

EVALUATING THE QUALITY OF GLOBAL GOVERNANCE

A theoretical and analytical approach

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ABSTRACT

Global governance, central to international rule making, is rapidly evolving; thus, there is a need for a way to evaluate whether institutions have the capacity to address the problems of the contemporary era. Current methods of evaluating governance quality are closely linked to legitimacy, about which there are competing definitional theories. This article uses a theoretical approach based around 'new' governance and the environmental policy arena to argue that contemporary governance is best understood as social–political interaction built on 'participation as structure' and 'deliberation as process', with the quality of this interaction ultimately determining legitimacy. It presents a new arrangement of the accepted attributes of 'good' governance using a set of principles, criteria and indicators, and relates these to the structures and processes of governance. The implications and application of the analytical framework are also discussed.

SERIES FOREWORD

This working paper was written as part of the Earth System Governance Project, a ten-year research initiative launched in October 2008 by the International Human Dimensions Programme on Global Environmental Change under the overall auspices of the Earth System Science Partnership.

Earth system governance is defined in this Project as the system of formal and informal rules, rule-making mechanisms and actor-networks at all levels of human society (from local to global) that are set up to prevent, mitigate and adapt to environmental change and earth system transformation. The science plan of the Project focusses on five analytical problems: the problems of the overall *architecture* of earth system governance, of *agency* of and beyond the state, of the *adaptiveness* of governance mechanisms and processes, of their *accountability* and legitimacy, and of modes of *allocation and access* in earth system governance. In addition, the Project emphasizes four crosscutting research themes that are crucial for the study of each analytical problem: the role of power, of knowledge, of norms, and of scale. Finally, the Earth System Governance Project advances the integrated analysis of case study domains in which researchers combine analysis of the analytical problems and crosscutting themes. The main case study domains are at present the global water system, global food systems, the global climate system, and the global economic system.

The Earth System Governance Project is designed as the nodal point within the global change research programmes to guide, organize and evaluate research on these questions. The Project is implemented through a Global Alliance of Earth System Governance Research Centres, a network of lead faculty members and research fellows, a global conference series, and various research projects undertaken at multiple levels (see www.earthsystemgovernance.org).

Earth System Governance Working Papers are peer-reviewed online publications that broadly address questions raised by the Project's Science and Implementation Plan. The series is open to all colleagues who seek to contribute to this research agenda, and submissions are welcome at any time at workingpapers@earthsystemgovernance.org. While most members of our network publish their research in the English language, we accept also submissions in other major languages. The Earth System Governance Project does not assume the copyright for working papers, and we expect that most working papers will eventually find their way into scientific journals or become chapters in edited volumes compiled by the Project and its members.

Comments on this working paper, as well as on the other activities of the Earth System Governance Project, are highly welcome. We believe that understanding earth system governance is only feasible through joint effort of colleagues from various backgrounds and from all regions of the world. We look forward to your response.

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1. INTRODUCTION

In recent decades, the need for a broader understanding of state and non-state relations than is explained by traditional top-down, command-control models of state authority, has become clear. The shift in relations is articulated in the concept of governance, identified normatively as a series of ‘co’ arrangements between state and non-state actors, and strongly oriented towards collaborative approaches to problem solving.¹ The ‘co’ arrangements described by Kooiman have led to the development of systems of institutional governance that have been referred to as voluntary, self-regulatory initiatives between civil society, business and the public sector.² However, relations between these parties are not automatically harmonious. Thus, Kooiman’s description is a normative one; that is, there *should* be collaboration, cooperation and coordination, but this does not axiomatically occur. Thus, there have been calls for researchers to look at institutional design in more creative ways,³ and to apply ideas from different traditions.⁴ However, there are problems in developing normative theories of governance.⁵ This article identifies four such problems: conflicts over the classification of the various types of contemporary global governance; inconsistencies within the sub disciplines of political science regarding institutional legitimacy, and whence it is derived; lack of agreement about how the governance arrangements that underpin legitimate institutions (such as accountability and transparency) relate to one another; and lack of a cross-disciplinary method to evaluate the quality of governance. In response to these theoretical challenges, the article presents an analytical framework for solving the ‘problem’ of legitimacy and its relationship to quality of governance, and for determining or evaluating institutional performance.

¹ J. Kooiman, “Findings, Speculations and Recommendations”, in J. Kooiman (ed.) *Modern Governance: New Government Society Interactions* (London: Sage, 1993), pp. 250-251.

² Jennifer Clapp, “Global Environmental Governance for Corporate Responsibility and Accountability”, *Global Environmental Politics*, Vol. 5, No. 3 (2005), pp. 23-34 at p. 25; J. G. Ruggie, “Taking Embedded Liberalism Global: The Corporate Connection”, in D. Held and M. Koenig-Archibugi (eds.), *Taming Globalisation: Frontiers of Governance* (Cambridge: Polity Press, 2003), pp. 93-129, at p. 95.

³ Michael Zürn and Mathias Koenig-Archibugi, “Conclusion II: Modes and Dynamics of Global Governance”, in M. Koenig-Archibugi and M. Zürn (eds.) *New Modes of Governance in the International System: Exploring Publicness, Delegation and Inclusion* (London: Palgrave Macmillan, 2006), pp. 236-254 at p. 251; see also Gerry Stoker, “The Challenge of Urban Governance”, in Jon Pierre (ed.), *Debating Governance: Authority, Steering and Democracy* (Oxford: Oxford University Press, 2000) p. 107.

⁴ J. Kooiman, “Societal Governance: Levels, Models, and Orders of Social-Political Interaction”, in Pierre, *ibid*, pp. 161-162.

⁵ B. Guy Peters, “Governance and Comparative Politics”, in Pierre, *ibid*, pp. 50-51.

2. CLASSIFYING GOVERNANCE: DEFINITIONAL INCONSISTENCIES AND INTEGRATION OF MODELS

Governance has been identified as a system of steering, coordination or control that occurs at various spatial scales. The orthodox international relations (IR) viewpoint is that geopolitical cooperation occurs almost exclusively within the sphere of intergovernmental regimes comprising intergovernmental agreements pursued in the context of state-based authority. On a global level, this view no longer reflects current realities.⁶ There has also been a blurring of previously distinct scholarly boundaries, with the term ‘multilevel governance’ increasingly being used to replace the ‘regime’ concept of rulemaking that was particularly influential in earlier IR theory.⁷ Some scholars point to a fundamental accountability deficit within self-governing networks, due to differences between participating institutions. Such a deficit is experienced both within individual parts of the network, and through the self-interested (rather than public-spirited) nature of their members.⁸ Thus, the devolution of power to decentralised structures in which representative organisations play an important role can actually reduce democracy.⁹ Problems of democracy have also been identified in relation to decision-making mechanisms.¹⁰ In response, it can be argued that democratising global institutions is essentially a question of design.¹¹ Such systems now sit alongside traditional, more legalistic, mechanisms, and are seen as representing a form of new governance.¹² The term ‘new governance’ is itself the subject of various interpretations, but can be broadly understood as ‘a *new* process of

⁶ J. Rosenau, “Change, Complexity and Governance in a Globalising Space”, in J. Pierre (ed.), *Debating Governance: Authority, Steering and Democracy* (Oxford and New York: Oxford University Press, 2000) pp. 167-168.

⁷ Kees van Kersbergen and Frans van Waarden, “‘Governance’ as a Bridge Between Disciplines: Cross-disciplinary Inspiration Regarding Shifts in Governance and Problems of Governability, Accountability and Legitimacy”, *European Journal of Political Research*, Vol. 43 (2004), p. 149.

⁸ Gerry Stoker, “Governance as Theory: Five Propositions”, *International Social Science Journal*, Vol. 50, No. 155 (1998), pp. 17-28, at pp. 23-24.

⁹ Mark E. Warren, “What Can Democratic Participation Mean Today?” *Political Theory*, Vol. 30, No. 5 (2002) pp. 677-701, p. 694.

¹⁰ Kees van Kersbergen and Frans van Waarden, “‘Governance’ as a Bridge Between Disciplines: Cross-disciplinary Inspiration Regarding Shifts in Governance and Problems of Governability, Accountability and Legitimacy”, *European Journal of Political Research*, No. 43 (2004), pp. 143-171, at p. 161.

¹¹ Michael Zürn and Mathias Koenig-Archibugi, “Conclusion II: Modes and Dynamics of Global Governance”, in M. Koenig-Archibugi and M. Zürn (eds.) *New Modes of Governance in the International System: Exploring Publicness, Delegation and Inclusion* (London: Palgrave Macmillan, 2006), pp. 236-254 at p. 251; see also Gerry Stoker, “The Challenge of Urban Governance”, in Jon Pierre (ed.), *Debating Governance: Authority, Steering and Democracy* (Oxford: Oxford University Press, 2000) p. 107.

