Governing the Environment: Three Motivating Factors

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Governance arrangements have become increasingly complex over time, such that today everything from the Internet to medicine and warfare is subject to some form of governance at the global level. Notably, these changes in global governance can come slowly or quickly, depending on circumstances. For example, evolutionary change is evident in the establishment of new treaties and protocols on regulating the various aspects of war and its aftermath—an area where the list of agreements is long and growing. But change can also happen very quickly as new mechanisms—for example, for coordinating states' responses during pandemics—are established during crises.

Global governance is organized around traditional forms of intergovernmental organizations (IOs) being delegated tasks that states will not or cannot undertake in isolation, as well as a great variety of private and hybrid governance arrangements that also include nonstate actors (individuals, regional bodies, nongovernmental organizations, and so on) as bearers of authority.[1] This essay focuses on what motivates agents to change governance arrangements, using global environmental governance as a reference case.

What Motivates Actors?

There are three motivating factors that drive actors to change global governance, particularly in relation to the global environment: (1) response to crises, (2) a personal/world-value mismatch, and (3) utility maximization.

The first driver, the response to crises, can be viewed as a punctuation point (within the institutionalist model of "punctuated equilibrium"), opening space for change driven by the second and third factors. Crises can interrupt everyday

Ethics & International Affairs, 29, no. 4 (2015), pp. 433–442.

doi:10.1017/S0892679415000416

governing procedures by revealing practices that do not work or are no longer appropriate in light of changed circumstances. The second driver, a personal/world-value mismatch, occurs when personal values do not match those inherent in global governance institutions, which can lead actors to challenge the international system. The third driver, utility maximization, is evident in the ways in which actors seek to alter the structure and operations of governing institutions out of self-interest. While material gain is very much part of these calculations, utility-maximizing actors may also seek to shape governing procedures as a way to increase their own prestige and influence.

Of course, these three drivers do not operate in isolation. Change needs to be assessed empirically to tease out the conditions under which one or the other becomes primary. I believe a "crisis"—such as ozone depletion, species extinction, or a tipping point in the Earth's warming—is preeminent for shaping environmental governance change for the simple reason that the global community rarely takes action until such a crisis occurs or is at least imminent.

The environment is not significantly different from other issues subject to governance arrangements in terms of the specific types, or the speed with which governance emerges, or how it is executed. For instance, it resembles the field of human rights in the preponderant role of nonstate actors articulating a desire for both more effective and different types of governance. Thus, complex governance arrangements beyond traditional multilateralism are evident in the form of public-private hybrids and the growing role of private voluntary governance. Both trends are exemplified by the increasing power of the International Standards Organization's 14000 series on environmental management. The ISO is a public-private technical body comprised of government departments from around the world and industry bodies that establish voluntary standards, including the 14000 series. The series has been endorsed by the World Trade Organization, effectively creating standards to which actors must comply. Private actors are also forging ahead with transnational nonstate certification schemes. Perhaps the most successful example is the Forest Stewardship Council, which, with cooperation from industry leaders and nongovernmental organizations, regulates sustainable timber.

At the same time, in contrast to other policy areas, decision-making in global environmental governance is compounded by the "absence of key information." That is, "significant scientific uncertainties and gaps of knowledge about the problem" often remain during the creation of legally binding international agreements.[2]

Grappling with such uncertainty led policymakers to establish the precautionary principle in the Rio Declaration on Environment and Development, which was also incorporated into the United Nations Framework Convention on Climate Change (UNFCCC). Rio Principle 15 states that "in order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."[3] Nonetheless, knowledge about the extent, cause, and spread of climate change influences the framing of the problem as a crisis warranting urgent policy action as well as the subsequent options available to policymakers.[4] In short, policymakers often operate under conditions of uncertainty but they must respond to threats of serious and irreversible damage based on the knowledge available.

Even though there is a complex governance system in place, indicators demonstrate ongoing environmental deterioration.[5] For example, while there are over 1,200 multilateral environmental agreements, and many industries are now dominated by transnational voluntary standards, widespread species loss, deforestation, and land degradation continue to occur.[6] In addition, the prospect of catastrophic climate change looms large in the absence of concerted global action, and there is now a globally agreed upon sense of urgency. It is, therefore, likely that governance arrangements in this area will continue to change and evolve.

