

# EUROPEAN POLICY BRIEF



## Current Challenges of Global Governance

2nd GLOBE Policy Brief  
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### INTRODUCTION

This policy brief presents the research results of the H2020 project “Global Governance and the European Union: Future Trends and Scenarios” (GLOBE), when the project has arrived at its mid-term. Among others, in the first two years GLOBE published **18 research reports**, established the [Global Intergovernmental Organizations Radar](#) (GIOR) to monitor how world's news media is talking about international organizations, and developed inputs such as an [overview](#) of [datasets on global governance](#) or a [dataset on research centers of GG](#).

This policy brief presents the main results of a series of mapping papers, which provide a snapshot of the global governance regimes of **trade and development** (Work Package 3/WP3), **security and migration** (WP4), **climate change** (WP5) and **global finance** (WP6). Then it presents also the results of the in-depth case studies on the most important global governance institutions and policy instruments operating in these sectors. Additionally, it provides an overview of the **cross-cutting issues** (WP7) focusing especially on the role of the EU in the contemporary global system. It also identifies the major shortcomings in the **current prevalent governance models** (WP8). The policy brief ends with a series of recommendations on how the EU could tackle and approach the identified problems of global governance in the future.

## Mapping of global governance and its institutions

### *Trade and Development*

In the [mapping paper on trade and development](#), GLOBE research provides a comprehensive overview of the main trends and challenges of the key global governance institutions in [trade](#) and [development](#) as formal intergovernmental organizations, informal intergovernmental organizations or non-state actors, and instruments such as [voluntary sustainability standards](#). The largely hierarchical regime complexes in trade and development which existed in the 1990s have [come into flux in recent decades](#). GLOBE research shows that the recent proliferation of new institutions is changing global governance in this sector. Some of the new actors that emerged are durable and well established, such as the Asian Infrastructure Investment Bank (AIIB); others, mainly private actors, have a different character. GLOBE research shows that these non-state actors comprise different types of organizations and entities, some of which only operate temporarily. They are very active interacting at multiple levels and creating challenges for existing multilateral institutions. We highlight several of these interactions and challenges, such as the rise of private standards for global trade governance.

Our research focused on the [World Trade Organization \(WTO\)](#) as the leading organization in global trade governance and the challenges with which it is confronted including the shutting down of the Appellate Body (AB). To better understand the existing crisis of this body, we dug deeper into the systemic nature of the challenges that have undermined the WTO's dispute settlement system (DSS) over time.

GLOBE research also analyzed the policy instrument [Aid for Trade \(AfT\)](#) – the WTO-led initiative to support developing countries to trade through official development assistance (ODA) and other official funds. GLOBE research has shown that most of these funds go towards middle-income countries (that are the countries that donors already trade the most with), leaving the least developed countries (LDCs) aside. The 'Enhanced Integrated Framework' (EIF), which works to mainstream trade in national policies of LDCs, has made some progress, but many issues remain unsolved. There are many other strategies in global trade governance: while deeper regional integration increases intra-regional trade and inclusion in global value chains, strengthened south-south cooperation may improve LDC's integration in the global trading system.

### *Investment*

GLOBE researchers examined the [global investment treaty regime](#), which comprises thousands of international investment agreements (IIAs) and cases of investor-state dispute settlement (ISDS). GLOBE research focused on the evolution of this regime, which has most often been tied to North-South economic and political relations, but increasingly covers South-South as well North-North relationships. By relying on the concept of state regulatory space (SRS), which captures the balance between the protection of foreign investors' interests on the one hand, and host states' ability to promote national development goals on

the other, GLOBE research shows that EU Member States (MS) have played a key role in shaping the global investment treaty regime and that the EU itself is a leader in current attempts to reform it, for example by developing a permanent multilateral investment court and its involvement in discussions to revise the rules of the United Nations Commission on International Trade Law (UNCITRAL). Nevertheless, MS have divergent perspectives on how to change the existing rules of the regime, both within the EU and regarding relations between the EU and other global actors. These disagreements hamper the creation of a coherent and unified European approach to the global governance of foreign investment.

### *Sustainable Development Goals*

GLOBE research provides an in-depth analysis of the [role of supra-national regional organizations](#) in the 2030 Agenda for Sustainable Development of the United Nations (UN), which constitutes the most important framework for global development in the present decade. It is known for its far-reaching and ambitious vision with its 17 goals and 169 targets. In the context of the global Sustainable Development Goals (SDG) agenda, we argue that the role of regional organizations is currently underdeveloped and could be strengthened. Because the SDG agenda constitutes a relatively new form of global governance that resembles an experimentalist governance model, revolving around global goal setting and country-level implementation, its architecture or institutional design is crucial and it involves many different actors on multiple levels of governance, with a complex multilevel dynamics. Each actor in the design has an important role to play. Such a global goal-setting framework should not be a loose, soft or voluntary system, but needs sufficient dynamic accountability or reporting mechanisms between different levels to achieve goals. In such an architecture, regional organizations play a potentially important role since they can help strengthen implementation through different roles, thereby fostering coherence, learning, and ratcheting up through benchmarking between the member states of the regional organizations. The GLOBE report on the SDGs develops a new [analytic framework](#) to identify the relevance of multilevel governance for the success of the SDGs initiative, focusing on the role of regional organizations. Our contribution applies this framework to an in-depth analysis of the European Union and the Association of Southeast Asian Nations (ASEAN) with results focusing on recent developments observed in [the EU](#) and [ASEAN](#).