¹² Daniel Fiorino, “Rethinking Environmental Regulation: Perspectives on Law and Governance”, *The Harvard Environmental Law Review* Vol. 23 No. 2 (1999), pp. 441-469.

governing'.¹³ For example, contemporary environmental governance strongly articulates the trend for interaction between decentralised networks made up of multiple actors functioning at multiple levels.¹⁴ Given the trans-boundary nature of environmental issues, environmental governance is a good example of a policy arena where divergent groups (both state and non-state) are drawn together in a kind of 'vigorous pluralism'.¹⁵

The management of human-induced climate change through the United Nations Framework Convention on Climate Change (UNFCCC) has emerged as a significant example of contemporary governance systems. The Convention, and its associated Protocol, encourages the adoption of market-based, sustainable development initiatives to combat climate change. These initiatives include conventional public and private programs that involve many different interest groups beyond government.¹⁶ The governance of climate change management also favours more socially-oriented forms of political interaction between stakeholders. It shows a preference for network-type institutional arrangements, often decentralised and comprising many different actors. It also functions at multiple levels (international, regional, national and local), and includes NGOs and the corporate sector. These institutional arrangements and participants have ramifications in terms of the character of relationship between government, society and the economy, and the way in which legitimacy has been previously understood.¹⁷

Beyond the recognition that there is something 'new' about contemporary governance, there has been little to hold the discrete definitions together. Thus, a typology that accounts for the various structures and processes through which participants interact is needed.¹⁸ Numerous scholars have risen to this challenge over recent years, resulting in a number of conflicting governance typologies, depending on the discipline and the date of authorship. Over time, as the impacts of the growth of governance have been

¹³ Rod Rhodes, *Understanding Governance: Policy Networks, Governance, Reflexivity and Accountability*. (Buckingham: Open University Press, 1997), p. 48 (emphasis in original).

¹⁴ Peter Haas, "UN Conferences and Constructivist Governance of the Environment", *Global Governance*, Vol. 8, No. 1 (2002), pp. 73-91, at p. 74; P. Glück, J. Rayner and B. Cashore, "Changes in the Governance of Forest Resources", in G. Mery, R. Alfaro, M. Kaninnen, and M. Lobovikov (eds.), *Forests in the Global Balance – Changing Paradigms* (Helsinki: IUFRO, 2005), p. 51.

¹⁵ W. M. Lafferty and J. Meadowcroft, "Democracy and the Environment: Prospects for Greater Congruence", in W. M. Lafferty and J. Meadowcroft (eds.) *Democracy and the Environment: Problems and Prospects* (Cheltenham and Lyme: Edward Elgar, 1996), pp. 256-272, at p. 257.

¹⁶ Liliana B Andonova, Michele M. Betsill and Harriet Bulkeley, "Transnational Climate Governance", *Global Environmental Politics*, Vol. 9, No. 2, (2009), pp. 52-73, at p. 52.

¹⁷ Bulkeley, Harriett, "Climate Policy and Governance: An Editorial Essay", *Wiley Interdisciplinary Reviews: Climate Change*, Vol.1, No. 3, pp. 311-313, at p. 312.

¹⁸ James Rosenau, *Distant Proximities: Dynamics Beyond Globalization*. (Princeton and Oxford: Princeton University Press, 2003), p. 394.

absorbed by previously discrete fields, there has been some convergence of typologies, although differences remain.¹⁹

As a means of organising the literature, attempts have been made to identify and place the major concepts of governance within a broader analytical framework (see Table 1).²⁰ The most concise typology is that of Arts (2006), which efficiently captures the essence of the differences between ‘old’ governance (purely state-centric) and the gradations associated with ‘new’ models (state and/or non-state, non-state and hybrid), while recognising the increasing integration between previously discrete schools of thought.²¹ Although this approach can help to distinguish between different forms of governance, it is essentially one dimensional, and only reinforces the divide between governance types.

Table 1 Three typologies of governance 1997–2006

<i>Public policy</i>	<i>Form</i>	<i>International relations</i>	<i>Form</i>	<i>‘Analytic’ (Arts)</i>	<i>Form</i>
<i>Centralised</i>	Government has control	<i>Top-down</i>	Traditional governmental and inter-governmental relations (including business)	<i>Old</i>	State-steered (top-down, command–control)
<i>Minimal state</i>	Less government, more privatisation	<i>Bottom-up</i>	Informal civil society initiatives	<i>New</i>	New modes (e.g. self-regulation, public–private)
<i>Corporate</i>	Directed and controlled by companies	<i>Market</i>	Multiple players using formal and informal market-based mechanisms	<i>All</i>	New and old mechanisms for procuring public goods (public, private and mixed)

¹⁹ B. Arts, “Non-state Actors in Global Governance: New Arrangements Beyond the State”, in Koenig-Archibugi and Zürn, op. cit., p. 179.

²⁰ M. Koenig-Archibugi, “Introduction: Institutional Diversity in Global Governance”, in Koenig-Archibugi and Zürn, op. cit., pp. 12-15.

²¹ Arts, op. cit., p. 179.

<i>New public management (NPM)</i>	Private sector practices in the public sector	<i>Network</i>	Formal state, civil society, business alliances	<i>Normative</i>	Programmes to renew management (good governance, new public management and corporate governance – public and private)
<i>'Good'</i>	Practices of NPM and liberal democratic values	<i>Side-by-side</i>	Informal cooperative arrangements between state and non-state		
<i>Socio-cybernetic</i>	Social–political interaction	<i>Mobius-web</i>	Intricate, overlapping mixed arrangements ('end-state' of contemporary governance)		
<i>Self-organising networks</i>	Interdependent actors or agencies delivering services				

Sources: Rhodes (1997), Rosenau (2003), Arts (2006)

Since each type of governance confronts – and is affected by – similar globalising forces, it is useful to look at whether the common themes that affect all types of contemporary governance can be used as the basis for a more integrated approach. First, rather than presenting global governance as existing only within rigid definitional sets, it would be better to conceive it as a 'dynamic interplay' between state and non-state actors.²² In addition to a shift in locality away from the nation state to

²² J. G. Ruggie, "Taking Embedded Liberalism Global: The Corporate Connection", in D. Held and M. Koenig-Archibugi (eds.), *Taming Globalisation: Frontiers of Governance* (Cambridge: Polity Press, 2003), p. 95.

multiple sites, the nature of contemporary *authority*, or sovereignty, has changed. The old state-centric exercise of authority and the new power of non-state interests sit on two ends of a continuum.²³

Second, given the changes to the nation state as the sole sphere of authority – regardless of its continuing existence and contribution to global politics – there is an active discussion across the literature about the practice of *democracy* in a globalised world.²⁴ Democracy on a global level occurs in venues of collective action that are becoming increasingly pluralised and community based, and less under the direct organisation of the state.²⁵ Deliberative democracy is particularly relevant, given the lack of formal supranational authority and the preference for partnerships and multistakeholder processes. It also conveniently avoids the ‘conceptual trap of state-centric notions of democracy’.²⁶ Deliberation is contrasted with more traditional, state-centric approaches, where interests are aggregated and compete with each other; these two modes have been characterised as consisting of cooperative versus competitive political interaction.²⁷

Finally, within governance theory itself, the discussion is also about the old and the new, a situation complicated by the many and varied new types of governance.²⁸ In practice, divergent forms of governance appear alongside one another in the global policy arena; for example, older, intergovernmental multilateral agreements exist alongside newer, market-based instruments.²⁹ Consequently, *innovation* provides a useful benchmark against which contemporary governance can be measured.

These three factors – authority, democracy and innovation – are interpreted here as influencing the type of governance expressed in a given institution. In addition, each institution will sit in a particular place along the continuum in relation to each of these factors. This situation can be expressed conceptually through an integrated three-dimensional, Cartesian attribute space (see Figure 1).³⁰ By allocating a simple rating system (e.g. low, medium and high) to the ends of the continuum, it is also possible to

²³ Andrew Jordan, Rüdiger K. W. Wurzel and Anthony Zito, “The Rise of ‘New’ Policy Instruments in Comparative Perspectives: Has Governance Eclipsed Government?” *Political Studies*, Vol. 53 (2005), pp. 492-494.

²⁴ David Held, Anthony G. McGrew, David Goldblatt and Jonathan Perraton, *Global Transformations: Politics, Economics and Culture*. (London: Polity Press, 1999), pp. 447- 449.

²⁵ Michael E Warren, “What Can Democratic Participation Mean Today?” *Political Theory*, Vol. 30, No. 5 (2002), p. 682.

²⁶ Karin Bäckstrand, “Multi-Stakeholder Partnerships for Sustainable Development: Rethinking Legitimacy, Accountability and Effectiveness”, *European Environment*, Vol. 16 (2006), p. 293.

²⁷ Iris Marion Young, *Inclusion and Democracy*. (Oxford: Oxford University Press, 2000), pp. 1-26. See also John Dryzek, *Discursive Democracy*. (Cambridge: Cambridge University Press, 1990) and Patrizia Nanz and Jens Steffek, “Assessing the Democratic Quality of Deliberation in International Governance: Criteria and Research Strategies”, *Acta Politica*, Vol. 40, No. 3 (2005), p. 370.

