. China has gained much interest and confidence in world politics and global governance owning to its economic growth after opening up its economy in 1978 and the result of dwindling US economy. India and Brazil are among the other emerging powers. Brazil, India and China stopped continuation of the WTO Doha negotiations in 2008 on the issue of the right of developing countries to resist liberalization of trade in agricultural products. The BRICS (Brazil, Russia, India, China, and South Africa) contributes 40 percent of the world’s population, and account for 20 percent of world GDP, 15 percent of world trade, and for two-thirds of world economic growth.

Middle power countries such as Finland, Sweden, Netherlands, Denmark has also played vital role in international relations in ways of supporting UN peacekeeping activities, development projects as well as providing quite a number of crucial UN management positions.

Small, Less Developed Countries LDCs, Low Income Countries usually have little influence in global governance. Much LDCs resulted to organize in regional groups such as the Economic Community of West African States (ECOWAS) in order to gain more influence in world polities. By combining efforts, LDCs have increased its role in shaping the agendas, priorities, and programs of many intergovernmental organizations such as UN, WTO. LDCs and small countries can possibly help cause a necessary shift in the global
governance processes in favour of the interests of LDCs and smaller countries. States have in some instances failed to manage its affairs and some of this issues have become cross-border problems. We are witnessing an increasing number of failed, weak or failing states. Wars in Syria and Somalia, terrorist group activities in Afghanistan etc has given rise to number of refugees worldwide.

In global governance, states do not normally swing along one direction in terms of reaching agreements or signing treaties. This is owned to the fact that states differ by political systems. A democratic state will always go at loggerheads with other states when negotiating issues of human right and environmental protection for instance.

Substate actors
Are actors within a state that interact with others outside the state, such as local businesses that import goods from abroad and provincial governments that establish trade missions in other countries. Substate actors also take part in the modern interwoven global system. Some provincial governments such in China has established trade relations in other countries.

Non-State Actors
Non-state actors are non-sovereign entities that exercise significant economic, political, or social power and influence at a national, and international levels (NIC, USA 2009). Non-state actors includes any actor on the international stage other than a sovereign state. There is no general agreement on entities, groups or institutions that can be regarded as non-state actors but many definitions include civil societies, religious groups, corporations, armed groups, terrorists, community organizations, foundations, religious institutions, ethnic groupings, and universities or other entities.

Multi-National Corporations MNCs
Are a particular form of non-state actor organized to conduct for profit business transactions and operations across the borders of three or more states. The traditional multinational is a private company headquartered in one country and with subsidiaries in others, all operating in accordance with a coordinated global strategy to win market share and achieve cost efficiencies. The growth of the global economy in the 20th century has led to the creation of ever more multinational corporations (MNCs), which operate in more than one national market and increasingly take on a global outlook in their production, sourcing, sales and research and development strategies.

Nongovernmental Organizations NGOs
These are organizations that are private, self-governing, voluntary, non-profit, and task- or interest-oriented advocacy organizations. The growth of NGOs and their capacity to influence world politics are striking characteristics of today’s global system (Kaarbo and Ray, 2011). NGOs perform major roles in modern global governance. Increasingly, global governance is marked by various types of interactions between Intergovernmental Organizations IGOs and International Nongovernmental Organizations INGOs. There has been a fast rise in number of Non-Governmental Organizations NGOs and the argument that they should be supported by states given the various important roles played in the world political system.

Not only do NGOs serve as pressure groups, they also perform a variety of political functions that states have failed to provide or have handed over to NGOs. By creating new issues and placing them on international and national agendas, providing crucial information to actors, and most importantly by creating and publicizing new norms and discourses, transnational advocacy groups such as civil societies help restructure world politics (Sikkink, 2002). The global migration crisis shows the states inability to stop illegal immigration which indicates also the inability of states to maintain their own borders and protect citizens interest. As such, NGOs are increasingly important participants in global governance. Furthermore, the increased citizens protests globally indicates the growing lack of trust in government and business institutions and this has been confirmed by research firm Edelman and other notable think thanks. Civil societies are continually gaining more trust than government, businesses and even the media to bring about a more socially inclusive models of governance and economic policy.

Many government have pursued austerity measures cutting down social services expenditure in order to cope with the rising debt and fiscal challenges caused by the financial crisis in 2008. On the other hand, private actors has continued to pursue shared goals such as Florida Ice and Farm Company S.A., based in Costa Rica, which employs strategies for “triple-bottom line performance”(economic, ecological and societal impact) and aims to increase access to their products for poor rural communities and thereby address malnutrition. This shows that the shift is not only in developed countries but also occurring in emerging economies.

Along with the United Nations, NGOs influences the norms and regimes that are becoming increasingly global. At the1999 UN General Assembly South African
President Thabo Mbeki stated that “the process of globalization necessarily redefines the concept and practice of national sovereignty” (Keohane and Nye Jr., 2000). NGOs now provide vital sources of information and expertise needed by international organisations in fighting global challenges. They contribute to international adjudication by submitting friend-of-the-court briefs to international criminal tribunals such as those for the former Yugoslavia and Rwanda, as well as to trade and investment tribunals (Charnovitz 2006). Figure 3 shows a steady increase in number of NGOs from 1948 to 2007. In 2008, a total of 3,183 NGOs were registered as groups with consultative status with the UN Economic and Social Council (ECOSOC, 2008). The Economic and Social Council (ECOSOC) looks at the international aspects of economic and social issues. The council has 42 seats voted for by the General Assembly and allocated by geographic region. By this forum, ECOSOC makes policy recommendations to other departments of the UN. ECOSOC coordinates several notable, autonomous specialized agencies, including the WHO, the UN Educational, Scientific and Cultural Organization (UNESCO) and the ILO. NGOs has involved in solving global problems and creating a platform for transnational ties that function to improve the global governance system. In 2006 NGOs constituted the 8th largest economy in the world representing over $1 trillion annually, 19 million paid workers and countless volunteers, and $15 billion in development aid every year and the significance of NGOs in the mobilizations of funds, goods and services, ideas, norms and people around the world is enormous (Jones, 2006).