### *Security*

In the mapping paper on [global security threats and the global security architecture](#), GLOBE research provides an overview of the current configuration of the global governance of international peace and security. This global public good can be threatened by myriad actors and from many different angles. Correspondingly, the global governance architecture that has developed to provide international peace and security is very large and highly fragmented. The three security threats identified by [all key actors](#) are the use of force, the proliferation of weapons of mass destruction (WMDs), and terrorism. We show that the perception and scope of international peace and security are widening and deepening, while the three traditional threats – whose global governance architectures display a set of [governance gaps](#) – remain present and continue to evolve. In this sense, we would expect that the global governance of international security will likely increase in scale and complexity in the future.

From this more general perspective, our research took an in-depth look at the [European security architecture \(ESA\)](#) and its three main actors: [NATO](#), [the OSCE](#), and [the EU](#). The

analysis argues that the three major international organizations providing regional security governance in Europe are in flux, as is the overall architecture itself – yet this is not new: the European security framework is in constant evolution. On the one side, we observe the increasing relevance of the EU as a security and defence actor, which has the potential to impact the way the ESA has been structured since the end of the Cold War. On the other side, GLOBE research shows that even if NATO, the OSCE, and the EU have survived three decades of major changes in international relations, these organizations have yet to continue adapting to the current and forthcoming security threats, both traditional and non-traditional. Overall, European security architecture is experiencing strong pressure from three different areas: external security challenges and trends, internal problems within each organization (including divergent national priorities, power imbalances, interoperability issues, and a constant lack of resources), and complex interaction trends among these organizations.

Within international security governance, our research set out to systematically study one of the newest regime complexes: the [global governance of cybersecurity](#), where nearly 80% of the institutions began working on this issue after 2000. The GLOBE team has created a [novel dataset of 85 institutions](#), which represents the most up-to-date map of this particular area of GG. From the analysis of the data collected, we highlight three main findings: (1) there appears to be a tendency to govern issues of cybersecurity from existing institutions rather than to create new ones, (2) the multi-stakeholder model of Internet governance is only partially replicated in the case of cybersecurity: institutions containing multiple types of members did take off in the 2000s, but there is a clear turning point in the late 2000s, when a spate of state-sponsored cyberattacks took place worldwide. After this point, the entry rate of multi-stakeholder institutions into the cybersecurity regime complex becomes slower. This point is related to our third finding: (3) governmental actors remain highly present in the cybersecurity global governance. Although the Internet itself – and its original mode of governance – were founded in the private sphere, governments have clearly taken a leading role in cybersecurity as a concern to be addressed through instruments of global governance. They do so both with direct cooperation among states but also in diverse multi-stakeholder settings.

### *Security-Migration nexus*

The analysis of the [security-migration nexus](#) shows the increasingly interwoven policy issues of migration and policies focusing on the maintenance of societal security. Our research analyses this nexus in different cases: within the EU, within the UNs Global Compact on Refugees (GCR), and Global Compact on Safe, Orderly and Regular Migration (GCM), and within two regions experiencing migration crises: Central America and Mexico, and South America. The arrival of over one million migrants into Europe in 2015 led to several key policy documents from the European Commission, including the *EU Action Plan Against Migrant Smuggling* that identified criminal operations facilitating migration into Europe as a common enemy of both the migrants they prey upon and European societies whose integrity is put at risk by their illegal operation. At the international level, multiple large-scale migrations provided the catalyst for the creation of two new GG instruments for the management of migration – the Global Compacts (GCs) – bringing together states of origin, transit, and destination. But how and to what extent do the GCM and GCR serve to securitize or de-securitize migration?

Our research addresses this question, drawing out five key dimensions of the securitization of migration: (1) distinctions and legal categories (including regular/irregular; migrant/asylum-seeker/ refugee; vulnerability; and the identification of criminal/victim concerning culpability); (2) consideration of solidarity; (3) border management and non-refoulement (regarding the extent to which established legal obligations not to return people to danger are undertaken or undermined); (d) trafficking, smuggling and the criminalization of assistance; and finally (e) detention and alternatives to detention. Overall, we argue that the EU's approach was firmly endorsed in all of these areas, even though opposition to 'the label of irregularity', a cornerstone of the EU and many Global North states' migration policy, that was strongly articulated by Mexico, Central and South American states. While the GCs provide many instances of best practice, the mainstreaming of gender, and awareness of vulnerability, they also reinforce the security-migration nexus applied by the EU to link humanitarian, return, and irregularity.