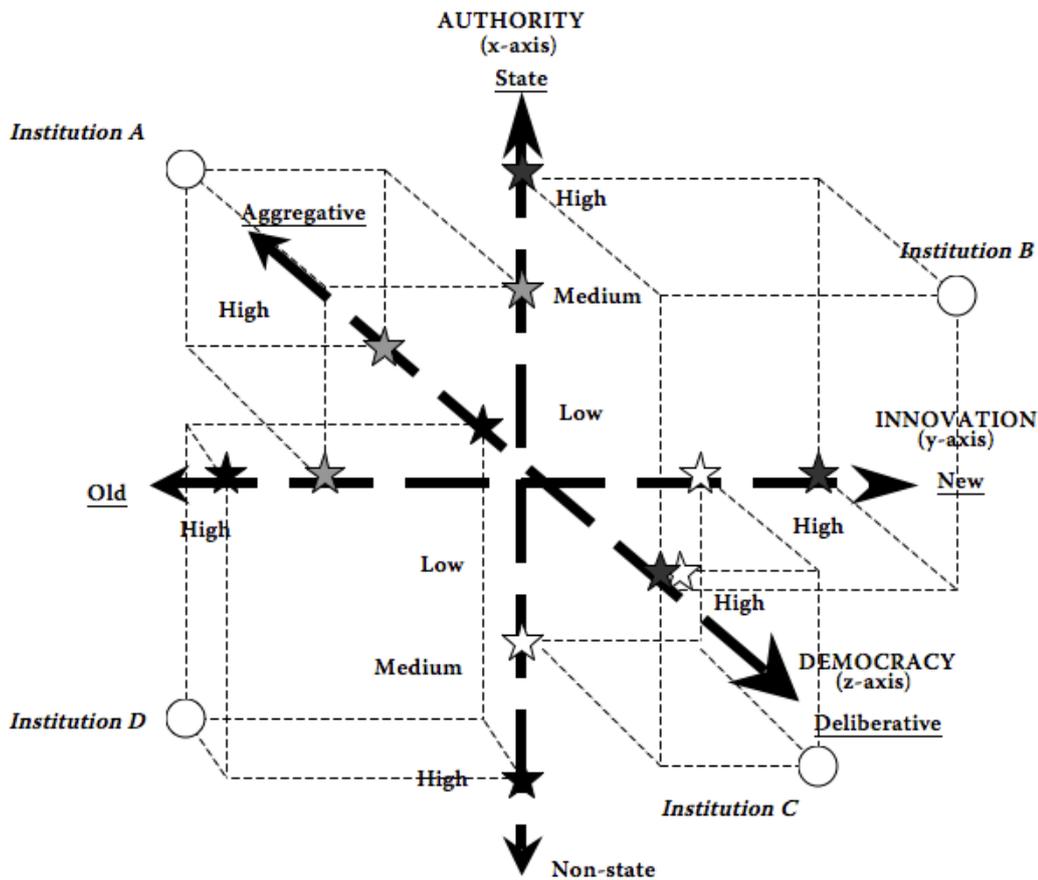
²⁸ Peters, op. cit., pp. 50-51.

²⁹ Jordan, Wurzel and Zito, op. cit., pp. 492-494.

³⁰ William Reuben, “The Role of Civic Engagement and Social Accountability in the Governance Equation”, *Social Development Notes*, Vol. 75 (2003), p. 2.

use empirical data to determine the extent to which the different themes are expressed in an institution, and to then plot the institutions in three dimensions.³¹ This typological approach allows multiple institutions to be located within a single conceptual framework for the purposes of comparative analysis.

Figure 1 Attribute space for the classification of four hypothetical governance institutions



Key

- ★ **Institution A** Authority – state (medium); democracy – aggregative (medium);
- ★ **Institution B** Authority – state (high); democracy – deliberative (medium);
- ☆ **Institution C** Authority – non-state (medium); democracy – deliberative (medium); innovation – new (high)
- ★ **Institution D** Authority – non-state (high); democracy – aggregative (low); innovation – old (high)

Sources: adapted from Koenig-Archibugi (2006), Reuben (2003).

³¹ Koenig-Archibugi, op. cit., pp. 15-16, following P. Lazarsfeld and A. H. Barton, “Qualitative Measurement in the Social Sciences: Classification, Typologies and Indices” in D. Lerner and H.D. Laswell (eds.) *The Policy Sciences* (Stanford: Stanford University Press, 1951), pp. 155-192.

As discussed above, there is considerable variation in the governance systems used by institutions at the global level. The approach to classification presented here provides a way to compare institutions by three of the most significant forces at play on all systems of governance at the global level. Use of the classification may help to determine whether there is a link between these broad institutional factors and quality of governance.

3. QUALITY AND LEGITIMACY OF GOVERNANCE

Governance theory and analysis is increasingly seen as grounded within the normative assumption that a knowledge of structure and process is fundamental to understanding the quality of interactions between participants in contemporary global institutions.³² This emerges relatively early in the material, with a clear distinction made between governing (understood as a process of coordination, steering, influencing or balancing social-political interactions) and governance (interpreted as the structure that emerges in a social-political system as result of interaction).³³ This idea re-emerges in terms of ‘governance as structure’, which is understood as the models used by various institutions (and repeats some of the debates about typologies of governance), and ‘governance as process’, which again refers to the idea of steering or coordinating.³⁴

The interaction between structure and process as a whole could be interpreted as comprising the ‘co’ arrangements referred to above. It relates to participation within an institution’s structure and deliberation via its processes, which together describe the nature of collaboration in ‘new’ governance. It is this interaction that results in substantive outcomes, such as the formulation of criteria or setting of standards.³⁵ Structure, process and substantive outcomes are seen as interrelated components necessary for the solving of problems within contemporary governance.³⁶ Together,

³² Kooiman, “Societal Governance: Levels, Models, and Orders of Social-Political Interaction”, *op. cit.*, p. 163.

³³ Kooiman, “Findings, Speculations and Recommendations”, *op. cit.*, pp. 258-259.

³⁴ Jon Pierre and B. Guy Peters, *Governance, Politics and the State*. (Macmillan Press: Basingstoke and London, 2000), pp. 14-24.

³⁵ Kooiman, “Findings, Speculations and Recommendations”, *op. cit.*, p. 260

³⁶ J. Kooiman, “Social-Political Governance: Introduction” in J. Kooiman (ed.) *Modern Governance: New Government-Society Interactions* (London: Sage, 1993), pp. 1-8 at p. 5. See also Robert Falkner, “Private Environmental Governance and International Relations: Exploring the links”, *Global Environmental Politics*, Vol. 3, No. 2 (2003), pp. 72-87. For a discussion on the interplay between civil society, globalisation, forest management and governance, see also Gordon M. Hickey and John L. Innes, “Monitoring Sustainable Forest Management in Different Jurisdictions”, *Environmental Monitoring and Assessment*, Vol. 108 (2005), pp. 241-260. For a detailed investigation of ‘new’ forest governance, see Glück, Rayner and Cashore, *op. cit.*, pp. 55-64.

they have been identified as the key determinants of ‘governability’, understood as the overall capacity of a system to govern itself.³⁷ Even if the quality of governance is conceived of in these terms, it is still necessary to address the issue of legitimacy, since there is disagreement between governance theorists as to whence legitimacy is derived. Two theories currently dominate – ‘input’ and ‘output’ legitimacy – as outlined below.

Input legitimacy is derived from the consent of those being asked to agree to the rules, and it concerns such procedural issues as the democratic arrangements underpinning a given system.³⁸ An input-oriented perspective implies that the procedures and processes by which a system’s policies are developed result in legitimacy.³⁹ For example, democracy has been identified as an input-oriented, procedural aspect of legitimacy, derived from compliance with rules agreed to by the majority for taking collectively binding decisions.⁴⁰ This analysis has led scholars to look further into input legitimacy, connecting it more specifically to interest representation and accountability and transparency, rather than simply to democracy.⁴¹ This has led to recommendations for more participation and a greater emphasis on processes of deliberation in governance systems.⁴² Interestingly, it is also noted that: ‘regimes with a generally inclusive access and participation profile tend to be more effective than regimes with a more exclusive profile’.⁴³ On a global level, this leads to the conclusion that the network-like nature of contemporary governance allows for the participation of multiple actors, whose interactions can deliver better coordination and performance than traditional models.⁴⁴

Output legitimacy is derived from the efficiency of rules, or criteria for ‘good’ governance, and demonstrated by substantive outcomes.⁴⁵ In contrast to input legitimacy, the implication is that ‘a political system and specific policies are legitimated by their success’.⁴⁶ This view argues that increasing input legitimacy by expanding interest representation and deliberation can increase costs, and thus has an impact on efficiency (output legitimacy).⁴⁷ The comparative politics and public

³⁷ Kooiman, “Findings, Speculations and Recommendations”, *op. cit.*, p. 259.

³⁸ Kjaer, *Governance*, p. 12, citing Fritz W. Scharpf, *Games Real Actors Play. Actor-Centered Institutionalism in Policy Research*. (Boulder CO: Westview Press, 1997), p. 153.

³⁹ Kees Van Kersbergen, and Frans Van Waarden, “‘Governance’ as a Bridge Between Disciplines: Cross-disciplinary Inspiration Regarding Shifts in Governance and Problems of Governability, Accountability and Legitimacy”, *European Journal of Political Research*, Vol. 43 (2004), p. 158.

⁴⁰ Kjaer, *op. cit.*, p. 12.

⁴¹ Bäckstrand, *op. cit.*, pp. 292-293.

⁴² Kjaer, *op. cit.*, pp. 13-14 and p. 191.

⁴³ Jørgen Wettestad, “Designing Effective Environmental Regimes: The Conditional Keys” *Global Governance*, Vol. 7, No. 3 (2001), p. 320.