NGOs have increased in level of importance and involvement in such activities ranging from environmental protection, human rights to security. Former UN Secretary General Kofi Annan once said, NGOs are the conscience of humanity” (Paul, 2000). Taking example, should all the commitments for the Paris Climate deal (of which NGOs were part and advocated for) be implemented, the world will experience massive decline in rate of gas emission which will lead to a more healthy global environment and thus a healthier living for all. As regards the above mentioned agreement, governments can only make regulations in respect to energy production but most of the needed reduction in gas emission will be done by the private businesses and industries. With this knowledge, whether or not a country is to meet its target depends largely on private businesses. Private industries are expected to be held accountable by the countries in which they operate, as well as NGOs, customers, employees and investors. By being in ECOSOC NGOs join in defining global standards and creating norms that shape market and state activity. Going further, various protest activities of civil society groups has attracted the media and some achieve their aims. For instance a coordinated effort and protests of

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**Figure 3. Number of NGOs in Consultative Status with ECOSOC**

Source: UN, 2007
Table 1. Major Actors of Governance

<table>
<thead>
<tr>
<th></th>
<th>Governmental</th>
<th>Private</th>
<th>Nonprofit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supranational</td>
<td>IGOs</td>
<td>TNCs</td>
<td>INGOs</td>
</tr>
<tr>
<td>National</td>
<td>Central Firms</td>
<td>Local Firms</td>
<td>Nonprofits</td>
</tr>
<tr>
<td>Subnational</td>
<td>Local Governments</td>
<td>Local Firms</td>
<td>Local Nonprofits</td>
</tr>
</tbody>
</table>

Source: (Keohane, 2002: 202, partially modified)

civil societies in Zambia led to a transition to democracy, the emergence of a new democratically elected President and a multi-party state in 2008. In the modern global political system increased use of dispute settlement, capacity building, and persuasion as instruments of enforcement of global treaties and norms is gradually replacing the use of economic sanctions and other penalties. This norms are mostly propagated by civil societies and NGOs in their pursuit of a peaceful, equal and less violent world.

In modern times some NGOs receive part of their resources from the states. The European Union, for example, channels some two-thirds of its development and relief aid through NGOs (Keane, 2001). There is a growing recognition that Non-Governmental Organizations (NGOs) can have significant effects on state policies and global politics through the creation of international norms, although their degree of influence varies across issues and is greater when they enter the international debate at the initial agenda-setting point of the process, even in security issues (Kaarbo and Ray, 2011). Globalization has allowed the continuous and rapid increase in number, membership and roles of transnational actors such as Non-Governmental Organizations (Red Cross, Amnesty International), and even Terrorist groups in the world.

**Intergovernmental Organizations IGOs**

IGOs are organizations that include at least three states as members, that have activities in several states, and that are created through a formal inter-governmental agreement such as a treaty, charter, or statute (Karns et al. 2015). As globalization intensified so as the recognition of transnational problems requiring global regulation, from climate change to the proliferation of weapons of mass destruction (Mcgrew, 2010). After the end of World War II various cross-border institutions such as the International Bank for Reconstruction and Development (World Bank), International Monetary Fund IMF, General Agreement on Tariff and Trade GATT was established to help organize, supervise, govern and administer the global economy in order to avoid worldwide economic meltdown as experienced during the Great Depressions in the early 1930s and 2008 financial crisis. Table 1 shows the number and ratio of INGOs and IGOs by decade from 1900 to 2009.

Much of the increase in number of international actors are reflected in the rise in number of INGOs. According to the Yearbook of International Organizations which studied the founding and growth of IGOs and INGOs over the twentieth and early twenty-first centuries there has been a changing landscape of international organizations. Over the twentieth century, more than 38,000 IGOs and INGOs were founded—a rate of more than one per day.

Table 2 presents the number of INGOs and IGOs founded for each decade from 1909–2009. The data show that while INGOs have always outpaced IGOs, the ratio held steady at roughly 4 NGOs per 1 IGO until the 1950s, when it jumped to closer to 5. This ratio jumped again in the 1980s, and remained significantly higher than in the first half of the century throughout the 1990s and 2000s. The involvement of NGOs seems to rise when governments need them and to fall when governments and international bureaucracies gain self-confidence, (Charnovitz, 1997). More NGOs are often established in areas that are most politically relevant and in which national governments are likely to be most active e.g human rights, environment. Figure 4 graphs the organizations founded from 1909 to 2009 and shows that more than 33,000 organizations were founded after 1950.