"*Slow-burning*" *vs.* "*Fast-burning*" *Crises*

Crises are often tipping points for reshaping, redirecting, or scrapping governing practices. The Asian financial crisis of the late 1990s had a profound effect for instance, in shaking entrenched assumptions about the International Monetary Fund's prescriptions to its borrowers, introducing widespread changes within the institution as to its operational procedures for governing the international financial system. The global financial meltdown in 2008 and the current European debt crisis have similarly provided the impetus behind the creation of new mechanisms, such as the European Financial Stability Facility, and the evolution of others, such as the 2009 metamorphosis of the Financial Stability Forum into the Financial Stability Board.

Some scholars, such as Eleni Tsingou, are now distinguishing between "fast-burn" and "slow-burn" crises. Fast-burn crises are such urgencies as financial meltdowns, wars, pandemics, and irreversible environmental problems that have

https://doi.org/10.1017/S0892679415000416 Published online by Cambridge University Press

reached or are near their tipping point. These are "characterised by alarm and an urgent demand for political action,"[7] requiring policymakers to respond immediately. Such crises dominate the international agenda until a situation is contained or exhausted. Rapid responses may include new procedures, which may lead to new operational mandates and organizational standards, and they may prove the impetus behind the search for new instruments of global governance (such as regulations, treaties, and protocols). Short-term requirements for responding to crises demand an immediate output. In the 2008 global financial crisis, for example, states and international organizations such as the IMF and G-20 had to consider coordinating their responses, faced with the options of bailing out the banks or letting them fail, writing off debt, or demanding austerity.

While "doing something" is the overarching aim in the context of fast-burn crises, the response may be to use standard prescriptions or, where these are no longer acceptable owing to perceived failure and increasing opposition, to attempt untried measures. Four outcomes may result: first, action may contain the problem in the short- and the long-term, thereby effectively solving the problem of how to govern the issue. In this regard, the ozone regime is considered the most successful in global environmental governance. Second, action may solve the problem in the short term but may not lead to successful long-term outcomes, or indeed much change at all—fisheries governance may fit this model. Third, the measures implemented may not solve the problem in the short term but may in the long term; this possibility is largely theoretical because governance arrangements are rarely left long enough for this result to occur. Fourth, the problem may not be fixed either in the short term or the long term, rendering attempts to govern the issue complete failures—a prominent example being global deforestation.

New measures are often proposed when it is clear that efforts to address a crisis are no longer effective and have been widely discredited. Alternatives to the status quo may shift the normative structure in ways not immediately tangible. Scholars identify crises as moments when actors can propose alternative normative approaches to viewing the world and have these approaches actually taken up, thus recasting governance of an issue.[8] How policymakers respond during crisis is in part based on the extent to which they understand the nature of a crisis and why it has occurred. The difficulty of doing so in economic and political crises is considerable, yet—as noted above—policymakers in global environmental governance have even less certainty.

Slow-burning crises, such as climate change, have taken decades to be understood as requiring urgent action at the global level. Such crises last "beyond normal political and business cycles," and are thus easy to pass on to the next government, CEO, or generation.[9] After the creation of the Intergovernmental Panel on Climate Change and the UNFCCC, policymakers spent decades debating whether climate change is human induced, how to distribute responsibility for it, and even whether it is happening at all. As the primary bearer of authority, states have been engaged in protracted negotiations over metrics for determining targets for carbon emissions reductions and creating shared norms for appropriate action. As Tsingou points out, in slow-burning crises reactions are slower, but that is not necessarily a bad thing: knowledge is "cold" but reflection is "deeper."[10] Thus, the extended period over which a crisis is debated may, she argues, lead to more radical ideas being floated. In the case of climate change, while more radical ideas have been identified—from Tobin-style taxes to drastic decarbonization—they have not become mainstream policy options.

Clearly, fast-burning and slow-burning crises allow policymakers different time frames to ascertain how specific problems may be addressed. However, crises that emerge slowly may accelerate once perceptions of the problem shift. Or the opposite may occur, whereby a fast-burning crisis may become a slow-burning one once the worst of the damage is perceived to have already occurred. In the case of climate change, the tipping point—with increasing weather volatility, growing scientific consensus over the cause of global warming, and deep public concern—has seemingly occurred.