⁴⁴ Peter Haas, “Addressing the Global Governance Deficit”, *Global Environmental Politics*, Vol. 4, No. 4 (2004), pp. 1-15, at p. 1.

⁴⁵ Kjaer, *op. cit.*, p. 12.

⁴⁶ Van Kersbergen and van Waarden, “‘Governance’ as a Bridge Between Disciplines”, p. 158.

⁴⁷ Stijn Smismans, *Law, Legitimacy, and European Governance: Functional Participation in Social Regulation*. (Oxford: Oxford University Press, 2004), pp. 459-460.

administration literature, in particular, tends to look at legitimacy in terms of the quality – often synonymous with both the efficiency and effectiveness – of a given system.⁴⁸ In this view, quality is derived from the substantive outputs of a given system (e.g. standards).⁴⁹ This is typified for example within the World Bank, which has adopted a criteria-based approach, insisting on the need for particular elements of ‘good’ governance as a basis for lending.⁵⁰ Output legitimacy, while still being still linked to effectiveness, is now being analysed in terms of problem-solving capacity.⁵¹ There has also been a real-time shift in institutional thinking towards increasing efforts aimed at changing behaviour among actors; although this may not solve a problem, it nevertheless allows for the consideration of side effects as well as intentional results. This is essentially an analytical distinction between outputs (agreements) and outcomes (behaviour change). Emphasis is placed on examining the causal mechanisms – particularly the nature of participation – by which regimes affect the behaviour of both state and non-state actors.⁵²

Both input and output legitimacy theory establish a relationship between the effectiveness of a given institution and the range of commonly identified governance arrangements that underpin that institution. Which of these perspectives appears to be most significant depends largely on the critical theory adopted.⁵³ However, due to the globalising forces at play and the effects of international events on state affairs (and vice-versa), there is also a general increase in the crossover between disciplines.⁵⁴ Whatever the scholarly perspective, structure, process, outputs and outcomes are interrelated, and may be conveniently married to both input and output legitimacy, since input legitimacy concerns itself with the structures and processes of governance, while output legitimacy is more interested in outputs and outcomes.

Legitimacy can be determined according to the principles of democracy on one hand and of efficiency and effectiveness on the other. Recognising the social–political nature of contemporary governance emphasised in the literature, it is also necessary to

⁴⁸ See for example Conor O’Dwyer and Daniel Ziblatt, “Does Decentralisation Make Government More Efficient and Effective?” *Commonwealth & Comparative Politics*, Vol. 44, No. 3 (2006), pp. 326-343, Fara Azmat, “Good Governance and Market-based Reforms: a Study of Bangladesh”, *International Review of Administrative Sciences*, Vol. 71, No. 4 (2005), pp. 625-638, Mateus Tomsic and Urban Vehovar, “Kakovost Vladanja v Starih in Novih Clanicah Evropske Unije” (The Quality of Governance in Old and New EU Member-States), *Teorija in Praksa*, Vol. 43, Nos. 3-4 (2006), pp. 386-405.

⁴⁹ Kooiman, “Findings, Speculations and Recommendations”, *op. cit.*, pp. 259-260.

⁵⁰ Kjaer, *op. cit.*, pp. 172-187.

⁵¹ Bäckstrand, *op. cit.*, pp. 292-293.

⁵² O. R. Young, “Hitting the Mark: Why are Some Environmental Agreements More Effective Than Others?” *Environment*, Vol. 20 (1999), reproduced in Durwood Zaelke, Donald Kainaru and Eva Kružiková (eds.), *Making Law Work: Environmental Compliance & Sustainable Development* (London: Cameron May, 2005), volume 1, pp. 189-191.

⁵³ Koenig-Archibugi, *op. cit.*, pp. 7-13.

⁵⁴ Kjaer, *op. cit.*, pp. 3-5.

conceive of legitimacy in sociological terms.⁵⁵ Quality of governance in this broader context should be understood as the social–political interactions between structure, process and outcomes; the more these elements are balanced, the more the system is governable.⁵⁶ Bearing this in mind, this interrelationship can be expressed figuratively (see Figure 2).

Figure 2 Conceptual model of contemporary global governance

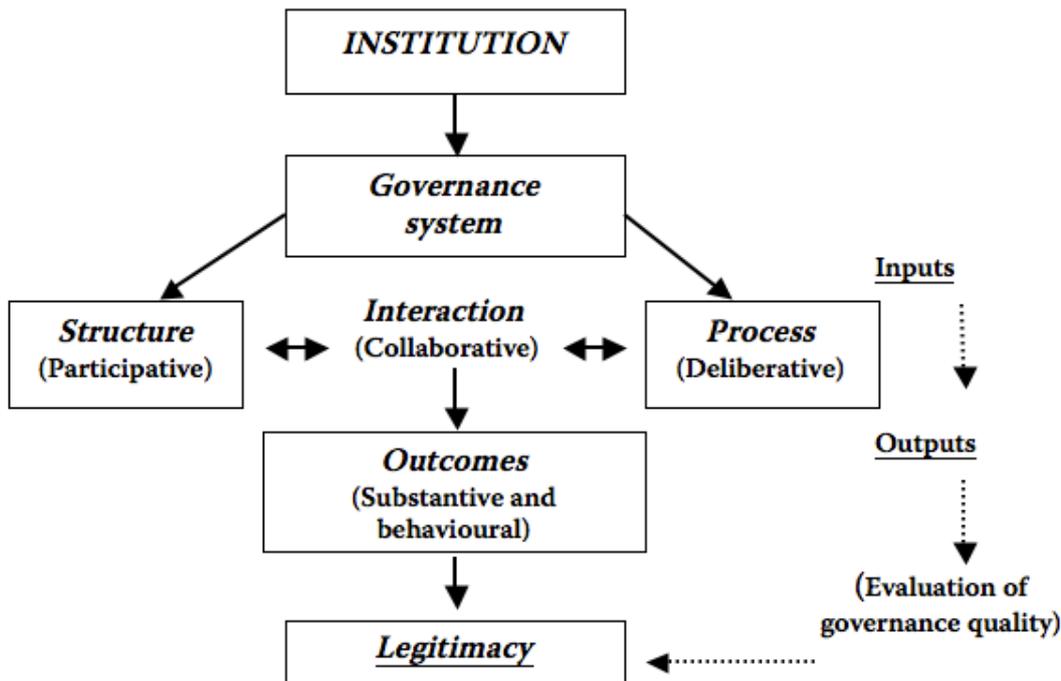


Figure 2 is a reconciling model for two previously discrete schools of thought – ‘the means justify the ends’ (input legitimacy) and ‘the ends justify the means’ (output legitimacy). Achieving legitimacy requires both the means and the ends. For example, if deliberations with stakeholders are highly meaningful, open and transparent, but constitute little more than a talk fest or generate only motherhood statements, the governance system is not legitimate because it delivers no substantive agreements or longer term change (or solution to the problem at hand). Conversely, if a select few engage in highly productive deliberations among themselves, with other participants deliberately or accidentally overlooked, and unaware of what decisions are being made and for whose benefit, the legitimacy failings are those of due process. In such a case, the chances for changing stakeholder behaviour and solving the problem at hand are greatly reduced, because there is no universal ownership of the outcomes generated.

⁵⁵ S. Bernstein and B. Cashore, “Nonstate Global Governance: Is Forest Certification a Legitimate Alternative to a Global Forest Convention?” in J. J. Kirton and M. J. Treiblock (eds.), *Hard Choices, Soft Law: Combining Trade, Environment, and Social Cohesion in Global Governance* (Aldershot: Ashgate Press, 2004), p. 41.

⁵⁶ J. Kooiman, “Societal Governance: Levels, Models, and Orders of Social-Political Interaction” op. cit., p. 159.

4. EVALUATING GOVERNANCE QUALITY

Once the relationship between structure, process and outcomes is understood, two main barriers to the development of a method for evaluating quality of governance remain. First, although many scholars have commented at length on the various attributes of ‘good’ governance, they have generally failed to examine the nature of the relationship between those arrangements as a whole. Instead, they have tended to focus on individual attributes (the most notable being accountability), or groups of attributes according to particular areas of policy or institutional focus. Various attempts have been made to reconcile the differences between schemes, by developing frameworks and thresholds to assess the legitimacy of competing systems; however, these have yet to gain universal acceptance.⁵⁷ Governance scholars have also inadvertently contributed to the problem by making use of various sets of criteria in their evaluations of quality of governance.⁵⁸ Second, the published literature is contradictory as to the relationship between the various governance arrangements within institutions. For example, ‘criteria’ and ‘indicators’ are used interchangeably as terms relating to quality of governance.⁵⁹ As a consequence of these two problems, there is at present no simple assessment template for evaluating governance quality. This section looks at these problems and offers analytical tools to address them.

The term ‘governance arrangement’ is used to refer to a range of specific mechanisms that influence the nature of the interaction between the participants in collective-action solutions.⁶⁰ These institutional arrangements – interest representation, accountability and transparency, decision making, and implementation – identified across the fields of governance theory, affect the quality of governance, and are discussed in the four sections below.

Interest representation: inclusiveness, equality and resources

Interest representation is a major challenge in contemporary global governance.⁶¹ The inclusion, or inclusiveness, of stakeholders, is generally associated with interest representation, and is seen as a crucial dimension underlying institutional variation at a global level.⁶² This has led to a recognition that the increased complexities of

⁵⁷ David Humphreys, *Log Jam: Deforestation and the Crisis of Global Governance*. (London: Earthscan, 2006), p. 136. Humphreys is referring to forest management certification.