In response to the global economic crisis the IMF (an IGO) mobilized resources to support its member countries. It increased and deployed its lending firepower, used its cross-country experience to offer policy solutions, and introduced reforms that better equipped it to respond to countries’ needs. IMF undertook an unprecedented reform of its policies toward
Table 2. Number and Ratio of INGOs and IGOs Founded by Decade, 1900-2009

<table>
<thead>
<tr>
<th>Decade</th>
<th>INGOs</th>
<th>IGOs</th>
<th>INGOs : IGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900-09</td>
<td>445</td>
<td>118</td>
<td>3.77</td>
</tr>
<tr>
<td>1910-19</td>
<td>492</td>
<td>118</td>
<td>4.17</td>
</tr>
<tr>
<td>1920-29</td>
<td>845</td>
<td>215</td>
<td>3.93</td>
</tr>
<tr>
<td>1930-39</td>
<td>731</td>
<td>208</td>
<td>3.51</td>
</tr>
<tr>
<td>1940-49</td>
<td>1244</td>
<td>317</td>
<td>3.92</td>
</tr>
<tr>
<td>1950-59</td>
<td>2580</td>
<td>523</td>
<td>4.93</td>
</tr>
<tr>
<td>1960-69</td>
<td>3822</td>
<td>775</td>
<td>4.93</td>
</tr>
<tr>
<td>1970-79</td>
<td>5645</td>
<td>1219</td>
<td>4.63</td>
</tr>
<tr>
<td>1980-89</td>
<td>7839</td>
<td>924</td>
<td>8.48</td>
</tr>
<tr>
<td>1990-99</td>
<td>8988</td>
<td>1299</td>
<td>6.92</td>
</tr>
<tr>
<td>2000-09</td>
<td>3505</td>
<td>500</td>
<td>7.01</td>
</tr>
</tbody>
</table>

Source: Weiss et al. 2013

Figure 4. Number of IGOs and INGOs, 1909-2009

low-income countries. As a result, IMF programs are now more flexible and tailored to the individual needs of low-income countries—with streamlined conditionality, higher concessionality, and more emphasis on safeguarding social spending (IMF, 2016). According the UN, officially the IMF is the major multilateral instrument of macroeconomic policy dialogue and cooperation (UN, 2014).

To better support countries during the global economic crisis, the IMF approved large scale changes of how it lend money by offering higher and more frontloaded amounts, and tailored loan terms to countries’ varying strengths and conditions. As international donors (whether countries or international organizations like the IMF and the World Bank) they seek the best use of aid to achieve economic development in receiving countries, these donors use good governance characteristics introduced by International Organizations (IOs) to evaluate the performance of receiving governments. In August 2009 IMF set up USD 283 billion new special drawing rights, including USD 110 billion for the developing countries (and USD 20 billion of these for the poorest countries). Although scholars and politicians have debated the practicality of using the good governance characteristics introduced by IOs as a measure of governing quality (Poluha and Rosendahl, 2002), good governance characteristics have undoubtedly gained creditability among IOs and politicians as well as—most noteworthy—in academic research (Albassam, 2012a; Arndt and Oman, 2006). In addition, in many cases, these characteristics play a major role in the approval of loans or direct aid by international donors to countries in need (Mimicopoulos et al., 2007; Santiso, 2001).

The growth in international organizations allowed for the creation of new frameworks of global governance. Cooperations and partnerships across sectors/borders became possible. Example is given in this following
illustration. For instance a Nigerian man testifies before UK parliament hoping members will tell U.K. to push the IMF to reverse its support for imposition of user charges for health services for all children below 10 years in Africa. In this case, an international institution gives him the chance to influence Nigeria and other African countries’ policies and practices by first influencing perceptions of UK. Young (2004), points out, Nation states’ increasing interdependence with transnational networks and organisations of state and non state actors has altered their very self identity, especially as those networks increasingly inform and guide governments’ foreign policy decisions.

As shown in Table 3, Global actors since the end of the Cold War has taken on more roles such as prevention of war and conflicts, disarmament of illegal armed groups, peacekeeping to peacebuilding, establishing global standards and laws in different areas of life, achieving socio-economic development and ensuring human rights in all countries round the world. UN Economic and Social Council (ECOSOC) recommends and directs activities aimed at promoting economic growth of developing countries, supporting human rights and fostering world cooperation to fight poverty and under-development. The Security Council has a primary responsibility under the UN Charter to maintain international peace and security. The International Court of Justice (ICJ) is the UN’s main judicial organ, located in The Hague, Netherlands. Established in 1945, the ICJ, or “World Court” assumed its functions in 1946. The Court settles legal disputes only between nations and not between individuals, in accordance with international law.

The UN is the largest international institution in the world and has the ability to intervene in armed conflict, enforce resolutions through political, economic or military means, and even to dissolve states and validate new ones (Salmon and Imber, 2008). The UN intervened in areas where there is political and ethnic tensions like the civil wars in many parts of sub-Saharan Africa including Liberia and Sierra Leone. Table 4 shows the various UN peacekeeping operations in Africa. International actors and NGOs act as third parties in conflicts in order to promote peace and unity, see (Table 3 and Table 5). They play the middle man function between separate conflicting parties. In the past this role was of the state. Though this role has been shared between states and international organisations at various levels in modern times, we have seen NGOs, Civil Societies trying to balance power between disputing parties together with reducing the impact of wars.

