

Who Should Be the Subject of Global Governance?*

LYU Xiaoli, LIU Jingwen
Beijing Normal University, Beijing, China

The neo-liberal view of global governance holds that sovereign state-dominated global governance will undermine the fairness of the international community, and the social legitimacy of nationalism is insufficient. However, some scholars pointed out that in the global governance mechanism advocated by neo-liberalism and cosmopolitanism, the state role is absent and the subjects and fields of governance are highly overlapping and inefficient, resulting in the dilemma that global governance is more fair than efficient. This article holds that the implementation of effective global governance can draw lessons from the experience of China's socialist market economy and form a state-coordinated diversified governance program. Through the coordination of the state and considering both the fairness and efficiency in the process of global governance, the effective combination of the two can be achieved on the subject of global governance.

Keywords: global governance, neo-liberalism, state's coordination

Introduction

Since the 19th century, human society has produced various institutional experiments to solve transnational problems. As human beings have been facing increasingly severe global challenges since modern times, including global warming and natural disasters, the international community urgently needs collective action to solve common problems. Global governance has emerged in such an environment. According to the Commission on Global Governance's report, *Our Global Neighborhood*, published in 1995 (p. 22), governance is the sum of the many ways in which people and institutions, public and private, manage their mutual affairs. It is an ongoing process through which conflicting or different interests may be accommodated and cooperative action may be taken. It includes formal institutions and systems with the authority to enforce compliance, as well as informal arrangements agreed to or considered in the interest of people and institutions.

As for the participants in global governance, scholars have different views. Scholars who support the neoliberal view of global governance argue that sovereign state-dominated global governance will undermine the fairness of the international community, and the social legitimacy of nationalism is insufficient. However, some scholars pointed out that in the global governance mechanism advocated by neo-liberalism and cosmopolitanism, the state role is absent and the subjects and fields of governance are highly overlapping and inefficient, resulting in the dilemma that global governance is more fair than efficient.

Who Is the Authoritative Subject of Global Governance?

The subject or unit of global governance refers to the authority center that plays a role in global

* This paper is financed by National Social Science Foundation (Project No. 14CGJ013).

LYU Xiaoli, Ph.D., Associate Professor, School of Marxism, Beijing Normal University, Beijing, China.

LIU Jingwen, Master Degree Candidate, School of Government, Beijing Normal University, Beijing, China.

governance. The state is only one of many sources of authority. James N. Rosenau, called it the Sphere of Authority (SOAs) (Rosenau, 1999). These authorities include sovereign states, intergovernmental organizations, and non-governmental actors. That is to say, the subject of global governance is not only sovereign states and formal international organizations, but also needs to take into account the cumulative impact of a series of players at all levels and networks of like-minded players. However, scholars have different opinions on the authority distribution between formal and informal actors. The dominant view mainly comes from western scholars' works on global governance, that is, they advocate the neoliberal subject view and oppose the leading role played by the state and intergovernmental organizations, generally believe that strong government cannot meet the diverse preferences of global governance, emphasize that the informal actors are in authority distribution status (Kjaer, 2004, p. 5), and even seek to strengthen the authority of the informal behavior body or laissez-faire approach to promote the free development of the international community, namely "governance without government" (Rosenau & Czempiel, 1992, p. 12).

First, the neoliberal view of "governance without government". With the development of economic globalization in the 1970s, the neoliberal market movement characterized by the transnational integration of capital and production chain began to reshape the world economic and political order. During this period, former US President Ronald Reagan and former British Prime Minister Margaret Thatcher pursued liberal economic policies. As Immanuel Wallerstein describes it, neoliberal globalization resurfaced in the 1980s as an old idea (Wallerstein, 2008). The Washington Consensus, proposed in 1989, was seen as a blueprint for a new liberal system that would reduce government regulation and promote trade liberalization (Williamson, 2009). There is also a view that decentralized authority over multiple actors is more effective than centralized governance over one authority, while balancing the disadvantages of centralized authority (Hooghe & Marks, 2002, p. 7). Anthony Giddens believes the claim that globalization is largely dominated by the western countries while developing countries play little role is pessimistic (Giddens, 2002). Anita Kelleher also expressed her opposition to the government-led agenda for global governance, which calls for a more democratic and representative global governance framework (Kelleher, 2009).