### *Climate Change*

GLOBE research has produced a comprehensive [mapping](#) of the actors and institutions that participate in contemporary climate governance. The mapping paper explores regime creation and development under the UN's Framework Convention on Climate Change (UNFCCC), with a particular focus on the shift of governance paradigms, from the traditional top-down regulatory design model that inspired the 1997 Kyoto Protocol to the directional and catalytic logic of the 2015 Paris Agreement. Situating the UNFCCC regime in a wider 'regime complex', highlights the incredible diversity of state and non-state actors in global climate governance, from (in)formal regional and international organizations to market actors, city governors, and civil society organizations, with the former including a sophisticated and comparatively advanced EU climate policymaking and delivery apparatus. While acknowledging that vexing coordination and cooperation problems continue to stymie effective [global climate governance](#), this GLOBE mapping exercise also illuminates the huge potential for mobilizing collective action through political, institutional, and social channels at all scales of governance, including through reform of domestic structures.

Building on the above mapping exercise, we explored the [dynamic multilevel governance \(MLG\) of global climate change](#), with a particular focus on the interplay between the UNFCCC, regional multilateral institutions and their members. This research combines insights from scholarship on MLG and policy entrepreneurship to demonstrate the various ways in which diverse actors are involved in governing the climate at different levels of intervention, creating the potential for vertical and horizontal scaling of policies but also policy stagnation, contestation, and resistance. A comparison of climate governance arrangements in the EU versus those established by the ASEAN suggests that MLG processes have repeatedly enabled progressive entrepreneurs to advance institutional development in the EU but failed to create such opportunities in the ASEAN region, largely because of resistance from powerful domestic politico-business coalitions. Recognizing that domestic institutions are ultimately key to the delivery of global objectives, the paper also investigates the potential of national climate laws to 'lock in' decarbonization commitments. Again, it finds a promising, though still emerging, landscape of domestic legal and institutional arrangements in the EU but few institutionalized avenues for holding governments to account in the ASEAN context.

GLOBE research analysed the ["carbon-based" governance regime](#), defined as the governance of climate change through a unitary focus on carbon measurement, disclosure,



and verification. By focusing on the measurable success of [private, public-private, and “hybrid” approaches](#), our research finds that, despite a groundswell in private activity, zones of fragmentation among a multiplicity of private actors, initiatives, and standards is stymying progress. [Key actors are increasingly networked](#), key metrics remain severely fragmented; while substantial resources have been dedicated to governing carbon emissions, greenhouse gas emissions keep rising. So far, the ultimate goal of carbon-based governance to reduce emissions is far from being realized. Whether this regime can be repurposed to fulfill this crucial function remains an open question.

### *Climate Change and Global Health*

GLOBE research also has examined global governance arrangements in [climate change mitigation](#) claiming that the health impacts of global mitigation efforts will affect local populations differently. Climate change mitigation by transitioning away from fossil fuel combustion has the potential to deliver substantial health co-benefits due to reduced air pollution. We quantified the local health impacts due to fine particles (PM2.5) under several scenarios with varying assumptions about the strength of climate change mitigation and future societal development, including the effectiveness of institutions and levels of international cooperation. Our analysis considered three populations (Mozambique, India, Spain) to investigate how health co-benefits of air pollution vary with stage of economic development.

Our modelling study resulted in several relevant findings. First, future societal development pathways had a marked influence on population exposure to air pollution and local premature mortality. Second, scenarios reflecting high challenges for climate change adaptation caused by a combination of slow development, low education, high inequality, and weak institutions consistently resulted in the highest PM2.5 attributable burdens mid-century across all case study populations. Three, the mortality burden due to PM2.5 was highly sensitive to assumptions about how populations will change (e.g., due to changes in fertility, mortality rate, migration, and education levels) under different societal development pathways. In conclusion, our research highlights the importance of socio-economic development and climate policy in reducing the health burden from air pollution, particularly in Low- and Middle-Income Country (LIMICs) settings with dynamic populations and/or high air pollution levels.

### *Global Finance*

When mapping the [global finance regime](#), GLOBE research found that the overriding and most prominent issue organizing the global financial regulation regime is financial stability. Domestic institutional structures, traditions of financial governance, a normative approach to finance, markets and governments, variations in the size of finance (and the economy), and financial capacities (including governance ones) define the interests of the actors and the extent to which actors are promoting informal or formal global financial institutions and policies. Financial stability is not valued in the same ways and to the same extent by all actors, and some business and public actors prefer innovations and business freedom over the stability of the financial and economic systems.