Together with the states and the IGOs, a host of non profit organizations funded by states, foundations, and direct public donations were involved in supporting war-torn areas and failing states to support economic development and provide health care, education, access to clean water etc. In addition, local and international for profit companies operated in countries before, during, and after armed conflicts. Example the Coast of Somalia (CGPCS) was created as a deliberately informal multi-stakeholder network for the coordination of counter-piracy planning involving not just naval, intelligence, legal, and other staff from many states and IGOs but also from NGOs and industry associations. States often engage in cooperation with intergovernmental actors and organizations such as the IMF and World Bank are called

<table>
<thead>
<tr>
<th>Table 3. Expanded Functions of Supranational Actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Prevention of conflict and war</td>
</tr>
<tr>
<td>• Promotion of and ensuring order and stability</td>
</tr>
<tr>
<td>• Maintaining and Managing international peace and security</td>
</tr>
<tr>
<td>• Develevping and Maintaining Functional cooperation i.e. in environment</td>
</tr>
<tr>
<td>• Disarmament</td>
</tr>
<tr>
<td>• Socio-economic improvements</td>
</tr>
<tr>
<td>• Establishment of international law</td>
</tr>
<tr>
<td>• Encouraging and protecting human rights</td>
</tr>
<tr>
<td>• Encouraging development</td>
</tr>
</tbody>
</table>
Table 4 UN Peacekeeping Operations in Africa

<table>
<thead>
<tr>
<th>Period</th>
<th>Mission Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991–present</td>
<td>United Nations Mission for the Referendum in Western Sahara (MINURSO)</td>
</tr>
<tr>
<td>1994</td>
<td>United Nations Aouzou Strip Observer Group – Chad–Libya   (UNASOG)</td>
</tr>
<tr>
<td>1999–present</td>
<td>United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)</td>
</tr>
<tr>
<td>2000–present</td>
<td>United Nations Mission in Ethiopia and Eritrea (UNMEE)</td>
</tr>
<tr>
<td>2003–present</td>
<td>United Nations Mission in Liberia (UNMIL)</td>
</tr>
<tr>
<td>2004–present</td>
<td>United Nations Operation in Côte d'Ivoire (UNOCI)</td>
</tr>
<tr>
<td>2005–present</td>
<td>United Nations Mission in the Sudan (UNMIS)</td>
</tr>
</tbody>
</table>

Source: Salmon and Imber, 2008

The United Nations though started basically for security concerns plays a role in economic development through its agencies, such as the UN Development Program (UNDP), the UN Children’s Fund (UNICEF), the World Health Organization (WHO), and the UN Population Fund (UNFPA). These global actors gather information, administer development assistance, make policy recommendations to member-states, and organize conferences to publicize issues. The UN plays crucial role in institutionalizing global standards, rules and
### Table 5. Conflict Levels and Actors

<table>
<thead>
<tr>
<th>Conflict Level</th>
<th>Main Actor 1</th>
<th>Main Actor 2</th>
<th>“Third Parties”</th>
</tr>
</thead>
<tbody>
<tr>
<td>International</td>
<td>State</td>
<td>State</td>
<td>Various actors:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• States.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• International</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Organisations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(regional</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>and global)</td>
</tr>
<tr>
<td>Transnational</td>
<td>State</td>
<td>Guerillas</td>
<td>• NGOs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Terrorists</td>
<td>• Individuals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NGOs</td>
<td>In roles as:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refugees/IDPs</td>
<td>• Mediators</td>
</tr>
<tr>
<td>Intrastate</td>
<td>State</td>
<td>Opposition</td>
<td>• Balancers</td>
</tr>
<tr>
<td></td>
<td>Political</td>
<td>parties</td>
<td>• Mitigators</td>
</tr>
<tr>
<td></td>
<td>party</td>
<td>Religious</td>
<td>• Victims</td>
</tr>
<tr>
<td></td>
<td>Militias,</td>
<td>groups</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Guerillas</td>
<td>Trade unions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Warlords,</td>
<td>Militias,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Terrorists</td>
<td>Guerillas</td>
<td></td>
</tr>
<tr>
<td>Interpersonal</td>
<td>Person</td>
<td>Person</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Salmon and Imber, 2008).

norms by treaties, conventions, and review mechanisms for which members are responsible. United Nations Millennium Declaration, which was signed by all UN member states in 2002 was a UN coordinated effort to achieve global targets relating to issues such as poverty, education, gender equality, health, and the environment in developing countries. According to the UN, Millennium Development Goals, (MDGs), are the most successful global anti-poverty push in history. Globally, the number of people living in extreme poverty has declined by more than half, falling from 1.9 billion in 1990 to 836 million in 2015. The global under-five mortality rate has declined by more than half, dropping from 90 to 43 deaths per 1,000 live births between 1990 and 2015. More girls are in school and lesser child mortality rate.

In financing for development there have been new participants and methods of administering assistance to countries. The concept of partnership for development as set out by the United Nations Millennium Declaration, the Monterrey Consensus of the International Conference on Financing for Development and the Plan of Implementation of the World Summit on Sustainable Development (“Johannesburg Plan of Implementation”) and other major United Nations conferences and summits has guided UN effort to promote the achievement of equal and sustainable economic development. Figure 5 shows official development assistance of the Development Assistance Committee and debt relief to developing economies, 1990-2009. Complementary efforts by UN, IMF, OECD and the G20 have helped maintain and manage the global economy for some time now. Institutions, such as UNICEF (United Nations Children's Fund) and the International Labour Organization (ILO) advocate policies of social protection which has to a great deal impacted socio-economic policies of countries worldwide. Uniquely the ILO, for instance, brings together representatives of government, employers and unions in legislating common global labour standards or gender employment policies (McGrew, 2010). ILO has continuously played a key function in ensuring a much stronger social protection, in such areas as minimum wages, public pension, better labour standards etc. International institutions now have regulatory functions and powers, which to some extent; shape the context and content of social policies in countries across the world.

According to the United Nations Conference on Trade and Development UNCTAD in 2008, (Figure 5) debt reduction packages under the Heavily Indebted Poor Countries HIPC Initiative was given to 36 countries, 30 of them in Africa, providing $76 billion in debt-service relief over time. The debt relief package freed up resources and allowed spending on social goods/infrastructures for developing countries.