⁵⁸ This issue is discussed by Humphreys, *Log Jam*, p. 135, citing F. Gale, “Caveat Certificatum: The Case of Forest Certification”, in Thomas Princen, Michael Maniates and Ken Conca (eds.), *Confronting Consumption* (Cambridge MA: MIT Press, 2002), p. 288.

⁵⁹ Nanz and Steffek, *op. cit.*, at p. 370.

⁶⁰ Koenig-Archibugi, *op. cit.*, Footnote 13, p. 24.

⁶¹ J. E. Stiglitz, “Globalization and Development”, in D. Held and M. Koenig-Archibugi, *op. cit.*, p. 61.

⁶² Koenig-Archibugi, *op. cit.*, p. 13.

governance brought about by globalisation call for a reinvention of interest representation in post-modern public administration.⁶³ The European Commission, for example, identifies inclusiveness as a principle of ‘good’ governance.⁶⁴ Inclusiveness has been broken down into two constituent parts: *access* and *weight*.⁶⁵ Access denotes the number of actors bounded or affected by a given policy, and the extent to which they actively participate in developing its content. Weight refers to the extent to which influence is (equally) distributed among the active participants. Thus, inclusiveness depends on the degree of access and weight a potential participant might have.⁶⁶ Governance has been described as being inclusive when those affected by regulation are involved in associated decision-making processes, and those affected by a given rule are both formally and informally listened to.⁶⁷ Systems of interest representation are most inclusive when they encourage involvement of a wide range of previously marginalised groups and perspectives.⁶⁸ Effective interest representation in global governance requires significant resources, which are generally only available to well-endowed organisations residing in the more privileged parts of the world. However, lack of resources can be offset when associations collaborate; in this regard at least, networks have been identified as having the potential to be beneficial. If the problem of how networks are themselves resourced can be overcome, networks can have a positive effect on global governance.⁶⁹ Scholars further point to the need for economic–technical capacity (i.e. money and expertise), and to institutional support as a structural framework condition for organisations seeking to develop effective policy within decision-making processes that include both public and private actors.⁷⁰

Accountability and transparency

Accountability has become a central aspect of the debate about the quality of governance, because the rise of new actors and institutions has made it necessary to reconfigure existing mechanisms for holding participants to account within a democracy.⁷¹ Accountability is seen as both an internal and external requirement of

⁶³ Rhodes, *op. cit.*, p. 198.

⁶⁴ Smismans, *op. cit.*, p. 26.

⁶⁵ Koenig-Archibugi, *op. cit.*, p. 14.

⁶⁶ Koenig-Archibugi, *ibid.*, pp. 14-15.

⁶⁷ Koenig-Archibugi, *ibid.*, p. 15, citing M. Zürn and J. Neyer, “Conclusions – the Conditions of Compliance”, in M. Zürn and C. Joerges (eds.) *Law and Governance in Post-National Europe: Compliance Beyond the Nation State* (Cambridge University Press: Cambridge), 2005 p. 199.

⁶⁸ Young, *Inclusion and Democracy*, p. 8.

⁶⁹ J. A. Scholte, “Civil Society and Democratically Accountable Global Governance”, *Government and Opposition*, Vol. 39, No. 2, pp. 223-225.

⁷⁰ Michael Mason, *Environmental Democracy*. (New York: St Martin’s Press, 1999), pp. 72-73. See also M. Jänicke, “Conditions for Environmental Policy Success: An International Comparison”, *The Environmentalist*, Vol. 12 (1992), pp. 47-58, “Democracy as a Condition for Environmental Policy Success: the Importance of Non-institutional Factors”, in W. M. Lafferty and J. Meadowcroft (eds.) *Democracy and the Environment: Problems and Prospects*, *op. cit.*, pp. 71-85; “The Political System’s Capacity for Environmental Policy”, in M. Jänicke and H. Weidner (eds.) *Successful Environmental Policy: A Critical Evaluation* (Springer: Berlin, 1997).

⁷¹ Held, Goldblatt and Perraton, *op.cit.*, p. 447.

good governance.⁷² A better meshing together of internal and external accountability measures is needed, posing a number of unresolved normative questions.⁷³ Some scholars see defining what constitutes a robust accountability system as a major problem facing advocates of new governance, and have problems envisaging any serious contenders to the state as a source of democratic accountability.⁷⁴ Consequently, there have been calls for properly adapted principles of accountability to satisfy normative democratic criteria, because world politics generally lack universally accepted values and institutions.⁷⁵ Other commentators recommend a standards-based approach for global institutions of governance as a solution to demonstrating accountability.⁷⁶ Greater freedom of information might compensate for the remoteness of global processes from democratic accountability.⁷⁷ In this context, the external accountability of decision makers is to the public at large; it is linked to what appears as a related attribute, *transparency*, expressed in terms of public access to information and decision-making procedures.⁷⁸ Transparency is important both in the participation of interests from the inception of a governance system or policy process (*ex ante*), and in the public scrutiny of decision making (*ex post*).⁷⁹ It is effectively a precondition for effective accountability, since it is impossible to hold an institution to account if its regulatory operations are not open to public view.⁸⁰ Formal structures and clearly defined rules are required for each level, otherwise transparency can be lost, and policy making predetermined.⁸¹ In short, how the responsibility of participating actors should be addressed in non-state, non-elected structures continues to be the subject of some debate.⁸²

Decision making

As governance continues to develop at a global level, procedural arrangements are increasingly likely to be based on commonly agreed rules and practices.⁸³ Governance itself is increasingly multilevel, undermining traditional concepts of community and

⁷² Rosenau, "Change, Complexity and Governance in a Globalising Space", in Pierre, op. cit., p. 193.

⁷³ R. O Keohane, "Global Governance and Democratic Accountability", in Held and Koenig-Archibugi, op. cit., p. 137.

⁷⁴ Pierre and Peters, op. cit., pp. 195-196.

⁷⁵ Keohane, op. cit., pp. 132-133.

⁷⁶ A. Kölliker, "Conclusion 1: Governance and Public Goods Theory", in Koenig-Archibugi, and Zürn, op. cit., p. 208.

⁷⁷ Stiglitz, op. cit., at p. 63.

⁷⁸ D. Kerwer, "Governing Financial Markets by International Standards", in Koenig-Archibugi, and Zürn, op. cit., p. 83.

⁷⁹ Smismans, op. cit., p. 22.

⁸⁰ Scholte, op. cit., pp. 211-233.

⁸¹ Gerald Berger, "Reflections on Governance: Power Relations and Policy Making in Regional Sustainable Development", *Journal of Environmental Policy and Planning*, Vol. 5, No. 3 (2003), pp. 224-225.

⁸² Mark Callanan, "Institutionalizing Participation and Governance? New Participative Structures in Local Government in Ireland", *Public Administration*, Vol. 83, No. 4 (2005), pp. 910-911.

⁸³ Keohane, op. cit., p. 139.

representation, and generating a form of decision making that occurs in forums that add a more deliberative procedural style to their democratic expression, as indicated above.⁸⁴ Current intergovernmental systems are seen as lacking the necessary processes to cope with greater degrees of non-state participation.⁸⁵ This has led to the conclusion that, unless institutional arrangements are changed in favour of more productive interaction built around consensus, global environmental negotiations will continue to produce inadequate results.⁸⁶ Such ‘processes of discursive consensus formation’ would be along the lines of the theories of Habermas.⁸⁷ Scholars of the European Union (EU) regime have examined whether decision making is more effective when it operates on a consensual or on a majority basis.⁸⁸ Anecdotal case studies of environmental processes, echoing those of their EU counterparts in the United States, indicate that agreement is often reached by consensus (understood as total agreement) during the working stages of negotiation, reverting to a majority vote at the end.⁸⁹ However, commentators critical of current policymaking have noted an almost obsessive trend to consensus within new modes of regulatory governance.⁹⁰ Criticisms include the definitional inconsistencies of consensus, which can be defined as unanimity, or as a decision everyone can live with.⁹¹

Policy-making, implementation and enforcement inevitably involve conflict among interested parties.⁹² When conflict occurs within negotiations, or as a result of complaints over procedure, several sources identify the need for dispute-resolution mechanisms.⁹³ The inability to resolve conflicts has been identified as a key indicator

⁸⁴ D. Held, “Executive to Cosmopolitan Multilateralism”, in Held and Koenig-Archibugi op. cit., pp. 174-177.

⁸⁵ Lawrence Susskind, *Environmental Diplomacy: Negotiating More Effective Global Agreements*. (New York and Oxford: Oxford University Press, 2004), p. 61; Ivana Zovko, “International Law-Making for the Environment: A Question of Effectiveness”, in Marko Berglund (ed.) *International Environmental Law-making and Diplomacy Review 2005* (Joensuu: University of Joensuu Department of Law, 2006), p. 128, citing Robert Churchill and Geir Ulfstein, “Autonomous Institutional Arrangements in Multilateral Environmental Agreements: A Little noticed Phenomenon in International Law”, *American Journal of International Environmental Law*, Vol. 94 (2000), p. 623.

⁸⁶ Susskind, op. cit., p. 7.