Considering the principles that shape the current regulatory architecture, GLOBE research found: (1) the persistence of multiple lines of fragmentation (i.e., no single global regulator,

multiple spheres of financial governance, distance from the UN system of economic governance) at multiple stages of the regulatory process and different governance pillars; (2) to large extent, global financial governance is highly informal, and a few formal IOs are relevant in the field; (3) global financial governance is dominated by technical and professional rather than political discourse; (4) we observed that financial governance is highly national, with governments delegating little agency to IOs and other forms of agents to manage GG instruments; (5) and following the national character of financial regulation, domestic politics – especially of the most powerful nations – counts heavily in the decisions how much, when, and in which form to migrate transfer of regulatory capacities to the global level; (6) in addition, most of the global financial governance is organized around the interests and principles of the Western liberal countries and often rich democracies; (7) global financial governance is more specifically US-centered. The US is the pivot and the veto player that exerts more veto roles, than any other country in the world; (8) global financial regulation, like domestic financial regulation, cannot be captured by the ethical story of states versus finance, or states versus markets. The existence of multiple forms of control by states blur the distinction between the political and the economy, and at the same time, it emerges that a professional elite of central bankers and financial regulators are more dominant and powerful than politicians in this GG regime.

GLOBE research took a closer look at the [informality and the governance of global financial markets](#). While this regime has often been characterized as one that relies heavily on soft law and informal institutions, our research suggests that a more complex picture is emerging in recent decades. Overall, while the number of informal IOs has grown, many have been intertwined with formal ones. In other cases, more independent informal bodies have undergone a complex process of formalization, as their organizational and legal bases have been strengthened over time. As a result, the global financial regime is rapidly becoming a palimpsest of overlapping institutions, where the distinction between formality and informality is less and less clear. The research outlines the different varieties of “blurring” that have occurred, and explains how taking this into account changes our understanding of politics and governance in the area. Ultimately, this reveals that financial governance is a dynamic rather than static process, with a more complex architecture than is commonly appreciated. It also shows that informal institutions, on their own, are not as advantageous as some might lead us to believe, but not as problematic as their worst detractors suggest since this ignores how they evolve over time.

Within the global governance of finance, GLOBE research examines the case of the emergence and globalization of the US [anti-money laundering regimes](#). In doing so it advances the theory of intermediation, especially enforced intermediation. Regulatory governance in domestic and transnational settings is typically conceived as a two-party relationship between a rule-maker or regulator (R) and a rule-taker or target (T). Private governance is usually understood as self-interested behaviour and in competition to the inter/governmental one. This research qualifies these two conventions. It first extends an agenda for the study of financial governance as a three- (or more) party relationship -- with intermediaries and intermediation processes (I) at the center of the analysis. Intermediaries play major and varied roles, from providing expertise and feedback or monitoring the behaviour of regulatory targets, to building communities of assurance and trust. This case illustrates how banks became intermediaries against their will and indeed rule-targeted, carrying fines in the billions. Regulatory responsibilities were forced on banks, they were orchestrated for the US’ and global community fight against tax-evasion, drug trafficking,

corruption, and terror. This case emphasizes the importance of (some) states in leading current global governance regimes.

GLOBE research also analyses the [global architecture](#) of public finance institutions and the transformation it has faced since the rise of China and the emerging powers in the 2000s. We show that the financial statecraft strategy of all the emerging economies has changed over time, shifting from a defensive approach to a more offensive one, especially after the global financial crisis of 2008, when a window of opportunity opened for a more proactive role in international financial institutions. Also, under the leadership of China, emerging powers expanded the geographic scope of its financial strategy from bilateral to regional and systemic arrangements. In this sense, the establishment of the New Development Bank (the “BRICS Development Bank”) and the Asian Infrastructure and Investment Bank are respectively the main, but not the only, financial institutional initiatives towards a reform of the global financial architecture. The explanatory variables of the changes produced as a consequence of the economic rise of China, in particular, and the BRICS, in general, are based on the distribution of political power and the power of ideas. This changing global order can be defined by a coexistence of the traditional institutions of Bretton Woods such as the IMF and the World Bank with the rise of new financial institutions such as development banks, swap arrangements, the Belt and Road Initiative, and the multiplication and strengthening of different regional orders.

### **Cross-cutting issues – the role of the EU**

When focusing on the [cross-cutting issues](#), GLOBE research examines the [role of the EU](#) in contemporary global governance, focusing on the exercise of authority by international organizations (IOs). Actually, since its creation, the EU has been one of the most authoritative IOs in world politics. The Lisbon Treaty of 2009 expanded the Union’s mandate and competencies even further. This high degree of formal authority confers on the EU the capacity to act relatively autonomously from its Member States and establish and maintain relations with third parties, such as other IOs and transnational non-state actors. We find that the EU over time has become an important actor of global politics in its own right: by the mid-2010s, the EU is represented in half of all IOs, as our estimates suggest, in addition to and sometimes even in place of its Member States. In particular, the EU is strongly represented in global multilateral organizations (the EU is present in 74% of them). Concerning individual issue areas, the EU is most often present in multi-issue IOs, followed by security, economic, and lastly human rights organizations.