**Transnationalization Network**

A transnational network can be defined as a permanent co-ordination between different civil society organizations (and sometimes individuals), located in
several countries, collectively focused on a specific global issue (McGlinchey et al., 2017). Transnationalization of governance refers to a process in which transnational non-state actors develop political regulations and activities without being formally authorized by states (Pattberg, 2007). The condition of a society can be described as denationalized when transactions within national borders are no denser than transnational transactions (Zürn, 2003).

The transnational network includes global actors, such as nongovernmental organizations, multinational corporations, intergovernmental organizations, and private organizations, that operate across borders and share the world stage with states. Transnational relations involve “regular interactions across national boundaries when at least one actor is a non-state agent or does not operate on behalf of a national government or an intergovernmental organization. Global governance is the combination of informal and formal ideas, values, rules, norms, procedures, practices, policies, and organizations that help all actors—states, IGOs, civil society and NGOs, TNCs, and individuals—identify, understand, and address trans-boundary problems (Weiss et al. 2013). Transnational corporations and institutions are one of the most important subjects of international politics. They are directly affecting new trends in international business, global competitiveness on international markets as well as economies of states, nations (Kordos and Vojtovic, 2016).

Transnational institutions have played an increasing role in the global economic, social and political systems. Though states retain their central authority in global politics, there has been a steady and increased corporation between states and transnational organizations. Global Politics is characterized by the rise in number and significance of international and regional organizations and non-state transnational actors. According to (Zürn, 2003), supranational and transnational governance undermine the notion of a sovereign state in the so-called Westphalian constellation. International Institutions have authority when states recognize in principle or in practice, their ability to make binding decisions on matters relating to a state's domestic jurisdiction, even if those decisions are contrary to a state's own policies and preferences (Cooper et al., 2008).

The global political economy today is built on information flows and market exchanges, but it is also built on an intricate set of rules whose maintenance and enforcement require concrete organizations, both at the global and the national level. World politics in general and global environmental politics in particular are characterized by a proliferation of actors and the emergence of new forms of global governance (Cerny, 2010). Humanitarian crises, military conflicts between and within states, climate change and economic volatility pose serious threats to human security in all societies; therefore, a variety of actors and expertise is necessary to properly frame threats, devise pertinent policy,
implement effectively and evaluate results accurately to alleviate such threats (Jang et al., 2016).

Today, global governance is being created, negotiated and implemented by a myriad of actors at multiple levels and in more complex ways. The expansion of actors and governance structures offers new opportunities but also poses new challenges to policymakers as they seek to strengthen global governance. States and non-state organizations have cobbled together frameworks for cooperation and actual responses that have resulted in more order, stability, and predictability than might have been expected (Weiss et al. 2013). The United Nations plays essential roles as an intellectual actor in global affairs. These include managing knowledge, developing norms and standards, publish, promote and promulgating recommendations, convening meetings by various stakeholders and also institutionalizing globally accepted rules.

The privileging of capital and market mechanisms over state authority created governance gaps that have encouraged actors from private and civil society sectors to assume authoritative roles previously considered the purview of the State (Jang et al., 2016). Conventional wisdom in international and comparative political economy has held that international institutions like the IMF, World Bank, and WTO (and its predecessor, the GATT), have been largely beneficial for the countries in them. These institutions, it is claimed, constrain the behavior of the most powerful countries and provide information and monitoring capacities that enable states to cooperate (Milner, 2005). Contrary to this, recent studies have suggested that the presence of these institutions is less beneficial for the poor and developing countries. For instance, According to (United Nations, 2014) the absolute gaps in per capita income between high-income and low-income countries have increased, from $18,525 in 1980 to close to $32,900 in 2007, before falling slightly to $32,000 in 2010. It is being estimated that supranational organizations directly employ 4% of total employment in developed countries and 12% of all employees in developing countries. The new global public policy networks build bridges across different sectors and levels, bringing together actors from governments, international organizations, civil society, and business (Witte et al., 2003). This (Figure 6) collaborative network performs various vital functions including providing an avenue for negotiation to take place which will aid in creation of globally acceptable
standards and regulations. Other functions worthy of note is the effort in implementing global treaties and in coordinating and allocating resources and correcting market failures. A key indicator is the rise in the number and diversity of non-state actors populating the international realm. Non-state actors such as TNCs play an active role in creation of transnational networks existing independently from formal intergovernmental institutions. Such networks usually include those actors needed to pursue objectives successfully, following a functional logic of transnational problem-solving. Where transnational networks assume a more institutionalized form and begin to set norms and rules for their members or other concerned actors, they become transnational governance institutions in their own right. In fact, such networks today make up a central steering mechanism in global environmental governance (Pattberg, 2010). They may involve governmental actors, but their defining characteristic is independence from state approval or support. The new cross-sectoral public policy networks are responding to that interdependence to confront issues that no single sector, public or private, could successfully tackle alone (Witte et al., 2003).

Over the last three decades there has been massive increase of supra-state regimes and global policy networks that function to manage/regulate or promote many vital areas of inter-border activities. Key examples are the fight for cleaner and more sustainable environment, and migration regulation. Whereas transnational NGOs and even traditional interest groups increasingly address international institutions directly with their political demands, the nation-state remains in this respect the default option. Nation-states still aggregate territorial interests and put them forward in international negotiations (Zürn, 2003). States and intergovernmental institutions may still be at the heart of much international policymaking but non-state actors and novel governance mechanisms increasingly shape outcomes in global politics (EEA, 2011). Transnational policy networks also include public-private partnerships that connect businesses, NGOs, and government agencies to address specific policy issues (e.g. sanitation, energy access, environmental issues. Example, the Extractive Industries Transparency Initiative (EITI) includes a coalition of governments, companies, civil society groups, investors and international organisations to increase transparency over payments by companies from the oil and mining industries to governments.