⁸⁷ Meadowcroft and Lafferty, op. cit., p. 257.

⁸⁸ Wettestad, op. cit., pp. 318-331.

⁸⁹ James E. Crowfoot and Julia M. Wondolleck, *Environmental Disputes: Community Involvement in Conflict Resolution*. (Washington and Clovello: Island Press, 1990), p. 261.

⁹⁰ Cary Coglianese, *Is Consensus an Appropriate Basis for Regulatory Policy?* (Cambridge MA: Harvard University Press, 2000).

⁹¹ Coglianese, op. cit., pp. 4-6.

⁹² Lisa Blomgren Bingham, Rosemary O’Leary and Tina Nabatchi, “Legal Frameworks for the New Governance: Processes for Citizen Participation in the Work of Government”, *National Civic Review*, Vol. 94, No. 1 (2005), pp. 54-56.

⁹³ Van Vliet, op. cit., p. 111; Errol Meidinger, “The Administrative Law of Global Private-public Regulation: The Case of Forestry”, *The European Journal of International Law*, Vol. 17, No. 1 (2006), pp. 47-87 and pp. 25-27; Elinor Ostrom, *Governing the Commons: the Evolution of Institutions for Collective Action*. (Cambridge: Cambridge University Press, 1990), p. 90.

of governance failure.⁹⁴ Interestingly, environmental governance is an area that makes some of the most extensive use of these processes.⁹⁵ In cases of environmental dispute resolution, consensus developed through mediation can bring separate interests closer together.⁹⁶ Such an approach would again consist of ‘discursive procedures’ for settling disputes through cooperative problem solving.⁹⁷ Conflict should therefore not be seen as a negative aspect of governance.⁹⁸ Provided it does not encompass irreconcilable issues (e.g. matters of religion or ideology), conflict can be managed, even if it is ongoing. Indeed, ‘muddling through’ a particular conflict may even set the stage for the next round of engagement and negotiation.⁹⁹

Implementation

To determine whether a given policy objective has been implemented effectively, it is necessary to trace the final effects of the policy and its related programmes.¹⁰⁰ EU scholars stress the relationship between implementation and compliance.¹⁰¹ Implementation is ‘the process of putting ... commitments into practice’;¹⁰² whereas compliance is ‘a state of conformity’ between a specified rule and an affected party’s behaviour.¹⁰³ In this context, effectiveness is presented as a measure of the extent to which a policy has been successful in solving the problem it was created to address.¹⁰⁴ Compliance is consequently seen as a proxy for effectiveness.¹⁰⁵ Thus, successful implementation relates to the effectiveness of both behaviour and problem solving.¹⁰⁶

⁹⁴ Stoker, op. cit., pp. 100-105.

⁹⁵ Bingham, O’Leary and Nabatchi, op. cit., pp. 54-56.

⁹⁶ Van Vliet, op. cit., pp. 107-108.

⁹⁷ John Dryzek, *The Politics of the Earth: Environmental Discourses*. (New York: Oxford University Press, 1990), p. 200.

⁹⁸ Stoker, op. cit, p. 105, citing Albert Hirschman, “Social Conflicts as Pillars of Democratic Market Societies”, *A Propensity to Self-Subversion* (Cambridge MA: Harvard University press, 1995).

⁹⁹ *Ibid.*, p. 105.

¹⁰⁰ Pierre and Peters, op. cit., p. 31.

¹⁰¹ Ellen Mastebroek, “EU Compliance: Still a ‘Black Hole’?” *Journal of European Public Policy*, Vol. 12, No. 6 (2005), pp. 1103-1120.

¹⁰² Zaelke, Durwood and Kružíková, op. cit., p. 22, citing O. R. Young and M. A. Levy, “The Effectiveness of International Environmental regimes”, in O. R. Young (ed) *The Effectiveness of International Environmental Regimes: Causal Connections and Behavioural Mechanisms* (Cambridge MA: MIT Press, 1999), pp. 3-4.

¹⁰³ *Ibid.*, p. 22, citing K. Raustiala and A-M. Slaughter, “International Law, International Relations and Compliance”, in W. Carlsnaes (ed.) *Handbook of International Relations* (London: Sage, 2002), p. 539 (2002).

¹⁰⁴ *Ibid.*, p. 22.

¹⁰⁵ *Ibid.*, p. 23, citing R. B. Mitchell, “Compliance Theory: An Overview” in James Cameron, Jacob Werksman and Peter Roderick (eds.) *Improving Compliance with International Environmental Law* (London: Earthscan, 1996), p. 25.

¹⁰⁶ Jon Birger Skjærseth, Olav Schram Stokke and Jørgen Wettestad, “Soft Law, Hard Law, and Effective Implementation”, *Global Environmental Politics*, Vol. 6, No. 3 (2006), p. 105, footnote 11, following Arild Underdal, “The Concept of Regime Effectiveness”, *Cooperation and Conflict*, Vol. 27 (1992), pp. 227-240.

The importance of problem solving as an aspect of institutional governance has led one scholar to note that, ‘an environmental regime is successful when it solves the problem that led to its creation’, although this should not be overstated.¹⁰⁷ Notably, it is argued, an institutional approach to problem solving that incorporates a degree of flexibility results in governance systems that are more resilient in the face of external change, and may even benefit from it. Non-resilient systems on the other hand are vulnerable to change.¹⁰⁸

5. HIERARCHY OF RELATIONSHIPS BETWEEN GOVERNANCE ARRANGEMENTS

To clarify the nature of the relationship between the various governance arrangements discussed above, a consistent hierarchical framework of principle, criterion and indicator (PC&I) for the determination of governance quality is presented in Table 2. The framework acknowledges existing practices in the field of environmental governance, which is one of the best examples of the emergence of new modes of governance in response to globalisation.¹⁰⁹ Environmental governance, understood as ‘the coordination of interdependent social relations in the mitigation of environmental disruptions’ most clearly reflects the involvement of civil society and private industry, as well as the state, in the development of regulatory regimes.¹¹⁰ Some of the most extensive and innovative experiments in new governance have been identified in the forest sector, particularly in forest certification.^{111,112} Thus, forest governance is a

¹⁰⁷ Young, *op. cit.*, p. 189.

¹⁰⁸ Carl Folke, Thomas Hahn, Per Olsson and Jon Norberg, “Adaptive Governance of Social-Ecological Systems”, *Annual Review of Environment and Resources*, Vol. 30 (2005), pp. 463-464.

¹⁰⁹ Arts, *op. cit.*, p. 178.

¹¹⁰ Norah A. Mackendrick, “The Role of the State in Voluntary Environmental Reform: A Case Study of Public Land”, *Policy Sciences*, Vol. 38 (2005), p. 22.

¹¹¹ This approach is adapted from Erik M. Lammerts van Bueren and Esther M. Blom, *Hierarchical Framework For The Formulation Of Sustainable Forest Management Standards*. (Leiden: The Tropenbos Foundation, 1997) pp. 5-9.

¹¹² Glück, Rayner and Cashore, *op. cit.*, pp. 55-64. See also Timothy Cadman *Quality and Legitimacy of Global Governance: Case Lessons from Forestry*. (Houndmills: Palgrave Macmillan, 2011). The volume is a theoretical and evaluative study of the quality of global governance, explored through case studies addressing forest management in the global environmental policy domain: the Forest Stewardship Council, the ISO 14000 Series (Environmental Management Systems), the Programme for the Endorsement of Forest Certification, and the United Nations Forum on Forests. The research concludes that the more deliberative the model of democratic interaction the better the systems’ quality of governance and by extension, the more legitimate the institution.

useful lens through which to scrutinise ‘the increasing tendency for collaboration in many sectors where political and economic trade-offs also exist’.¹¹³

Placing attributes of governance quality within a hierarchical framework helps to ensure that they are located at the right level, and thus allow for a top-down analysis of principles via criteria and subsequently to indicators. In this context, consistency relates to the correct location within the framework; elements must be placed at the appropriate level, not overlap or duplicate elements at another level, and be linked back to the appropriate parameter at a higher level.¹¹⁴ By linking this framework to the attribute space in Figure 1, it becomes possible not only to classify different institutional types, but also to determine whether quality is affected by type.

Table 2 Hierarchical framework for the assessment of governance quality

<u>Principle</u>	<i>Criterion</i>	Indicator
<u>Meaningful participation</u>	<i>Interest representation</i>	Inclusiveness
		Equality
		Resources
	<i>Organisational responsibility</i>	Accountability
		Transparency
<u>Productive deliberation</u>	<i>Decision making</i>	Democracy
		Agreement
		Dispute settlement
	<i>Implementation</i>	Behavioural change
		Problem solving
		Durability

Given the argument advanced here that the overall quality of a governance system relates to the interaction between structure, process and outcomes, the elements described in Table 2 constitute the basis for a set of related principles. In this context, a principle is defined as a fundamental rule, which serves as a basis for ascertaining the

¹¹³ Christine Overdevest, “Codes of Conduct and Standard Setting in the Forest Sector: Constructing Markets for democracy?” *Relations Industrielles/Industrial Relations*, Vol. 59, No. 1 (2004), pp. 172-197 at p. 192.