GLOBE research finds that the EU actively participates in those IOs that relate to the Union’s exclusive and shared competencies. Accordingly, the EU does not actively participate (in the sense of being either an observer or a full member) in the GG of security because its member states retain their prerogatives and competencies over the Common Security and Foreign Policy (CSFP). Using a novel data set on the EU in GG institutions, GLOBE research lends support to previous qualitative findings that EU involvement depends on the Union’s policy competencies. However, we go beyond that insight and show that the EU becomes actively involved in highly authoritative global IOs. Rather than seeking full representation as an observer or member in any IO, the EU chooses to become actively involved in those IOs that matter more for global policies. This is why the EU actively participates in economic and multi-issue organizations which are the most authoritative in GG.



In the quantitative analysis, a GLOBE research finding is that more authoritative IOs are associated with active EU participation. Moreover, GLOBE research also finds that the EU is more likely to actively participate in global than in regional IOs. Regional IOs tend to reduce the likelihood of the EU's active participation by about 78%, compared to global ones. GLOBE research presents an additional factor to consider when assessing the role of the EU in contemporary GG: the authority of IOs as a crucial feature of global politics. Authoritative organizations, like the EU, seem to become actively associated with other authoritative IOs. The Union not only engages in issue areas that matter to it but also with those institutions that possess the institutional capacity to act relatively autonomously and to adopt binding rules in different areas of GG.

### **Institutional Shortcomings of International Organizations**

Cutting across issue areas GLOBE [investigated the main challenges](#) with which traditional international organizations are confronted and try to conceptualize the problems they face in managing global governance. The global governance literature argues that International Organizations are under pressure due to external dynamics that relate to but are ultimately beyond the control of IOs and their member states, such as the rise of multipolarity and recent manifestations of nationalism. On the other hand, organizational sociological research shows that organizations can only perform if they 'fit' with their external environment. Many of the existing IOs were established in a very different world order, with which their design, set of procedures, and *modus operandi* were aligned. When the external environment changes, many organizations face difficulties in adjusting to these changes.

This misalignment is likely one of the reasons why we observe similar institutional shortcomings across IOs and issue-areas. GLOBE research dove deeper into this topic by assessing the internal, institutional constraints of IOs that seem to be limit changes to accommodate adaptation to the external environment. In other words, we explored which institutional shortcomings, i.e. structural deficiencies which inhibit IOs to reach global governance objectives or address global challenges, have arisen as a result of a changed global context and how these shortcomings amplify external challenges. Certain common shortcomings are observed, which we grouped into three primary institutional shortcomings:

- (1) IOs face difficulties balancing the needs of a diverse set of stakeholders and members due to inflexible governance structures and decision-making rules;
- (2) IOs' mandate hampers action and policy autonomy;
- (3) IOs lack sufficient resources to fulfil their functions, primarily due to a lack of support from MS.

Combined, these shortcomings create increased inertia within international organizations, making it difficult for them to achieve their goals in a changing context.

### **POLICY IMPLICATIONS AND RECOMMENDATIONS**

The ongoing transformation of global governance and the role of the EU in such processes of change is a crucial element of the research conducted by GLOBE so far. We have been targeting our research efforts to understand which trends are emerging in recent years in GG, both at the organizational level and the regime complex or sector architecture level, to

be able to identify the most relevant challenges the EU would face. This research strategy allows the GLOBE team to derive policy implications from the findings obtained, in particular regarding the possible directions necessary to cope with major global governance challenges the UE is confronting or will confront in the coming years. This section summarizes the main recommendations for the EU, both EU institutions and member states:

### International Trade and Foreign Investment

- The EU should work to address the primary causes of increased contestation and fragmentation within the multilateral trading system, including supporting governance reforms to bolster the legitimacy of existing IOs (WTO, etc.): To this purpose, developing and emerging economies' concerns and their unique development needs should be better considered by trade governance institutions.
- The EU should continue to seek to reform and restore the WTO's dispute settlement system. However, while doing so, the EU should bear in mind that the deterioration of the dispute settlement mechanism cannot be solely attributed to the Trump administration, nor even to solely the United States. The dynamics that led to the Appellate Body crisis – especially the undermining of the DSM's credibility – occurred gradually over a few decades and many WTO members, including the EU, contributed to the growing skepticism of the mechanism. It will therefore be necessary to consider and address these longstanding underlying dynamics while advancing reform proposals.
- Our mapping exercise shows an increase in the number of GG actors involved in international trade, including a more relevant role of private ones. They are becoming increasingly institutionalized: for example, the EU uses them in market access regulation and they are relevant for the WTO agenda. Within this framework, the EU should promote the discussion of the role of these private actors in the WTO and might seek ways to discipline members in how they deal with private trade governance instruments.
- The trade and climate change debate, or the trade and labor rights debate are just some examples that highlight the importance of trade for non-trade objectives, meaning a next step in how GG for international trade can be framed. Further pursuing these debates in the WTO will strengthen the global agenda of the EU to promote such values.
- The EU should continue to lead the efforts of reforming the global investment treaty regime in order to strike a better balance between investors' protection and state regulatory space. In order to do so, the EU should increase coordination between MS and harmonization of policies vis-à-vis IIAs, ISDS, and UNCITRAL reforms.