In the discussion about the legitimacy of global governance, the legitimacy of the actor was also the focus of debate. The neoliberal view denies the legitimacy the state's central position in global governance and suggests that the legitimacy of the global governance system should also conform to the standards of democracy. Thomas G. Weiss believes that, unlike coercion and self-interest, legitimacy is based on collective understanding of legitimacy (Weiss, 2013, pp. 110-113). By the standards of legitimacy, a more just distribution of inter-agency authority is where global governance needs to go. Even so, Weiss argues, there is a surprising amount of predictability, stability, and order including the important role played by sovereign states and international organizations in the contemporary international system, even without a central authority (Weiss, 2013, pp. 110-113). Since the 19th century, Murphy notes, international organizations have often been seen as the world government we actually have (Murphy, 2000). Haas also came up with the classic concept of "beyond the national state" (Haas, 1964, p. 26). Scholars have made multiple efforts to seek a more just and reasonable global governance structure. The following global governance models prove diversified authority distribution among different governance subjects: polycentric governance, multi-level governance, and network governance.

Specifically, in polycentric governance, bottom-up and top-down activities are critical to the formation and sustainability of any polycentric governance system (McGinnis, 2001). The theory of multi-level

governance mainly comes from the study of European integration, which is an important theory to explain and describe EU's governance. Multi-level governance emphasizes the interaction and interrelated structure between multi-level actors (supranational-state-subnational). The structure of network governance depicts a relatively equal inter-subject relationship. It is characterized by a horizontal, participatory, and process-oriented policy-making model, with equality among subjects.

Second, the defects of the neoliberal governance view of "governance without government". After the neoliberal idea prevailed in the 1980s, the liberal policy of "minimal government" was abandoned due to its character of unpractical and the anti-privatization wave (Williamson, 2009). In its *Human Development Report*, the United Nations also made it clear that the profit-driven actions of market actors are out of control, challenging human ethical standards and sacrificing respect for justice and human rights. Neoliberal governance only admits the rationality of thorough marketization, but denies the rationality of state dominance. Therefore, although it occupies an important place in the discourse system of global governance, neoliberalism suffers setbacks in practice due to its over-idealization. Hence the compromise between "bring the state back in" (Skocpol, Evans, & Rueschemeyer, 1986) and "embedded liberalism" (Ruggie, 1982, p. 393). Kindleberger's "Hegemonic stability theory" (Kindleberger, 1973) thinks that the world needs a great power to act as stabilizer and provide global public goods. Barrett also discussed the provision of public goods, stating that some cooperation only needs the participation of key countries, even just one country to serve as the provider of public goods (Barrett, 2010).

In the dilemma between legality and effectiveness, neoliberalism pursues "justice" at the level of global governance subject in an over one-sided way, resulting in inefficient implementation, and thus, to some extent, damaging the impartiality embedded in the result that "development problems can be solved earlier".

China's Experience in Global Governance

Different from the neoliberal global governance view of most western scholars, China's global governance view lays more emphasis on the leading role of the state in global governance. Domestically, influenced by China's traditional political culture and the institutional path dependence of the socialist market economy, the Chinese government is in a dominant position in most areas of national governance. This institutional path has implications for China's foreign policy. Global governance is part of China's foreign policy, which is initiated and led by the Chinese government. President Xi Jinping has pointed out:

What kind of international order and global governance system is good for the world and the people of all countries should be discussed by the people of all countries. China will actively participate in the building of the global governance system, contribute its wisdom to the improvement of global governance, and work with the people of other countries to make the international order and the global governance system fairer. (Xi, 2016)

That is to say, the global governance under China's plan emphasizes the dominant position of the country in the main body, which is not only out of functions, but also out of the governance efficiency's consideration.

From the perspective of the effectiveness of governance, Oran Young proposed that institutional interaction should also focus on the role of interaction by strengthening functional and political connections (Young, 2008, pp. 3-4). In her book *National Interests in International Society*, Martha Finnemore also illustrates the important role that states play in learning and internalizing international norms (Finnemore, 2017). In terms of efficiency, according to the principle of Pareto optimality, under any circumstance, as long

as at least one participant's welfare can improve without hurting others, this state is inefficient, because it cannot maximize social welfare.