Personal/World-Value Mismatch

One of the key drivers shaping global governance is the mismatch between personal values and those entrenched in the existing system of global governance. This refers to the desire by individuals, groups, and collectives to change the way the world works. Driven by a "principled idea or value that motivates their actions,"[11] nongovernmental organizations, activists, practitioners, and transnational advocacy networks collaborate to challenge the status quo in a particular area.[12] This is evinced in the successful campaigns to ban apartheid, landmines, trade in endangered species, and whaling, among others. The role of activists is well known in pushing the boundaries of what constitutes global governance, including whose voices should be heard. The number of NGOs worldwide has increased significantly, and current estimates identify over 50,000 international ones.[13] The United Nations Economic and Social Council has attributed consultative status to some 3,500 NGOs; 1,598 are observers to the UNFCCC.[14] As to global environmental governance, NGOs are a well-recognized force because of their expert knowledge about environmental problems and their ability to devise innovative solutions. Moreover, because they are dedicated to the environment rather than to national or corporate interests, they can mobilize citizens to support environmental outcomes that clash with narrower interests.[15]

Environmental NGOs have been critical in creating such multilateral environmental agreements (MEAs) as the Convention on the International Trade of Endangered Species; establishing the 1989 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal; and mobilizing grassroots support for the 2001 Stockholm Convention on Persistent Organic Pollutants.[16] NGOs continue their efforts to strengthen global environmental governance through the MEA negotiation process, specifically through framing the issue, setting the agenda, and influencing the positions of key states.[17] For example, they were able to influence the negotiation process and outcome of the UN Convention to Combat Desertification. NGOs also helped set the climate agenda in the late 1980s by organizing international workshops, contributing to the creation of the International Panel on Climate Change, and later helping to shape the negotiation process of the Kyoto Protocol of the UNFCCC.[18]

While activists push to align global governance with their environmental beliefs, professionals of all sorts also play a significant role in shaping environmental governance. Often the influence emanates from an epistemic community, that is, a "network of professionals with recognized expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area."[19] The best-known example of such professional networks influencing environmental governance is the role of scientific communities in shaping the Mediterranean Action Plan, which assists states in monitoring and controlling marine pollution.[20] Specific individuals may also attempt to reshape particular governance processes or prop up others. The philanthropy of Ted Turner and Bill and Melinda Gates springs to mind; or, in the case of climate change, the efforts of Al Gore. Meanwhile, bureaucrats within the state and international organizations may also act as drivers of change. However, they are often constrained from doing so, since if they veer too far from their organization's culture or rules they may lose their jobs.[21]

In identifying values held by individuals and collectives as a key driver of change, one of the obvious questions is the origin of such values. While there is little room here to drill down into what constitutes actors' identities, socialization is a key element shaping what they see as fundamental to themselves and their communities. Once we broaden the level of community at which actors are engaged, from the local level where consensus may have been established to the transnational and global, then we see challenges in scaling-up values. In short, the greater number of actors operating transnationally may have divergent interests and power differentials that shape global governance. These competing values are what actors attempt to reconcile.

Utility Maximization

Self-interest also plays a role in changing global governance. Actors seek to change the rules of the game to their own advantage, and such a reorientation can be for purely personal (individual, corporate, or collective) gain or for the greater good.[22] Both state and nonstate actors may seek to advance their own interests through promoting change in global governance. Power and influence may be bestowed on individuals whose ideas are taken up and solidified into new policy approaches and rules (the "norm entrepreneurs").[23] For others, changing the rules of the game, ostensibly for meeting collectively agreed upon objectives, may advantage the promoter the most. It can advantage the first-mover corporation in effectively changing the nature of the industry, or advantage states in terms of promoting rules that advance the national interest. Much of the neorealist literature about states engaging in international cooperation outlines such arguments.[24]