Governance structures building on networks are able to bridge the gap between the public, the for-profit, and the non-profit sectors and integrate human and financial resources to find solutions to multifaceted problems. Networks have emerged around issues of public health, financial regulation, international crime, and the global environment.

**CHALLENGES AND OPPORTUNITIES OF A GLOBALIZED GOVERNANCE**

The world no doubt has been impacted positively by globalization. Millions are out of poverty in developing countries as China, Brazil and India experienced increased growth and output not to mention the developments in the financial systems of emerging economies etc. Emerging and developing economies now account for almost 60 percent of global GDP. The foreign advanced countries benefits by cross-country risk diversification and increased returns from invested assets/capital in emerging markets. As globalization comes with benefits so too with its unbalanced nature.

Though financial globalization has benefited the developing countries in terms of new type of capital and more capital available (north to south), deepened financial markets, increases in the degree of market discipline, better financial infrastructure etc. it is however, connected with financial crisis. Financial globalization increases the sensitivity of local markets to twists and turns in foreign markets. The crises in Asia and Russia in 1997–98, Brazil in 1999, Ecuador in 2000, Turkey in 2001, Argentina in 2001, and Uruguay in 2002 and 2008 crisis are good examples. The crises impacted crisis management drive globally. Under the leadership of the Group of Twenty (G20) and the Financial Stability Board (FSB), which was created at the London Summit in April 2009, financial regulation and supervision has been strengthened and the regulatory perimeter has been expanded to include agents and transactions poorly regulated before the crisis (D’Arista and Griffith-Jones, 2010).

Stricter rules were introduced to guide activities of the big institutions and reforms increased capital and liquidity requirements, including an overall (risk-unweighted) capital requirement of 3 per cent. At European level, a new European System of Financial Supervision (ESFS) was created, including the establishment of the European Systemic Risk Board (ESRB) and three new pan-European sectoral agencies (the European Banking Authority; the European Insurance and Occupational Pensions Authority; and the European Securities and Markets Authority). Still, even within Europe, the primary responsibility for financial supervision remains at the national level. Within the developing world, more financially integrated (MFI) economies grew faster than less financially integrated...
(LFI) economies over the last three decades. But financial inclusion policies—such as offering basic accounts, transferring government payments to individual accounts, and encouraging saving through matched and tax-advantaged savings accounts—are focused on high-income countries. Again financial globalization accompanied by technological advances tend to increase unemployment in developing countries and also bring about higher income inequality. The demand for unskilled labour reduces in favor of demand for high skilled labor and this in turn widens the income gap.

For better global financial integration, there is the challenge to efficiently manage the world financial system so that all countries maximizes its full potentials including risk diversification, consumption smoothing and efficient capital allocation. Proper regulation and supervision of local markets, good macroeconomic policies, strong institutions and improved governance are key to meeting the current challenges posed by global economic interdependence.

There is increasing inequality both among and within countries in income, wealth, capabilities, voice and power as a result of greater interconnectedness. In 2010, high-income countries, accounted for only 16 per cent of the world’s population, enjoyed 55 per cent of global income (at market prices). Low-income countries enjoyed just above one per cent of global income even though they contained 72 per cent of global population. In sub-Saharan Africa, average gross domestic product (GDP) per capita was $2,014 in 2010, compared to GDP per capita of $27,640 in the European Union and $41,399 in North America (United Nations, 2014). Though statistically, there has been a decline in income inequality most of this decline has been due to the rapid growth of China (United Nations, 2014). A Pew Research Center (PRC 2014) survey found that the gap between the rich and the poor is considered a major challenge by more than 60 percent of respondents worldwide. The issue of accelerating concentration of global wealth is indeed a major challenge of global governance in the effort to ensure equality and inclusiveness. According to (Global Wealth Report, 2016) estimates that 3.5 billion individuals—73% of all adults in the world have wealth below USD 10,000 in 2016 and 1% of global wealth-holders owned 50.8% of global household assets. Furthermore North America and Europe together account for 65% of total household wealth, but contain only 18% of the adult population. In (Stiglitz, 2002) view, globalization has not been managed properly over the past quarter century: ‘Globalization is not making life better for those most in need of its promised benefits. In the IMF, Europe has 8 of 24 Board member seats. A negotiated agreement that would double the quotas and shift at least some greater voting power to China and other emerging market economies consistent with their size and impact on the global economy cannot advance without the United States, whose agreement is needed because a quota increase requires 85 percent of the weighted votes and the United States holds 17 percent (Birdsall et al., 2013). In terms of structure, the United States is the largest shareholder of the World Bank and the IMF, with roughly 16 percent, followed by Japan, Germany, United Kingdom and France. These five countries have about 38 percent of the total shares and each holds a seat on the board. China, Saudi Arabia, and Russia each hold a seat on the board, though they make up 9 percent of the shares.

In the words of (Stiglitz, 2002) IMF policies favor the rich over the poor, stifle development, undermine democracy, and promote financial instability and crisis. This view though is still been contended with in many international discourse, global politics and global governance structures are dominated by the advanced countries. Example is the decision making framework of the IMF which allocates voting rights proportional to the size of financial contributions made by its 189 member states. By considering economic strengths of countries there is the problem of unequal access and power in the global system and LDCs are disadvantaged in the allocation of capital and savings. In particular, several developing countries suffer large losses owing to profit-shifting practices of multinational corporations operating in the natural resources, manufacturing and service sectors, while at the same time they face severe hemorrhaging through capital flight and other forms of illicit financial flows (Ndikumana and Boyce, 2011b).