### Development

- The EU should seek ways to counteract the increasing fragmentation of the development GG regime by promoting the alignment goals of different actors involved in international development. Rather than trying to reassert the goal-dominance of the traditional IO leader (the World Bank), the EU could play a role in guiding institutions and governance actors at all levels (including private actors and regional development banks) toward achieving a set of globally-agreed goals, such as the SDGs.

- The EU should work to address the primary causes of increased contestation and fragmentation at the multilateral level, most importantly by supporting significant GG reforms to bolster the legitimacy and intervention capacity of the World Bank and the regional development banks.
- The EU should seek to advance reforms and promote decisions that alleviate developing and emerging economies' concerns *inter alia* that they lack a voice in the World Bank, that the Bank's disbursements to developing and emerging economies lag behind those to middle-income economies, and that the Bank has appeared to turn away from financing what are – from the perspective of these countries – crucial infrastructure projects.
- The EU should strengthen its role as an intermediary between the UN organizations and EU member states in the implementation of the globally-agreed SDGs. Existing mechanisms at the EU level should be reinforced to support the implementation of the SDGs in Europe, based on previous experiences such as the Lisbon Agenda in the 2000s. In this respect, the European Semester can be conceived as a form of experimentalist and goal-setting governance model, like the SDGs, as it annually sets broad goals for social and economic policy in the EU and individual EU states.
- Adding an environmental dimension to the European Semester and fully integrating the SDGs into it, the EU could reinforce (1) its translating role by providing a clear strategy and guidelines on the SDGs through the Annual Growth Survey (AGS), (2) its supporting role through budget allocation recommendations and recurrent non-compliance financial sanctions, (3) its vertical (between EU MS and the EU) and horizontal (within the EU) coordinating role, and (4) its monitoring role through the Alert Mechanism Report at EU level and Country Reports and in-depth reviews at EU MS level. The EU should ensure that the three dimensions of sustainability underpinning the SDGs are balanced and that environmental concerns are not subordinated to economic or socioeconomic ones.

## International Migration

- The EU should consolidate the progress made so far with the conclusion of the Global Compact on Migration (GCM) and Global Compact on Refugees (GCR), using them as a platform for dialogue with other regions. It should also continue providing financial aid to migrant management and assistance globally. The support for the Quito Process demonstrates the importance of assisting countries and regions dealing with large movements of people wherever they are in the world.
- The EU should try to ensure that international humanitarian law protecting recognized and established rights are upheld globally, including within the EU's own border management system. The EU should continue working, both within its borders and internationally, to ensure that humanitarian assistance given to migrants and refugees does not lead to criminal prosecution, irrespective of the regularity status of migrants receiving care, is very important to maintain.
- The Latin America and the Caribbean (LAC) regional approach to migration management is a global best practice to avoid securitizing the issue of migration, which should be closely examined by the EU. Several factors behind this contrast with the approach taken in Europe, first and foremost the differentiation between regular and irregular migration, which has been consolidated in the global regime through the GCM. While recognizing and notwithstanding different structural

conditions that exist in LAC and Europe, the identification of future alternative strategies is necessary to accommodate the diverse range of national and sub-national actors actively involved in migration policy across Europe, such as cities and municipal authorities.

## Global Security

- The scale and complexity of the GG of international peace and security are likely to increase in the future. The EU should closely monitor non-traditional threats and how their governance evolves while also remaining deeply engaged in the GG organizations that deal with the traditional security threats of the use of force, non-proliferation of WMDs, and terrorism.
- After Brexit and in light of the changes in the European Security Architecture, the EU should continue on its path to increasing its contribution to European security (as also requested by the US) and to boosting its internal coordination and integration. The EU should closely monitor the level and type of the US commitment to European security.
- Along with other factors, Russia's foreign policy has contributed to shaping the evolution of NATO and the EU in recent years. The country's attempts to maintain its prevailing position in the areas of its former sphere of influence will continue to determine the work of the OSCE, as well as the actions of the EU and NATO. The relationship between Turkey and Cyprus is a serious barrier to further progress in the EU-NATO relationship and unleashing the full potential of this cooperation.
- The EU cannot afford to ignore two interconnected emerging threats when it comes to its security: salient cyber-security issues and the development of artificial intelligence – where the EU lags behind the US and China on capability matters. In the medium term, the EU should carefully monitor China's increasing role in the world, both from an economic and a military perspective.
- The COVID-19 crisis may affect the notion of “security”, with more emphasis on the human dimension of the term. Resilience and the civil dimension of security may rise on the agenda. This may provide an opportunity for more relevance for the EU and the OSCE, as security actors operating with a wider conception of security.