The neoliberal concept of global governance, which advocates complete marketization, leads to the failure of "Pareto Improvement" in today's economic globalization, which is the fundamental reason why anti-globalization trend emerged in recent years (Li, 2017). Ian Bremmer points out that in a world where challenges ranging from global economic stability to climate change governance to preventing cyber-attacks, terrorism, securing food, and water have moved beyond national borders, the need for international cooperation has never been greater; it is convinced that cooperation can only be effective under the leadership of the leader (Bremme, 2013, p. 4). Although there are huge differences between the subjects and scope of national governance and global governance, from the perspective of the principles of efficiency and fairness, "liberal" governance and "authoritative and dominant" governance are two sides of the governance model. At a time when the liberal model of global governance has suffered setbacks, perhaps global governance can draw lessons from China's domestic "authoritative and dominant" governance to promote "authoritative" global governance.

China has made fruitful progress in some areas through government authority in governance. The following is a specific example of poverty alleviation and environmental governance to exemplify how government authority can effectively promote global governance through governance.

Case Study: Poverty Alleviation in China

In the issue of global governance, poverty has always been a fundamental issue of human dignity. According to the World Bank, the poverty rate in sub-Saharan Africa dropped from 54.3 percent in 1990 to 41.1 percent in 2015, but due to rapid population growth, the number of people living in poverty actually increased by about 136 million. Many African people are still struggling under the poverty line. One of the reasons why global poverty governance appears disappointing is that starting in the 1980s, during the Reagan and Thatcher under the influence of new liberalism ideological concept, trying to persuade the world bank in Africa and other poor areas, cut or shut down the government investment or a variety of services provided by the government, trying to separate the government and agriculture, let these poor farmers self-sufficient. The result has been a disaster for Africa, with agricultural productivity falling for decades (Du, 2015).

In contrast, China's poverty alleviation efforts have achieved great results. From 1990 to 2015, China's poverty rate and the number of people living in poverty dropped from 66.6 percent to 0.7 percent, according to the World Bank. China is the first developing country to achieve the poverty reduction goal in the UN millennium development goals and has made great contribution to the world's poverty reduction. In 2005, the World Bank Operations Policy and Country Services suggested that whether a country integrates the poverty reduction strategy into its broader decision-making process and system matters in poverty reduction work of developing countries, and also concluded that it is worth emphasizing to involve conventional mechanism as well as consultation institutions in decision-making and implementation process.

In the process of poverty reduction in China, the leading role of the government cannot be ignored. Firstly, it is reflected in the formulation of a series of poverty alleviation policies. In 1986, the fourth session of the Sixth National People's Congress decided to include poverty alleviation as an important part of the seventh five-year plan. The state council formulated *National Seven-Year Priority Poverty Alleviation Program (from 1994 to 2000)* in 1994, *Rural China's Poverty Reduction Program (from 2001 to 2010)* in 2001, *Rural China's*

Poverty Reduction Program (from 2011 to 2020) in 2011, *Poverty Alleviation Program for the 13th Five-Year Plan* in 2016. Since the reform and opening up, the government has carried out large-scale poverty alleviation activities in a planned and organized way, which has provided a strong policy guarantee for solving the poverty problem in China. Secondly, the central and local governments have invested a lot of money in poverty alleviation. According to a report on Poverty Alleviation Program released by the state council, the central government spent 282.2 billion yuan on poverty alleviation, with an average annual increase of 22.7 percent from 2013 to 2017. A total of 182.5 billion yuan was invested in province-level, as special financial funds for poverty alleviation, with an average annual increase of 26.9 percent. Meanwhile, Chinese government ensured the effectiveness and sustainability of poverty alleviation through project development, social security and lending, rather than simple “relief”. Thirdly, in the process of implementation, the government promotes the implementation of poverty alleviation projects through the administrative organization system to ensure the implementation of funds and policy measures. Then a third party would take care of poverty alleviation work assessment.

According to the United Nations *Millennium Development Goals Report 2015*, China contributes more than 70 percent to global poverty reduction. China is the locomotive of global poverty reduction. “In the past 10 years, China has made the greatest contribution to global poverty reduction”, said the UN secretary general. The field of poverty alleviation witnessed China’s pragmatic program provides successful cases for development assistance in global governance.