With the World Bank, among the 70 low-income states eligible for the Bank’s concessional window (the International Development Association [IDA]), as few as 20 will be eligible in 2025 (Severino and Moss 2012). (Dani Rodrik,2011) simply believes that we cannot simultaneously pursue democracy, national self-determination, and economic globalization. Due to economic integration there has been a loss of national policy space in democratic states generating a kind of conflict. There is a need for IMF and World Bank to make changes to their governance in relation to size and importance of emerging countries in the decision making processes.

Furthermore, the world is faced with climate change and environmental challenges. According to the March 2012 IPCC Special Report, climate change will continue to produce extreme weather patterns over the next twenty years. Current CO2 emission patterns show no sign of
abating, and this is expected to increase the global temperature by more than 2°C by 2050, with serious consequences for humankind and our biosphere (Intergovernmental Panel on Climate Change, IPCC 2012). There has been coordinated global efforts to improve the world environment. The bringing together of many governments, private bodies with each party making voluntary commitments was possible in the signing of the Paris Climate Change Agreement. Hundreds of companies were setting their own targets and willing to forgo some economic benefits.

As a result of improvements in technology and cross-border transport modes; movement of people, goods and services became easy. This encouraged the massive movement of people from low income countries to high income ones. The number of international migrants more than doubled between 1980 and 2010, from 103 million to 220 million. In 2013, the number of international migrants was 232 million and is projected to double to over 400 million by 2050 Martin, (2013). In 2015 over 1 million migrants including refugees reached Europe (IMF 2015). Migration can potentially improve the efficiency and well-being of the overall international economic system, as both theoretical and empirical studies have confirmed (Walmsley and Winters, 2005; World Bank, 2006). History shows, moreover, that migration can, in certain circumstances, be an important force in correcting international inequalities and reducing international wage differences between host and home countries (Hatton and Williamson, 2005).

The on-going global migration crisis and the high number of deaths registered in the Mediterranean sea is a new challenge to global governance system. Researches has shown that migration brings about cultural diversity, provides labour, and support economic growth in host country it also can lead to depression of wages, migrants exploitation, pressure on public services, integration difficulties and friction with local people, higher unemployment rate, disease transmission etc on the other end if not well managed. The originating countries benefits from remittances, reduced unemployment is reduced while returning migrants bring savings, skills and international contacts. They also suffer brain drain as they loose young and skilled workers. There is need for global governance networks (involving various international actors) to develop more sophisticated methodologies and produce more rigorous analyses addressing the complex and multiple drivers of migration.

Inter- and intra-national complications and conflicts are major challenges in the contemporary world. Conflict may occur between countries on many different issues of concern such as political values, natural resources, nuclear proliferation and nuclear disarmament, territory, religious, ethnic affinities etc. In recent times most conflicts are intra-national normally between different groups within a society or between the state and an insurgent group. Most conflicts in Africa-Somalia, Rwanda are examples of such. These intra-state conflicts can turn into international or transnational conflict when other states or non-state actors get involved across international borders i.e humanitarian interventions. The boundaries between “inside” and “outside” may simply be eroding, and the frontiers becoming increasingly blurred hence conflicts which are, by their very nature, intra-state may become transnationalised in various ways (Møller, Bjørn, 2003).

The UN peacekeeping operations are operating in a more complex and dynamic environment that feature asymmetric and unconventional threats. Wars and conflicts are clearly parts of global politics and it is estimated that more than 150 million people have died from war-related deaths since 3000 B.C.E. (Kaarbo and Ray, 2011). UN estimates that more than 2 million children have died from armed conflict in the last decade. Given that no meaningful socio-economic improvement/development can be achieved in war or conflict zones, there is the challenge of ensuring global peace and unity in order to foster the achievement of inclusive economic growth and development. The current level of global interdependence/interconnectedness is too intensified that the existing global institutions networks find difficult to cope; with evidences of challenging issues such as financial crises, climate change, nuclear proliferation and nuclear disarmament etc. The role of global governance institutions need be improved in order to minimize the risk and maximize the gains of a global integrated economy.

CONCLUSION

Globalization has increased the international relations between various states including transnational actors in a more structured system. The processes of globalization have impacts on relations between states and non-state actors. There is ever growing interrelationship and interdependence between economic, political, and social governance systems across the globe. Global public policy has become a network in a nexus involving/integrating various levels of government, sectors, international organizations, civil society, and businesses. The new global governance system which include actors such as the United Nations and other International Organizations IOs sometimes establish
norms, policies that are seen as threat to state sovereignty and nationalist interests. For instance by using good governance characteristics as a requirement to grant aids to states, IMF influence local political, economic, social decisions/behaviours.

The problems and challenges in the world today are more complex than three decades ago and demands collaborative network of efforts in solving them. There is a spread of power and authority from states to supranational actors, changing the governance system that now consist of international organisations, governments and non-state actors. The growth of complex, transnational interactions and networks between a myriad of actors, increasingly overwhelms the capacity of states to steer, direct, and change relevant behaviour. Figure 6 shows that international and transnational actors are fully incorporated in the global policy network at the center between society and government.