## Climate Change

- The EU should continue to demonstrate a strong commitment to climate action on the global level and engage in strategic coalition-building to amplify its voice in the UNFCCC other international fora. Given the catalytic nature of the Paris Agreement, “leading by example” – a long-standing aspiration of EU climate diplomacy – is more central than ever, in particular when it comes to raising ambition and promoting transparency. Concerning the latter, the EU can play a vital role by providing capacity building to other state parties on monitoring, reporting, and verification (MRV) and other transparency-enhancing activities.
- The EU can also play a key role in supporting the move towards greater climate transparency in the private sector. Despite a groundswell of activity in this area, private carbon governance remains fragmented and ineffective, highlighting the need

- for national governments and the EU to ensure consistency and transparency of corporate action, including through enhanced mandatory carbon reporting.
- The EU's policy-making landscape can provide fertile ground for a diversity of agile and climate-progressive policy entrepreneurs, bolstered by growing popular demand for more decisive climate action. However, this will require a serious divestment of finance and attention away from incumbent fossil fuel interests. If global climate governance is to be effective it needs to encourage mitigation and adaptation action by diverse actors at multiple scales.
  - It is promising that a growing number of states – including almost half of all EU MS, and the EU itself – are putting ambitious decarbonization commitments into law, along with overarching governance frameworks to facilitate implementation and monitor progress. However, not all of these laws include credible accountability mechanisms. The EU could play an important role in promoting robust institutional design – including independent and empowered climate advisory bodies – on the domestic level while also enhancing its accountability.
  - Post-COVID-19 recovery efforts should serve to enhance, not weaken, the EU's European Green Deal. The pandemic has put the spotlight on the complexities of responding to major systemic disruptions, also highlighting the often highly uneven outcomes of risk containment measures. As such, it serves as a reminder that green transition efforts must also be socially inclusive, aiming at building broad support for decarbonizing the economy – in a way that does not entrench and deepen existing inequalities.
  - Quantification of the health co-benefits of climate change mitigation can serve as a lever for more stringent climate policy and incentive for stronger international cooperation, including from Low-to-Middle-Income Countries (LMICs), where air pollution levels and the associated benefits of improving air quality are high, but the perceived responsibility for climate action is limited, eventually due to low current and past per capita emissions.

## Global Finance

- In regional terms, the EU has made financial and monetary integration a prominent driver in its process of regional construction. The consolidation of existing financing institutions and agreements (especially the European Investment Bank, the International Investment Bank, and the European Bank for Reconstruction and Development) and the promotion of new initiatives aimed at addressing long-term financing needs of less favoured partners, will result in greater cohesion of the bloc.
- The EU should work to address the risk preferences of different public and private actors, make the contestations around financial stability as public as possible, and improve the public knowledge deficit, strengthening transparency and trust. Supporting public knowledge campaigns at different levels should lead to a better understanding of different conceptions, interests, and mechanisms involved in financial stability.
- The EU should develop capacities and authority around financial governance that are authoritative and with a high reputation. These capacities should be used to promote the credibility of the EU in global and European finance. For example, the EU could develop more tools to hold informal financial organizations accountable.



- The EU should counteract the increasing fragmentation of the financial regime by promoting the alignment goals of public financial actors and the inclusion of new voices. Rather than trying to reassert the dominance of the traditional financial interests, the EU should pave its own way in guiding institutions and governance actors at all levels (including civil society actors) toward achieving a set of globally-agreed goals, such as the Stable and Productive Financial Goals.
- The multiplex order, characterized by the existence of multiple -and usually overlapping- financial institutions, underscores the relevance of a pragmatic strategy. The existing global financial order is in a transition towards another architecture, whose arrival point is unknown, while transformations are going on. In particular, ongoing transformations include the emergence of new arrangements and institutions promoted by China and other emerging powers that seek to reform the current financial architecture. In this sense, the EU should have a flexible financial strategy that allows it to adapt to the different existing levels.
- Given China's rapid rise as a financial power, the EU should deepen its financial ties with the Asian country, taking advantage of the Comprehensive Strategic Partnership signed in 2003. In this sense, the significant European participation in the Asian Infrastructure Investment Bank constitutes an outstanding milestone that can serve as a platform towards that objective. This antecedent had the double merit of empowering the EU as a financial power, since it funds the Bank, but also a political one, as it managed to distance itself from the resistance that the US deployed.

#### Cross-cutting issues

- The EU should continue its strategy to seek a more active role (as an enhanced observer or full member) in those IOs that matter for global rule setting. Highly authoritative IOs are more instrumental in achieving policy outcomes close to the Union's preferences and should be preferred to those IOs with little regulatory bite. However, this does not mean discarding less authoritative IOs. The Union could, for example, strengthen its diplomatic presence in some of these organizations and assist them in developing a more effective institutional and policy framework.
- The EU should deepen its involvement in regional organizations worldwide. While the EU maintains diplomatic relations with almost all regional organizations, it very rarely is an observer or even a member. Given that regional organizations become more and more important in terms of their integration efforts and their authority levels, the Union should seek an active role in them, preferably through trying to attain enhanced observer status where possible.

