

EUROPEAN SYSTEM OF MULTI-LEVEL GOVERNANCE A MORE REALISTIC PERSPECTIVE TO THE GLOBAL GOVERNANCE ?

Chiriac Constantin, PhD candidate,
The Bucharest Academy of Economic Studies

Abstract:

The European integration process has radically modified the system and nature of governing in Europe. Multi-level governance as a fundamental challenge to a state-based understanding of policy making captures the multi-located nature of contemporary governing in the European Union. It modify in great measure the conception of governing processes as existing at either local or international level, emphasizing an overlapping, interlinked, multi-actor framework of interdependence. The power of multi-level governance lies in its ability to put in a nutshell the reconfiguration of policy making space away from interaction between ancient political arenas toward a singular entity of complex web of interactions of multiple actors involved in EU governance. Multi-level governance entails transformation of statehood, including significant changes in both the public area of politics and private areas of economic activity in their modes of interactions. Due to a changing global environment, nation states increasingly transfer elements of their sovereignty to transnational and international level. Global decision-making procedures are increasingly influenced by non-state actors, civil societies and businesses alike. In light of the twin trends of globalization and fragmentation we have to broadening the range of actors that are relevant for better governance at global level. Globalization processes requires new form of governance and a representative framework in witch the nation-state and governments and intergovernmental bodies remain constitutive elements. In this paper I start by further exploring these conceptual issues but then I assess the relevance of the above arguments for influence of multi-level system to the global governance.

Key words: European, Multi-level governance, global

1. Development of Multi-level Governance in the EU

The concept of Multi-level Governance (MLG) characterizes the dynamic of relationship between the actors located at different territorial levels: public, private or non-governmental (*I. Bache, 2005*). The concept is utilized both analytical and normative, in order to understand the meaning of methodology of taking decisions for the sustaining of different private or public partnerships (*I. Bache 2008*). From analytical point of view, the term refers to the conceptual frame of interdisciplinary analysis of public policies and contributes to an increase of acknowledgment over the fact that many contemporary problems requires analyses that transcend the boards of traditional disciplines by overcoming the traditional domains of internal and international politics, underlying the fact that there is a melting of applicability limits of these two domains, with its origin in the European integration but with applicability in the global governance.

MLG was developed simultaneous with the analysis of cohesion politics of EU and then it was applied initially in the general frame of communitarian decisional processes. MLG instruments have been used by EU for a long time since 1980 the United States has also adopted a multi-level strategy which combines the global, regional and bilateral to achieve its overall policy (*Feketekuty & Stokes 1998*) in the south, developing countries continue to support the multilateral system, but at the same time they too are increasingly embracing multi-level approaches and especially turning to regional integration as part of a complementary development strategy (*B. Gavin 2004*). Similar trends can be observed in

Africa, Asia and Latin America. Originally MLG signified a continuous process of negotiation between the different governmental levels (*Marks G. 1993*) and it describes how the supranational, national, regional and local governance are mixed in a frame of network policy. Thus it emphasis both the frequent and complex vertical interactions, between the different governmental actors, and the horizontal dimension, once the number of non-state actors implicated in the cohesion politics and in the communitarian decisional structures was increased. Therefore MLG raised a series of questions regarding the role, weight and authority of national states in the new context. (*L.Hooghe & G. Marks 2003, 2004*) brought important contributions to the definition of the concept, by distinguishing two types of MLG:

TYPE I	TYPE II
multi-task jurisdictions	task-specific jurisdictions
mutually exclusive jurisdictions at any particular level	overlapping jurisdictions at all levels
limited number of jurisdictions	unlimited number of jurisdictions
jurisdictions organized in a limited number of levels	no limit to the number of jurisdictional levels
	jurisdictions are intended to be flexible