Conclusion

The distribution of authority among subjects has become a controversial focus of global governance. The system of global governance under neo-liberalism has suffered setbacks in practice. The success of the Chinese model provides a new way of thinking for the distribution of authority in global governance. From the perspective of the principle of efficiency and fairness, and the governance advantage of “authoritative dominant model” can make up the deficiency of “liberal model”. When the liberal model of global governance has suffered setbacks, perhaps global governance can draw lessons from China’s domestic “authoritative and dominant” governance to promote “authoritative” global governance. However, this does not mean that in global governance, the country has the absolute dominant power, and the consideration of domestic interests is higher than international interests. Positive global governance should be based on the coordination of domestic and international interests. Under the constraints of international norms, “state’s coordination” can play the role of coordinating domestic and foreign politics. Therefore, the establishment of a state-coordinated global governance can give full play to the role of the state and better communicate domestic governance and international governance while ensuring the free action of other subjects. This is also a compromise scheme that takes both fairness and efficiency into consideration. Global governance is not able to idealize the separation of government power in the real world, nor should it succumb to hegemony. This delicate relationship between liberalism and realism needs a balance in global governance. Global governance under state’s coordination will own the efficiency under state’s coordination and the legitimacy for informal actors to actively participate in global governance.

References

Barrett, S. (2010). Why cooperate?: The incentive to supply global public goods. *Oup Catalogue*, 36(11), 156-157.

- Bremme, I. (2013). *Every nation for itself: Winners and losers in a G-zero world? Interpreted by Sun jianzhong*. Retrieved from <http://povertydata.worldbank.org/poverty/region/SSF>
- Du, Y. (2015). China's process in global governance: A case study of China's poverty reduction governance. *International Politics Quarterly*, 48(1), 90-99.
- Entwistle, J., & Cavassini, F. (2005). *Country ownership: What does it really mean? An operational approach to assessing country ownership of poverty reduction strategies*. Retrieved from <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/STRATEGIES/CDF/0>
- Finnemore, M. (2017). National interests in international society. *Cornell Studies in Political Economy*, 73, 214-215.
- Giddens, A. (2002). Runaway world: How globalisation is shaping our lives. *London: Profile Books*, 46(2), 170-176.
- Haas, E. B. (1964). *Beyond the nation state: Functionalism and international organization*. Redwood City, California: Stanford University Press.
- Hooghe, L., & Marks, G. (2002). Types of multi-level governance. *European Integration Online Papers (EIoP)*, 5(11), 32.
- Kelleher, A. (2009). Global governance: From neoliberalism to a planetary civilization. *Social Alternatives*, 28(2), 42-46.
- Kindleberger, C. P. (1973). *The world in depression: 1929-1939*. Oakland, California: University of California Press.
- Kjaer, A. M. (2004). *Governance*. Cambridge: Polity Press.
- Li, B. (2017). The historical and present dimensions of consensus on new global governance. *Social Science in China*, 10, 18-28.
- Mcginis, M. D. (2011). *Costs and challenges of Polycentric governance: An Equilibrium Concept and Examples from U.S. Health Care*. Ssrn Electronic Journal.
- Murphy, C. N. (2000). Global governance: Poorly done and poorly understood. *International Affairs*, 76(4), 789-803.
- Rosenau, J. N. (1999). Toward an ontology for global governance. In M. Hewson & T. Sinclair (Eds.), *Approach to global governance theory* (pp. 295-296). New York: State University of New York Press.
- Rosenau, J. N., & Czempiel, E. O. (1992). *Governance without government: Order and change in world politics*. Cambridge: Cambridge University Press.
- Ruggie, J. G. (1982). International regimes, transactions, and change: Embedded liberalism in the postwar economic order. *International Organization*, 36(2), 379-415.
- Skocpol, T., Evans, P., & Rueschemeyer, D. (1986). Bringing the state back in. *British Journal of Sociology*, 96(4), 976-979.
- The Commission on Global Governance. (1995). *The report of the commission on global governance: Our global neighborhood*. Oxford: Oxford University Press.
- UNDP. (1999). *Human development report 1999: Globalization with a human face*. Retrieved from <http://hdr.undp.org/reports/global/1999/en/>
- Wallerstein, I. (2008). *The Demise of Neoliberal Globalisation*. Retrieved from <https://mronline.org/2008/02/01/2008-the-demise-of-neoliberal-globalization/>
- Weiss, T. G. (2013). *Global governance: Why? What? Whither?* Cambridge: Polity.
- Williamson, J. (2009). A short history of the Washington Consensus. From the Washington Consensus towards a new global governance. *European Journal of Applied Physiology & Occupational Physiology*, 55(2), 162-166.
- Xi, J. P. (2016). The congress to celebrate the 95th anniversary of the founding of the communist party of China has been held in Beijing. *The People's Daily*, 2, July.
- Young, O. R. (2008). *Institutional interplay: Biosafety and trade*. New York: United Nations University Press.