#### Institutional Shortcomings of International Organizations

- The EU should promote and support internal governance reforms in relevant IOs to better align with a changing external environment, especially concerning addressing concerns of legitimacy by many emerging economies that feel their voice in decision-making is not commensurate with their growing power. Enhancing capabilities for GG to key global organizations can become a pivotal element to address the gridlocks existing in some areas and sectors where common action to achieve global public goods is much needed.

- The EU should seek to bolster the autonomy and independence of key IOs (authority) considered to be of strategic importance for the EU – especially for issues of high political salience – to ensure the IOs are not subject to inaction or excessive influence by some powerful members or hamstrung by geopolitical rivalry between powerful states. Based on its own experience, the EU can contribute significantly to ensure IOs to have the resources, including an adequate budget and access to key information, necessary to achieve their objectives.

## RESEARCH PARAMETERS

The Project “Global Governance and the European Union: Future Trends and Scenarios (GLOBE)”, addresses the strategic priorities identified in the EU Global Strategy such as trade, development, security and climate change as well as migration and global finance to identify the major roadblocks to effective and coherent GG by multiple stakeholders in a multipolar world. The project, coordinated by Institut Barcelona d’Estudis Internacionals (IBEI), will provide policy-makers, academics, and the general public with an analytical grip on the state of play in GG, by innovative research contributions beyond the state of art, and also by developing new policy perspectives. It also hopes to equip national and European policy-makers with tools to identify constraints and opportunities in a set of GG scenarios for 2030 and 2050. To analyze the dynamics of GG in the different issue areas, GLOBE makes extensive use of quantitative methods, but it also elaborates a number of case studies to examine key institutions and global policy configurations. Combining diverse research methods, GLOBE aims to contribute to a new generation of studies in GG, capable of identifying and diagnosing the most relevant problems at the sector level with more precision and detail than previous research in this area.

GLOBE mainly employs a range of data-gathering and research techniques: big data mining, combining and expanding existing [GG databases](#), elaborating and distributing questionnaires, document analysis, personnel interviews, and developing foresight techniques. The [Global Intergovernmental Organizations Radar \(GIOR\)](#) extracts from the world’s broadcast, print, and online news a ‘heatmap’ related to the main GG issues in these fields such as the institutions and type of actors that are mentioned most often with a topic, reference to the EU in global media or even the ratio of negative/conflict events v. positive/cooperative events between dyads of actors. The [Security Global Governance Organizations Radar \(SGGOR\)](#) uses the same method but tailored to the field of global security. Some of the GLOBE partners have elaborated large datasets on different characteristics of institutions and organizations related to GG. Noteworthy examples are the [WZB dataset on IOs](#) and other entities involved in GG, the IBEI dataset on the [institutional features of regulatory agencies](#) at the national level, and the ESADE dataset on the characteristics of heads and boards of IOs.

## PROJECT IDENTITY

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## FURTHER READING

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## WEBINARS

B. Milanović - *Capitalism, Alone: The Future of a System That Rules the World*, 16 January 2020.

M. Zürn - *A Theory of Global Governance*, 5 February 2020.

S. Shadikhodjaev - *Industrial Policy and the World Trade Organization*, 2 March 2020.

L. Hooghe - *A Theory of International Organization*, 16 March 2020.

S. Ponte - *Business, Power and Sustainability in a World of Global Value Chains*, 30 April 2020.

C. Roger - *The Origins of Informality*, 28 May 2020

A. Narlikar - *Poverty Narratives and Power Paradoxes*, 15 June 2020.

A. Bradford - *The Brussels Effect: How the European Union Rules the World*, 25 September 2020.

V. Schmidt - *Europe's Crisis of Legitimacy*, 14 October 2020

A. Imbrie - *Power on the Precipice: The Six Choices America Faces in a Turbulent World*, 19 October 2020

J. Harrison and A. Smith - *Free Trade Agreements and Global Labour Governance*, 12 November 2020.

S. Renckens - *Private Governance and Public Authority*, 10 December 2020.

A. Grigorescu - *The Ebb and Flow of Global Governance*, 14 January 2021

J. Díez Medrano - *Europe in Love: Binational Couples and Cosmopolitan Society*, 15 February 2021.

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## ONLINE PANELS/ROUNDTABLES

GLOBE Online Panel | What is Global Governance in the time of COVID-19? With J.Jordana, J.Wouters, T.Pegram, B. Pertwini and D. Tussi, What is Global Governance in the time of COVID-19, 22th of September 2020.

GLOBE roundtable | The Impact of Covid-19 on Migration and Health. A Gender Perspective. With A. Triandafyllidou, S.Hawkes and A. Bianculli, 26<sup>th</sup> of January 2021

*All Online Roundtables are available at: [https://www.globe-project.eu/en/roundtables-panels\\_12051](https://www.globe-project.eu/en/roundtables-panels_12051)*