Table 1 Types of Multi-Level Governance (L. Hooghe and G. Marks) 2001

The characteristics of type 1 of MLG are similar with the federalism. The dispersion of authority is focused on a limited number of „non-overlapping jurisdictional boundaries”. „Jurisdictions are general purpose with those jurisdictions at the lower territorial level nested into higher ones (*I. Bache 2005*). In this type the distribution of authority is relatively stable and predominate more at governmental or institutional level than the politic one. The type 2 of MLG is a more complex governmental model, a more dynamic one consisting in a larger number of jurisdictions. These jurisdictions are flexibly overlapping when comparing with the dynamic of governance necessities. They are concentrated around certain segments of politics or certain specific problems, and they have as a main goal the improvement of efficiency in the decisional process. The dispersion of authority is weaker and the accent is more on resolving certain specific problems and the applicability of some sector politics than on the formal institutional frame. The typologies of MLG do not reciprocally exclude themselves, more likely they coexist. „General purpose jurisdiction exists alongside with special purpose jurisdiction”. The institutions and governments have the possibility of acting together at lower level for solving some specific problems, and they also can establish organisms that take care of these specific problems. There are also some conflicts between the two typologies, especially regarding the responsibility of specific decisions and its results, but the tensional nature and its resolving through negotiation-reconciliation is a characteristic of MLG. European Commission was preoccupied by the analysis of communitarian governance and the possibility of adapting to its needs. It refers to the governance as a set of principles and tools in the decisional process in the background of existence of some multiple layers of actors and decisional factors in EU, European institutions - communitarian level, the governments and national parliaments - national level, regional and locale authorities - sub-national level, but also other actors representing different groups of interests and the civil society. But the actors and main part of the decisional parties remains the communitarian institutions and the national governments, which have the biggest influence in the European governance. When referring to the specific case of EU, European Commission considers that MLG implicate the co-existence and melting of different governance levels. (*E. Grande 2005*) MLG has 3 characteristics:

- Institutional non-hierarchic architecture implies the fact that the actors and the jurisdictions are not hierarchies. E. *Grande* considers that between the supranational institutions and the national governments no strict subordinate relationships exist, and the regions are not subordinated to the supranational institutions, existing strong relationships of institutional and functional interdependences (*P. Prisecaru 2005*). *Sharpf* showed that for one side the supranational and national institutions forms an integrated system of decisional acts, the national level being permanently in the system of negotiation and decision at community level, and on the other side the national and sub-national actors play a decisive role in the decisional implementations.

- The non-hierarchic character of the decisional process is based on the negotiations between the main actors. The existence of an integrated institutional agreement would affect the legitimacy of decisions, the accord between them being possible based on the consensus. (*P. Prisecaru 2005*). By imposing the vote with eligible majority, emphasize the consensual character and relieve the decisional process through a representative majority and relevance.

- The dynamic dispersion of authority, the competence of decisional process are split between the actors located at different territorial levels. *Marks & Hooghe & Grande E* considered that MLG have a dynamic character, due to the fact that the functions and competences at different levels are not definitively established.

The EU governance is based on the MLG system and represents an important moment in the transformation of nation's state in EU. The development of this type of governance represents a temporary effect of transition towards the sliding of sovereignty towards a superior level and supposes relationships between a level supranational structure and the existing national governments. The sovereignty of nations is assimilated with a symbolic resource (*P. Prisecaru 2005*) being interpreted more like a sum of specific state capacities than like a characteristic feature of state. *B. Jessop 2004* identified 3 characteristic trends for the national evolution in the system of MLG governance.

- denationalization of national territorial state by transferring the decisional and settlement powers towards the supranational levels and the authority decentralize in the favor of inferior territorial levels;

- destatalization of politic system, the transfer from the classical governance to a governance at different territorial levels, the role of national state is alleviated in the favor of relations of partnerships with other actors - here the meta-governance¹ can also be placed;

- the internationalizing of political regimes, the trans-national processes have effects over the action of national states;

The system of European governance means the denationalization of state, destatalization of politics and internationalizing of politic regimes. Governance as a system meet continuous modifications due to the evolution of process of globalize. Due to the permanent changes imposed by the globalizing process, the national states, in order to adapt, find themselves in the situation of transferring some elements from their sovereignty to trans-national levels.