¹¹⁴ Lammerts van Beuren and Blom, op. cit., pp. 5-9.

function of the total system in respect to explicit elements of governance. A principle can also express a certain perspective about a specific aspect of the system as it interacts with the overall governance system.¹¹⁵

Figure 2 identified two principles – ‘participation as structure’ and ‘deliberation as process’ – that contribute to the substantive outcomes, or products, of the system. The analysis that follows looks at the governance arrangements discussed above in terms of their relationship to either structure or process. In relation to participation as the fundamental structural aspect of governance the perspective or attitude adopted is that participation should be *meaningful*. In the literature, this term is frequently associated with participation, and it serves here as a normative, qualitative descriptor.¹¹⁶ In relation to the deliberative, procedural, aspects of governance, the term *productive* is used as the descriptor.¹¹⁷ Democratic legitimacy assumes that procedures and other participatory inputs are of primary significance. Use of the term productive is more than a statement about democratic legitimacy, because it refers to both the quality of deliberations as they occur within the system, and the quality of the outcomes or products of those deliberations. This specific analytical approach is discussed further in the context of Figure 3.

Criteria are parameters that function at the level below principles, and demonstrate compliance with the principles in relation to specific aspects or states of the system. They are intended to facilitate the assessment of principles that would otherwise be ideational and non-measurable.¹¹⁸ A criterion can also be described as ‘a category of conditions or processes’ against which a system can be assessed.¹¹⁹ Usually, criteria cannot be measured directly; however, they are formulated in such a way that it is possible to determine degree of compliance.¹²⁰ Criteria are linked to indicators, which are hierarchically lower, represent quantitative or qualitative parameters, and describe conditions indicative of the state of the governance system as they relate to the relevant criterion.¹²¹ Thus, any discussion about the criteria associated with the principles of meaningful participation and productive deliberation occurs simultaneously with their associated indicators.

¹¹⁵ Lammerts van Beuren and Blom, *ibid*, p. 34.

¹¹⁶ This term first appears in the United Nations Declaration on the Right to Development, adopted by General Assembly resolution 41/128 of 4 December 1986 (John Gaventa, “Making Rights Real: Exploring Citizenship, Participation and Accountability”, *Journal of International Development Studies*, Vol. 33 No. 2 (2002), pp. 1-11.

¹¹⁷ See for example John Dryzek and Valerie Braithwaite, “On the Prospects for Democratic Deliberation: Values Analysis Applied to Australian Politics” *Political Psychology*, Vol. 21, No. 2 (2002), pp. 241-266.

¹¹⁸ Lammerts van Beuren and Blom, *op. cit.*, p. 20.

¹¹⁹ Montréal Process, *Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forest Ecosystems* (Unknown location: Montréal Process, 1999), second edition, p. 5.

¹²⁰ Lammerts van Beuren and Blom, *op. cit.*, pp. 22 and 34.

¹²¹ Lammerts van Beuren and Blom, *op. cit.*, p. 22.

In the framework presented here, the structural principle of meaningful participation is demonstrated through two criteria – *interest representation* and *organisational responsibility*. The representation of interests within a governance system is a fundamental aspect of participation. In the discussion above, interest representation is linked to three elements of governance that function on the indicator level: *inclusiveness*, demonstrating who participates in a governance system; *equality*, indicating the nature of the relationship between participants; and *resources*, referring to the economic, technical or institutional capacity of a participant to represent their interests within the system. Organisational responsibility comprises two indicators: *accountability* and *transparency*. These are usually treated together in the literature, and refer to the extent to which the behaviour of participating organisations can be called to account both inside the institution and externally by the public at large, as well as being visible, or open, to scrutiny by other actors within the institution and beyond.

The procedural principle of productive deliberation is demonstrated through two criteria: *decision making* and *implementation*. Three indicators are linked to decision making: *democracy*, referring to the extent to which a system can be deemed to be functioning democratically; *agreement*, referring to the presence of collective decision-making arrangements, such as voting or consensus; and *dispute settlement*, indicating the system's capacity to manage conflict when there is no agreement, or when there are challenges to decisions made. Three indicators are linked to implementation: *behaviour change*, used to determine whether the implementation of agreements, or substantive outcomes results in changed behaviour in relation to the problem that the system was created to address; *problem solving*, referring to the extent to which the system has solved the problem it was created to address; and *durability*, capturing the two related elements of adaptability and flexibility, as well as longevity.

Institutional relationship between governance arrangements

The PC&I method of evaluation suggested here has its critics. Indicators, in particular, have been labelled a 'pathological corruption of the reductionist approach' based on 'voodoo science'.¹²² This has led to the conclusion that indicators are best used in a controlled manner to account for the critical dimensions of a system, and only in conjunction with other simultaneous views.¹²³ In light of these observations, a second tool, designed to locate these PC&I within their institutional context, is presented in Figure 3. In this representation, implementation is conceived in terms of the interaction between structure and process, which have delivered the outcomes that need to be implemented. Hence, this model differs from the hierarchical framework presented in Table 2. The difference arises from the attempt to understand

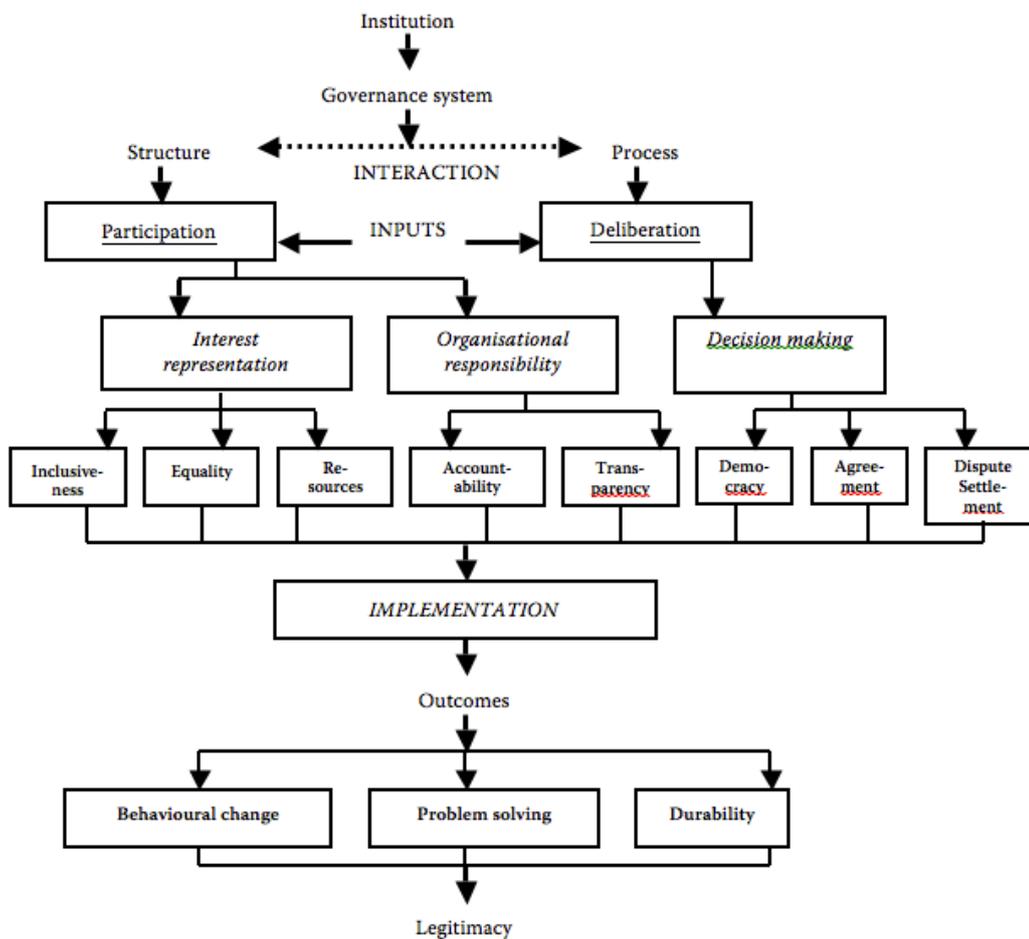
¹²² Roger Bradbury, "Are Indicators Yesterday's News?" in Institute of Environmental Studies (ed.), *Tracking Progress: Linking Environment and Economy Through Indicators and Accounting Systems*. (Sydney: The University of New South Wales, 1996) reproduced at <http://www.tjurunga.com/biography/roger-papers.html> (accessed 15/09/07), p. 6.

¹²³ *Ibid.*, p. 7.

governance from an alternative, but simultaneous viewpoint, which takes a greater account of the complexity of the interactions within the system.¹²⁴

Finally, these concepts need to be located within a framework for evaluation. Table 3 presents a matrix against which institutional performance can be evaluated. Performance is evaluated at the indicator level, and ranked as low, medium or high. For the purposes of comparative analysis, performance is also recorded in numerical terms (1, 2 or 3 points) with a reference value, or norm, of 2 (or 'medium' rating).¹²⁵

Figure 3 Institutional model of governance quality



*Boxed typeface indicates hierarchical relationship at the principle, criterion and **indicator** levels.*

Following the hierarchical assessment framework of PC&I, the cumulative values of the relevant individual indicators demonstrate the degree of fulfilment at the criterion

¹²⁴ Ibid., pp. 8-9 (in relation to the climate system, rather than a governance system).