For others, including corporations, influencing the rules of transnational governance can accelerate the ability to create and tap new markets, thus improving one's shareholder price and potential profits. Examples of corporations resisting and then advocating for change in global environmental governance abound. Take the case of ozone depletion, where there was clear evidence of anthropogenic substances (chlorofluorocarbons—CFCs) depleting the ozone layer. Even with public support for action, producers and industry users of ozone-depleting substances were united against international CFC regulation. Then, in a first-mover strategy designed to reap the rewards of creating and capturing a new market for substitute chemicals, one of the largest U.S. chemical producers, the DuPont corporation, broke ranks and supported capping CFC emissions.[25] This caused a shift in the broader corporate position whereby previously recalcitrant

https://doi.org/10.1017/S0892679415000416 Published online by Cambridge University Press

companies moved from denying the problem to promoting a reduction of CFC production.

In other environmental areas, such as fisheries management, scholars speak of "adaptive governance," in which less costly but also less effective efforts to manage overexploitation are attempted first, "before [corporations] become willing to accept the sacrifices required for successful regulation."[26] Eventually, these actors come to realize that short-term pain is necessary in order to ensure long-term economic survival. This kind of realization has not been forthcoming in the area of climate change, where there has been a sustained attempt by the fossil fuel and fossil fuel–dependent industries to protect their interests and hamper efforts at regulation—as evidenced by their success in stopping carbon-tax legislation in the United States and the European Union.

That said, the private sector will often accept regulation once policy change seems imminent, and advocate hard for the new regulation to reflect its interests. For example, the major oil producer BP and the mainstream NGO Environmental Defense Fund were both instrumental in advocating for market mechanisms to address climate change, which were then incorporated into the Kyoto Protocol.[27] While this dynamic glosses over the discrepancies between the interests of different corporations as well as industries as a whole, the climate change regime created new markets for greenhouse gas emissions trading and new prospective winners, such as the finance industry. Private interests then began to advocate for international regulatory stability with regard to emissions trading.

A Few Final Points on Climate Change

In climate politics, all three drivers of change in global governance are evident. The crisis is now viewed as fast-burning, though earlier it was characterized as slow-burning. In this earlier period, activists helped promote the need for policy discussion, which resulted in the creation of the Intergovernmental Panel on Climate Change. States then engaged in climate diplomacy through the UNFCCC after the Rio Earth Summit in 1992. They tried to establish the instruments for reducing greenhouse emissions, while negotiating agreed-upon norms, such as the idea of common but differentiated responsibility. Standard intergovernmental processes were used to seek a global response to a future cataclysmic event.

As more research took place, scientific certainty crystallized, and volatile weather patterns were identified. The crisis then became a fast-burning one.

NGOs, always at the forefront of advocating for more effective climate governance, began to dwarf the number of official state delegates attending climate negotiations. Yet within debates over how to grapple with the significant social, economic, and political shifts required to decarbonize societies, pre-existing ideas about the importance of economic growth led to a focus on market responses. The private sector advocated for emissions trading, which created new markets for the finance industry. Using financial instruments to tackle global warming would create new climate finance markets, ostensibly for the greater good, while also allowing for profit and continued economic growth.

Using private finance to address climate change was new and risky. New instruments included not only carbon trading but also green funds and green bonds, which created new actors in new financial markets. States sanctioned this development through the UNFCCC process, including the Kyoto Protocol and subsequent agreements. In Copenhagen in 2009, it was agreed that an annual $100 billion was necessary to tackle climate change, but debates continued as to whether this should come from public or private sources. Traditional intergovernmental organizations such as multilateral development banks were asked to provide funds for vulnerable states, with these banks lending over $28 billion for this purpose in 2014. Getting the "price right" for buying and selling carbon at rates that the finance industry finds attractive has also been subject to a steep learning curve. To date, there is little means for ensuring accountability across the various new financial instruments.

The esoteric, technical nature of the global financial arrangements was revealed after the global economic and financial crisis that began in 2008, but relatively little has changed in terms of global financial industry regulation.[28] We must wait to see how the UN Green Climate Fund, which will provide $100 billion in additional financing for developing states to adapt to climate change, proceeds, and how well-regulated other financing arrangements become. It is clear that change in global environmental governance, and in this instance in climate governance, is being driven by the nature of the crisis—which has shifted from slow-burning to hot; by a values mismatch; and by self-interested corporate actors.

NOTES

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