2. Multi-level Governance and Globalization Process

The term globalization, at general level, refers to a large range of political, economical, social and cultural processes that occurs at different levels of interactions beyond the traditional borders. *A. Giddens* described the globalization as an intensify of global social relationships that tides different locations, thus the events that occurs at local level are powerfully influenced by events that take place at large distances. The globalization does not represent only an explanation for the quantitative changes that occur in the international

¹ Meta-governance – proliferation of coordination's form and various auto-organization forms

commercial flux, the capital flux, or diverse foreign investments. The globalization produces effects and over the qualitative processes like the increase of individualization in the society frame, the apparition of some gaps in the governance that requires new forms of settlements of type up-bottom respectively international towards local level. One can state (*J. Nye & J.D. Donahue 2000*) that the globalizing refers to the heterogeneous processes and developments implying strategies and different forms of cooperation (*I. Clark 1999*) synthetically stating the fact that thus like the globalizing conducted to the death of national economy, the global governance will represent the end of the national states. The globalization requires new forms of governance and a frame in which the national states and the non-state actors are constitutive elements, a process that have common elements with the dynamic of European governance. The global governance is an evolutionary process very dynamic, being also an interactive process between different relevant stakeholders and in which the non-state actors became more and more powerful. According with UNDP the global governance is defined as a set of politic values and institution through which one organization leads its business in the economic, politic and social domain through interactions between governments, civil society and private sector.

A problem arises here: if the globalization will have as a consequence „Governing without government?” or even „governing without governance?” (*cit. Astrid Harnish and Raw Rhodes The New Governance 1996*) Referring to the international economical integration (*D. Rodrik 2000*) the integrated global economic system require that the national jurisdiction should not interfere with market mechanisms, the costs of transactions and the differences of fees should be low and the convergence of merchandise costs and profits to be complete. But, in order to reach to this level, the theory of federalism should be extrapolated at global scale through the adjustment of jurisdictions with diverse markets and the removing of cross-border effects. The national governments should transfer parts from their authority to the legislative executive and juridical supranational organisms, the result being a potential world govern responsible, with a unique huge market, part of a global federal system. Although the national states transferred sovereignty elements towards superior levels, still they don't want their complete transfer, thus questioning the efficiency and feasibility of a global government. The process of European government shows how difficult it is to integrate a number that is limited comparing with the global one. Many time appeared the problem of a democratic deficit referring to the legitimacy of decisions and decisional system at EU level. The necessary transformation toward a global governance system imposes modifications of the traditional concept of national sovereignty. The answers of global governance in the traditional multilateral level, to the new complex problems that appeared, are inadequate. While the multilateral system was based on the sovereign states that were on the equality positions, the regionalism is based on the “limitation of sovereignty” through which a group of countries conscience of some opportunities agrees to limit their sovereignty in order to find collective solution „to cross border problems”.

The globalization conducted to the apparition of some new forms of governance in which the national governments exchange their role from central legitimated in „local and regional subsidiary government ” (*J. MacLean 1999*). These imply the fact that the national states will continue to play an essential role in the global politics and according with the principle of subsidiarity, the states will transfer the sovereignty elements and decisional competences both inferior-local and at superior trans-national level. The concept of subsidiarity states that responsibilities and task only be transferred from a lower to a higher level of governance, if the lower level is not able to provide adequate solutions”. But on short term a government at global level that should presents legitimacy and to be a response to the globalization process is not possible. The system MLG represents a transitory solution to this problem, but a more realistic one. (*Astrid Harnish 2002*). *Reinicke* argument the fact that the public global politic networks, represents an instrument necessary for the increase of global governance efficiency through the involvement of relevant stakeholders. The rapidity of the globalization process could lead to the apparition of some gaps in the development of the global processes that could decrease the efficiency and legitimacy of the decisional processes mechanisms like (*Reinicke & Astrid 2002*):

- operational gap

- participatory gap

Operational gap refers to the fact that in the institutional frame the continuous increased number of problems that belongs to the public politic domain will no longer be able to be efficiently implemented either at national or intergovernmental level. Participatory gap is bounded with the first one, more specific that the national and international organisms are facing a concurrence and a power stronger and stronger from the part of trans-national corporations and civil society that were successfully restructured at international level. The solutions for these differences try to be found through:

- emphasizing and facilitating the processes of cooperation and negotiation between different levels;
- creation of new regional/local markets and the deepen of economical liberalization of economical settlements and politics, of arrangements and interdictions of state members;
- the development of efficient mechanisms for the implementation of decisions

The implication of the local government level offers legitimacy to the processes, especially in those problems where the superior level of governance can be seen as a source of interference in internal affairs. The global MLG system includes national and vertical interactions between the involved actors. MLG at global level will have to resolve the problem of competence distribution, taking in consideration three principles: the principle of specialization, the principle of subsidiarity and the one of proportionality. There are also differences between the way in which the MLG is defined and how is applied within EU and the concept of global governance. Thus, MLG focus (*Gavin 2005*) on formal political institutions and assume „a high degree of community under the governed” having as a main target the efficiency of decision’s implementations. The global governance focus mainly on the interaction between the government and the „non-state” actors as well as on the lack of balance between the liberalization of commerce and the citizen’s demands for different standards (environment, work, social equity) and less on efficiency. Having in mind the fact that between MLG and global governance there are common characteristics, and also its applicability at EU level, the question was if this system can be “exported” at global level. Table 2 presents a typology of characteristics of MLG system at regional and global level (*McGowan 2001*)

Characteristics	Regional model of MLG	Global model of MLG
Analytical boundary	Preferential system closed loop	Non-discriminatory system open ended
Institutional framework	Supranational structure	Intergovernmental structure
Policy sectors	Redistribution policy regulation	Trade regulation
Levels of governance	Sub-national, national, supranational	National, supranational multilateral
Organizing principle	Subsidiarity	Hierarchy
Role of region in relation to other levels of governance	Empower sub-national actors	Seeks compatibility with multilateral regime
Monitoring/compliance	Political	Legal

Table 2 Two Models of Multi-level Governance B. Gavin, 2005

Although there are different organizational principles and philosophies, the institutional system operates on the two models that are different and that have 3 distinct governance levels. On observe that the subsidiarity is tightly bounded with the theory of fiscal federalism that was generalized as a principle for an optimal allocation of competences (*Gavin & De Lombaerde 2005*). According with the principle of subsidiarity, the decisions should be taken at the most adequate level of governance and should be implemented in a

more efficient way. So, the beneficiary theoretically have the opportunity to become actively involved in the decisional processes at all the levels of governance, the level with the larger participation is the local one, having as an effect: „the more indirect the level of governance, the more indirect is the level of representation”. Governance MLG in EU, evaluated in a style of cooperation partnership having at its base a flexible juridical system. The appliance of subsidiarity was done firstly political and then it passed at an application based on a legislative frame. But in global context this situation can no longer be applicable and to determine confliction situations that could affect the way in which MLG operates at global level (*Gavin 2005*). The process of globalization brought more settlements. Due to an increase in the number of involved actors, in the settlements processes, the modality in which this is accomplished evolves from the traditional models becoming more complex, more sophisticated and with a participative character. The general result of these changes was the manifestation of necessity of a multilevel governance system that should consider the interactions between many actors. The purpose is the obtaining of an efficient model of global settlements, the so called „regulatory quality” that OCED define as the sum of settlements that contributes to the accomplishment of the objectives of public politic without making inutile pressure over the economical agents.