Supranational governance is becoming the center stage of global policy arena in the modern Post-Westphalian constellation as required by the logic of globalization. The shift from Westphalian logic of the state sovereignty to supranational governance has led to denationalisation in which actions and activities of international institutions has replaced physical space and impacted state goals. Due to increasing trust on GGI (Global Governance Institutions) to bring about even and socially inclusive development, they were able to weaken the hierarchical, vertical top-down approaches, promote human rights and advance democracy in countries without strong democratic values. Democracy has now near-universal appeal among people of every ethnic group, every religion, and every region of the world and democracy is embraced as an international norm by more states, transnational organizations and international networks (McFaul, 2004). Report of the Commission on Global Security, Justice and Governance indicates the number of electoral democracies has roughly doubled since 1985, to 125 in 2015.

Moreso, the increase demand for good global governance has resulted in more advocacy for the involvement of civic institutions in global public policy making process. Transnational civic societies are becoming more involved in monitoring global treaties, formulation of global agendas and global decision making. This indicates challenge to the traditional notion of states as the unitary authority in national interest. Liberal approaches has made more progress and as such international actors such as UN, International Monetary Fund, International Atomic Energy Agency, NGOs, Civil Societies has gained more influence both locally and internationally. NGOs and Civil societies perform key roles in global governance as they organizes and drive policy amendments doing so in partnerships with IGOs help establish global standards, norms, which are mutually accepted and communicated to member states and substate levels. They also play a huge part in enforcing compliance and implementation of global objectives by pressurizing states to institutionalize international standards and IGOs to sanction non-complying states; this often done by demonstrations. NGOs are now more influential in International political arena as they assist in developing, and enforcing global rules, standards, and norms. Legitimacy of state government to the global community has been to some extent evaluated based on its compliance with global standards, rules etc mostly in areas such as democratic and human rights, transparency, accountability and so on.

International institutions now has important roles in states national policy agenda and impact in areas such as environment, aids, drugs, trade and industry, human rights, security etc. In state centric system the customary agenda is always focused on national issues but now overshadowed by international agenda in issues relating to environment, technology, human rights, gender, organized crime, and numerous other global public, social and legal problems now in focus.

Table 3 shows increasing roles of supranational actors ranging from maintaining and building peace to ensuring socio-economic development for all. NGOs now to an extent exercise some authority, and has become important members of the global community. Policy agenda of transnational institutions are increasingly guided by NGOs i.e. being in consultative status of ECOSOC, they contribute to UN and IMF policies on areas including environment labour rights, human rights, gender rights, and consumer rights, to name but a few. NGOs play vital roles in social globalization and global governance together with states and other agencies, representing issues concerning the people and not the nation states.

This paper concludes that there are effects of the shift of power from democratic sovereigns to international actors and NGOs as the sovereign state do no longer exist as the only center of authority in global affairs. Hence it agrees with the hypothesis that there are effects of the shift of power from state sovereigns to supranational governance.

Policy Implications

A smart global governance system is essential to achieve international development goals and targets. The United Nations serve as the major institution managing global affairs and crises some of which are caused by the ever
increasing process of globalization. This is simply because global issues demand global responses and solutions. A world of growing international interdependence, increasing economic and political liberalization, and technological change cannot be regulated at the national level or by traditional intergovernmental cooperation alone (Rischard, 2001). Rapid economic globalization aided by advanced technology created the need for a uniform global governance structure in attempt to coordinate efforts towards avoiding and managing global economic, political or social disasters. A shift in power from states to international actors has consistently dominated global governance in recent times. Further engagement of civil societies, international businesses, NGOs beyond current consultation level in global governance is needed for an inclusive global development.

The current level, mode or structure of international cooperation and global policy making and the resulting governance outcomes can be said to be ineffective. Good governance is epitomized by predictable, open and enlightened policy (that is a transparent process); a bureaucracy imbued with professional ethos; an executive arm of government accountable for its actions; a strong civil society participating in public affairs; and all behaving under the rule of law (World Bank, 1994). The complexity of the global challenges ranging from environmental issues to international financial and economic crisis demands a collaborative approach involving different actors (national, subnational, regional and international) with similar goals and driving towards same direction. There is need to build on strengths of the current global partnership for development and address the lapses of international arrangements to ensure inclusive socio-economic development based on core values of equality, human rights, transparency and sustainability. There is still need for a shift in global politics and global governance structures and a clear understanding between multinational corporations, civil societies and states on global issues if there is a chance to achieve good global governance. The UN should continue with its convening power to bring together actors and stakeholders in various issues of concern. These networks can close the gap between the public, the for-profit, and the non-profit sectors and integrate human and financial resources to find solutions to ever increasing problems facing the world today.

In order to achieve an improved global financial stability, there should be more co-ordination of financial supervision and regulation both at national and international levels. Strengthening national financial institutions and proper supervision and monitoring by specialized supranational actors such as the IMF will enhance global financial management. Furthermore, there should be unification of global decision making, rules, approaches with those at the national level without interrupting one another. Problems best handled by regional or national bodies need not come to global agenda. The world today requires the establishment and enforcement of a more yielding accountability and enforcement framework at national, regional and state levels to ensure parties comply with international agreements and treaties. For instance proper engagement of Civil societies and NGOs is crucial in improving accountability to agreements and treaties and enforcement of sanctions for non-compliance i.e Paris Climate Change Agreement.

The existing global governance system and institutions do not truly show a picture of the current political reality given the emergence of new economies and powers in the south and rise of non-state actors. Reform of global governance institutions such as the UN and IMF to give more representation and voice to the poorer and emerging countries such as the BRICS is vital. This will enhance compliance by member states and also the legitimacy of these IGOs.

Conflict of interest
Author has none to declare

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