¹²⁵ "A norm is the reference value of the indicator and is established for use as a rule or a basis for comparison. By comparing the norm with the actual measured value, the result demonstrates the degree of fulfilment of a criterion and of compliance with a principle" (Lammerts van Beuren and Blom, op. cit., p. 24).

level. These criteria in turn form the cumulative basis for determining compliance at the principle level. At both levels (criterion and principle), a conventional pass or fail target value of 50% may be used to determine performance.¹²⁶

Table 3 Evaluative matrix of governance quality

<u>Principle</u>	<u>1. Meaningful participation</u>						
<i>Criterion</i>	<i>1. Interest representation</i> Highest possible score: 9 Lowest possible score: 3			<i>2. Organisational responsibility</i> Highest possible score: 6 Lowest possible score: 2			Sub-total (out of 15):
Indicator	Inclusive-ness	Equality	Resources	Accountability	Transparency		
High	3	3	3	3	3		
Medium	2	2	2	2	2		
Low	1	1	1	1	1		
<u>Principle</u>	<u>2. Productive deliberation</u>						
<i>Criterion</i>	<i>3. Decision making</i> Highest possible score: 9 Lowest possible score: 3			<i>4. Implementation</i> Highest possible score: 9 Lowest possible score: 3			Sub-total (out of 18):
Indicator	Democra- cy	Agreement	Dispute settle- ment	Behaviou- ral change	Pro- blem solving	Durabi- lity	
High	3	3	3	3	3	3	
Medium	2	2	2	2	2	2	
Low	1	1	1	1	1	1	
Total							Final

¹²⁶ "A reference value to strive for is called a target value" (Ibid., p. 24).

(out of 33)							score:
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In studies of global governance, there has been a warning that conversion of descriptions from verbal (low, medium or high) to numerical (1, 2 or 3) can create the illusion of scientific credibility.¹²⁷ There have also been warnings about whether qualitative data can be used to develop quantitative results.¹²⁸ In addition, problems can arise when indicators are combined to provide aggregated scores.¹²⁹ For example, this can lead to a situation where a system scores poorly in one indicator but meets the threshold at the criterion level, or fails to meet the criterion level threshold while still meeting requirements at a principle level. This situation can distort the results, and precision in the analytical framework presented here is not always possible. However, the use of a range of sources of information for evaluating governance performance, such as primary (i.e. institutional) and secondary (i.e. academic or critical sources) sources, and key informant interviews, could partially address this issue by providing for a ‘triangulated’ critical analysis that does not rely on a single data source.¹³⁰ There is also scope for quantitative analysis through larger cohorts of informants, and statistical analysis of performance issues that are raised in secondary sources.

6. CONCLUSION

This paper has briefly examined the construction of global governance, and argued that participation and deliberation are integral to the structures and processes of effective and legitimate governance in contemporary global institutions. Using a detailed framework of governance-related principles, criteria and indicators for evaluating governance quality, it has gone beyond the relatively random selection and application of criteria previously used elsewhere to determine governance quality.

Contemporary governance is expressed in a number of divergent, and at times, competing, models. Processes aimed at developing national governmental responses to a given problem may place an entirely different emphasis on certain governance attributes than on private or civic initiatives. Although all will share similar components and can sometimes provide complementary approaches, they may vary markedly in their policy objectives. Indeed, these observations apply even within

¹²⁷ Nanz and Steffek, *op. cit.*, p. 373.

¹²⁸ *Ibid.*, p. 373, citing David Beetham, Sarah Bracking, Ian Kearton, and Stuart Weir, *International IDEA Handbook on Democracy Assessment* (Den Haag: Kluwer 2002).

¹²⁹ *Ibid.*, p. 373.

¹³⁰ Phillip H. Pattberg, “The Forest Stewardship Council: Risk and Potential of Private Forest Governance”, *Journal of Environment and Development*, Vol. 14, No. 3 (2005), p. 365, following Thomas A. Schwandt, *Qualitative Inquiry: A Dictionary of Terms*. (Thousand Oaks: Sage, 1997).

apparently similar regulatory models and may be reinforced, for example, by the rivalry between market competitors.

There are some problems associated with the methodology developed in this study. First, although the approach presented here allows for consistent analysis across institutions, any empirical studies into the quality of global governance would require examination of a wide range of case studies across a broad spectrum of institutional types, to determine whether the framework is applicable in a wide range of contexts. Contemporary governance often functions on micro, meso and macro levels, from the local to the global. The methodology adopted here implies that consistently formulated hierarchies of PC&I could be applied at all spatial levels.¹³¹ It would therefore be helpful to determine whether assessment can be scaled down to encompass those aspects of global governance that occur at national and subnational levels. Second, in terms of the indicators-based approach to evaluating governance performance, it may also be necessary to extend investigations to a finer level of detail, to include specific verifiers for each indicator.¹³² Rather than relying on anecdotal information, this would provide a uniform set of information by which each indicator could be evaluated.¹³³ With specific verifiers, data collection would be more consistent, and would rely on specific information. For example, in the case of transparency, one verifier might be the public availability of certain types of information, such as board minutes, or the existence of public disclosure statements along the lines of the Global Reporting Initiative. At present, each indicator is weighted equally within the relevant criterion. In the case of interest representation, for example, this places the same degree of significance on the provision of resources for participation as the inclusiveness of participation. However, the scoring and weighting of indicators and the determination of their relative importance is a subjective exercise.¹³⁴ Third, problems may arise with calibration of the evaluative matrix. With a simple 'low-medium-high' evaluation of governance performance, ratings can be almost too close to call. This could be resolved by increasing the sophistication of calibration. Investigating the application of PC&I in a range of other fields may be helpful in this regard. Consequently, the analytical approach presented here should be seen not as a definitive approach, but as a means of developing some insights into some of the theories of contemporary governance, and of contributing to a revision of those theories.

A typological framework that concentrates on institutional classification on the basis of authority, democracy and innovation avoids the current divide between theoretical approaches, which argue for the ongoing supremacy of the state, or emphasise the non-state aspects of contemporary governance. In addition, the way in which the different aspects of a governance system have been attached to either structure or

¹³¹ Lammerts van Beuren and Blom, *op. cit.*, p. 7. It is noted however that: "specific spatial levels may require additional principles particularly relevant to that level" (*ibid.*).

¹³² "A verifier is the source of information for the indicator, or for the reference value of the indicator", *ibid.*, p. 35.

¹³³ *Ibid.*, p. 25.

¹³⁴ *Ibid.*, p. 29.

process, and linked to related PC&I methods, provides an opportunity for the development of a programmatic method to evaluate institutional performance in a relatively simple manner, and identify areas in need of improvement.

Another benefit of a PC&I approach to evaluation is that it allows for the creation of standards that can serve as a reference for monitoring, assessment and reporting.¹³⁵ It would be entirely possible to develop a standard out of the framework presented here that could be applied to the practice of governance at global, national and local levels. In view of the hierarchical inconsistencies of the governance arrangements in governance literature, and the institutional ‘self-certification’ currently in place, such a standard is in fact essential. As the world comes to grips with a range of global problems, and social–political interactions increasingly occur within contexts beyond the territorial borders of the democratic state, governance standards could become a primary method for guaranteeing legitimacy. Such standards would make it easier for potential participants to determine whether they should engage in a given process or not. Standards would remove the uncertainty that currently exists about the legitimacy of a given system, and whether to lend it credibility by participating.

The analytical framework presented here may also be applicable in a range of environmental policy arenas, one of the most topical being climate change. In this case, an exploration of the relationship between structure, process and implementation capacity would be useful.¹³⁶ For example, it would allow for a comparative analysis of whether market-based environmental governance systems are more, or less, effective than other models (e.g. multilateral environmental agreements), and of which specific market models (e.g. forest management versus emissions trading) contain the best problem-solving approaches. A closely related area, such as social responsibility, already demonstrates a range of certification systems and intergovernmental approaches, and is a likely candidate for evaluation against such models and standards – commodity labelling programmes such as Fairtrade, and organic certification more generally, spring to mind.

Lastly, in terms of potential benefits, it would be interesting to see whether the framework can be applied further afield to economic institutions such as the World Bank, the World Trade Organisation and the International Monetary Fund. In view of the current economic crisis, an institutional analysis focusing on governance performance across the global financial sector might be useful in the current efforts for regulatory reform.¹³⁷ Values hypotheses that could be tested include whether there are

¹³⁵ Ibid., p. 34.

¹³⁶ See for example Tim Cadman, and Tek Maraseni, “The Governance of Climate Change: Evaluating the Governance Quality and Legitimacy of the United Nations REDD-plus Programme”, *International Journal of Climate Change: Impacts and Responses*, Vol. 2, No. 3 (2011), pp. 103-124.

¹³⁷ See for example T. Cadman, “Evaluating the Governance of Responsible Investment Institutions: an Environmental and Social Perspective”, *Journal of Sustainable Finance and Investment*, Vol. 1, No. 1 (2011), pp. 1-10, and T. Cadman, “The legitimacy of ESG Standards as an Analytical Framework for Responsible Investment” In W. Vanderkerckove, J. Leys, K. Alm, B. Scholtens, S. Signori and H. Schäfer (eds.) *Responsible Investment in Times of Turmoil*, (Berlin: Springer, 2011), pp. 35-54.

casual links between market failure and governance failure, and whether a deliberative approach contributes to a more effective institution than one dominated by single or dual interests.

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