3. Toward Multi-level Global Governance

Globalization has brought a dual movement of down scaling to lower order and up scaling towards higher orders. Downscaling was accomplished through decentralization, deregulation and privatization. The argument in the favor of decentralization is the fact that the necessities of communities are better known at local governmental level than at superior levels and this can assure a better management of the situation by taking the best decision. Simultaneous with „devolution of regulatory power” towards the local governance level, there is a movement bottom-up of the settlement process toward a supranational level of settlement. For example „deregulation of financial institution required new safety regulation at the transnational levels to ensure the banks systems”. The generalized model of multilevel regulatory governance, that extends more and more at global level, evolve toward a system in which the interactions between the different levels of governance and the different actors became more and more dynamic. It results that the classic principles of better governance are no longer sufficient for the assurance of system and settlement efficiency. The global dimension of MLG towards on target, raise new problems referring to the quality and coherence. It is necessary to have a clear delimitation of responsibilities in a frame in which the quality of settlements depends on the coordination between different levels governance and multiple actors. The principle of subsidiarity reflects the way in which the responsibilities are allocated in the MLG system, trying to avoid the overlapping jurisdiction, through the necessity of creation of some efficient mechanisms of coordination. In the same time with the multiplication of actors that are involved in the decisional mechanisms and the decentralization of settlements at local level there is a net delimitation between the responsibility of those who take decisions and the ones that implements it. The coordination of the different levels must be efficient in order to avoid a separation between the two previously mentioned plans. There are methodologies like „regulatory impact assessment” that realize a measurement of costs and benefices at each level. The transfer of allocation of powers toward the superior or inferior levels should be made through „comparative advantage of each level” having as a key element the coherence, avoiding the contradictory, excessive settlements or the gaps. The MLG global system requires also new management style. Its must pay attention to horizontal as well as vertical interdependence. If MLG is not properly coordinated at global level, there is a risk of emerging overlapping rules. The best promising

framework to escape from cumulative regulatory pile up is principle of subsidiarity which is an exercise of shared power.

The apparition of some supranational regions as well as different non-state actors with influence at global level is similar with the dynamic of sub-national regions in EU. The development of the new regional zones at global level raised some fundamental problems referring to the future of the national states and their role in a global governance system. The regional arrangement was considered by the authors as modern expressions of alliances between the old sovereign states (*Gavin 2004*). Moreover the new trends of evolution of regionalism that accepted the necessity of „pooling of sovereignty” concept, leads towards new regional entities that undermine the role of the national states through the apparition of new forms of global governance under the form of a MLG system in the frame of a new multi-regionalism governance system (*Van Langenhove 2004*). The capacity of regional organizations to enter in a partnership relationship with institutions specific to global governance is determined by their level of systemic evolution (*Hurrell 2004*) that identify 5 general categories of regional development representing organizational transitions toward a system of global governance having at its basis MLG. The first faze is represented by „regionalization which is reflected in regional thickening through channels including networks and regional clustering of specific activities. The second stage is represented by the creation of a regional identity composed from national states that have the sentiment of affiliation to common values (historic, culture and tradition). The third faze is represented by the regional cooperation and regional governance through the creation of a formal institution at regional level and that represents a base characteristic for the development of the present regionalism. The fourth stage is represented by the economic integration, implying the economical mechanisms like common market and monetary union. Finally the regional cohesion, based on specific economical and political processes leads to the development of a politico-economic consolidation and the creation of a regional actor with real powers to influence the actions of its members and strongly enough to play a role in the global economy.

Globally, MLG is still in an early stage but it will develop continuously, but unequal at global level. The highest stage is found in EU where the sub-national level received a lot of influence. Moreover, the settled treaties, the last one being The Lisbon Treaty 2007, favor the decrease of national state powers in the favor of sub-national level. Once EU enlarged, the already formed regions from the West of the continent enter in competitions with the new states, these situation bringing tensions at the communitarian level. In the legal frame of EU, the regions are almost invisible with the exception of Committee of the Regions, where the national states are the main actors, the regions not heaving any democratic representation. As an answer to this situation, different partnerships were created between the regions and EU institutions, thus obtaining recognition at European level and a lot of advantages. In addition legal instruments in the form of ex-ante and ex-post controls on the operation of subsidiarity principle have been developed. There are strong similarities between the increases of power at sub-national level in the European context and the emergences of supranational region in the global context. The authority of the national states decreases as a result of the globalizing process in the favor of regions that thus obtain another level of governance.

4. Conclusions

The global governance „that we have today” is more complex than traditional multilateral system. At the horizontal level emerge public private partnerships embodying state and non-state actors. Vertically we can observe the convergence of multiple levels of governance from the global down to the supranational to the national and to the sub-national level. The challenge of this multi-level system is how to embody it in a legal framework that

will ensure effectiveness, transparency and accountability. The most probable institutional framework for global governance in the future could be MLG will include a combination of various actors including national states, international organization and regions. The challenge will be to find an adequate distribution of roles between these two categories of actors. While strengthening global institution and rules appears to be a necessary step towards addressing global opportunities the materialization of MLG global system encounters big obstacles: the states reluctance to assign competencies and means to international institution, lack of legitimacy of international organization and participation of non-governmental actors

References

- Bache Ian* - Europeanization and Britain: Towards Multi-level Governance? EUSA 9th Biennial Conference, Austin, Texas, 2005
- Bache Ian* - Europeanization and Multi-level Governance: Cohesion Policy in the European Union and Britain, Lanham/ New York; Rowman and Littlefield, 2008
- Clark Ian* - Globalization and International Relation Theory, Oxford University Press, 1999
- Edgar Grande* - Re-Constituting Political Authority in Europe: Transnational Regulatory Networks and the Informalization of Governance in the EU”, in: Edgar Grande/ Louis W. Pauly (ed.), Complex Sovereignty. The Foundations of Global Governance, University of Toronto Press, 2005
- Feketekuty G. and Stokes, B.* - Trade Strategies for a New Era. Ensuring U.S. Leadership in a Global Economy. New York: Council on foreign Relation 1998
- Gary Marks.* - Structural policy and multilevel governance in the EC.” In: Alan Cafruny and Glenda Rosenthal eds. The State of the European Community: Volume 2. Boulder: Lynne Rienner, 391-410. 1993
- Gavin, B* - Globalization and Governance: citizens amidst what – the State, the EU, or the Global Village?, in *About Globalization: vies on the Trajectory of Mondialisation* Brussels: VUB Press, 89-113. 2004
- Gavin B.* – Reconciling Regionalism and Multilateralism Towards Multilevel Governance, UNU CRIS Occasional Papers, 2005/20
- Gavin B, De Lombaerde P-* Economic Theories of Regional Integration in eds Farrell, M., Hettne, B. Van Langenhove The Global Politics of Regionalism: Theory and Practice London Pluto Press 2005
- Gavin Brigid* - Federalism and Global Governance. Paper presented at the Third International Conference on Federalism, Brussels, 3-5 March, 2005
- Giddens, Anthony* - The Consequences of Modernity. Cambridge: Polity Press, 1990
- Harnish Astrid* - Multi-Level Governance Beyond the Nation State: The End of Legitimate Democratic Politics The Bologna Center Journal Of International Affairs, 2002
- Hooghe, L., and G. Marks* - Multi-level Governance and European Integration. London: Rowman & Littlefield, 2001
- Hooghe, L., and G. Marks* - Unraveling the Central State, But How? Types of Multi-level Governance. American Political Science Review 97, 2003
- Hurrell A* Power Institution and the Production of Inequality Power in Governance Cambridge University Press, 2004
- Jessop, Bob* - Multi-level Governance and Multi-level Metagovernance Changes in the European Union as Integral Moments in the Transformation and Reorientation of Contemporary Statehood. In: Multi-Level Governance. Oxford University Press, Oxford, UK 2004
- Joseph S Nye & Johns D Donahue* – Governance in a Globalizing World – Washington DC Brookings Institution Press, 2000

- MacLean John* - Philosophical Roots of Globalization and Philosophical Routes to Globalization Randal D germain ed. Globalization and its Critics (London: Macmillan 1992)
- McGowman F* - Is there Room for the Multilateral in Multilevel Governance ? Sheffield University, 2001
- Ortega M* - Building the future The EU's contribution to global governance, ISS 2007
- Prisecaru Petre* - Guvernanta Uniunii Europene, Editura Economica, Bucuresti, 2005
- Rhodes RAW* - The New Governance: Governing Without Government, 1996
- Rosenau Njames and Ernst Otto Czempiel* - Governance without Government: Order and Change in World Politics Cambridge University Press, 1992
- Rodrik Dani* - How Far Will International Economic Integration Go ? Journal of Economic Perspectives, volume 14, no. 1, 2000
- Sharpf FW* - Introduction the Problem solving Capacity of Multi-level Governance, Journal of Public Policy, 1997
- Van Langenhove, L. Regional Integration and Global Governance ,*UNU-CRIS Occasional Paper, 0-2004/4.*
- Wolfgang H. Reinicke, *Global Public Policy*, (Washington, DC: Brookings Institution, 1998)