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# Introduction: the international political economy of governance

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It is almost too easy to introduce a book of this sort by invoking yet again the ubiquity that the term ‘governance’ has achieved across the social sciences since the 1990s, including in international political economy (IPE). Like all buzzwords and intellectual fashions, this ubiquity has been enabled in spite of voluminous expressions of unease with the concept of governance: many hundreds of pages in academic books and journals have been given over to worrying about whether it is merely a vacuous concept that adds little to our understanding of world politics and political economy, or in fact provides us with sharper analytical tools with which to carve out an understanding of contemporary global change. It is not our collective purpose here to pick our way once again through those longstanding debates, nor to orient the book around another defence (or otherwise) of the centrality of the concept of governance to our field of study. We want instead to do something rather different: to look forward and call for a ‘refreshing’ of debates and ways of thinking about governance in IPE, and to assemble some of the best and most innovative research in this area to advance ideas about how this can and should be achieved.

On what basis do we make this claim that the study of governance in IPE stands in need of refreshing? Part of an answer lies in a claim that, traditionally, IPE has arguably done less well in developing distinctive contributions to the study of governance than some other sub-fields, notably, the sub-fields of public policy and international relations (IR). In the mid-2000s, the IPE literature on governance could reasonably be thought of as ‘at best embryonic’ (Payne 2005: 70), notwithstanding the fact that embedded within IPE were to be found indispensable resources for the broader study of governance. International political economists have always been very clear that in order to understand the politics, or agency, of governance, one must first grasp the structural context which gives rise to this politics and which in turn it shapes. From that central premise have sprung bodies of vibrant research in IPE on the manner in which the global political economy is being and should be governed, much of which is reflected amply in the pages of this volume. We find it nevertheless appropriate to advance the claim that there remains much to be done in order to identify empirically and understand theoretically the wide range of emergent patterns of governance in the global political economy, and it is in this constructive spirit that we call here for a redoubling of our collective efforts.

Yet it is abundantly clear that this is not an easy task. Patterns of governance in the global political economy are themselves unstable, continually in flux, in some cases merely embryonic, in others longstanding but fragile, and so on. James Rosenau indicated in the mid-1990s that the emerging system of governance – which he and others saw in terms of the disaggregation and dispersion of authority in the international system – was an ‘unfinished story’ (Rosenau 1995: 39). The same could be said of the 2010s, but

it is of course appropriate to ask why one would expect it to be otherwise. The 'story' of global change, and the systems put in place to govern this process, have always been and are inevitably going to be in a condition of continual flux and evolution, even if some become entrenched over a more extended period of time than others.

Yet Rosenau's formulation also points us, perhaps unintentionally on his part, to the primary grounds on which we claim that a 'refreshing' of the study of governance is now needed. Over the 1990s and the 2000s, when governance became a mainstay of many sub-fields, including IPE, the task was conceived essentially as one of understanding what kind of world order would be put in place by the processes that were perceived to be under way. On the latter, we felt that we had a reasonably firm grip: they were associated with the myriad processes of globalisation, themselves structured by the 'hegemonies' of neoliberal ideology, global (financial) markets and the United States. Thus debates centred on understanding the layers of governance that were built on these foundations, and the 'projects' of governance through which they were entrenched – the changing role of states in governance and the shift to the primacy of markets, emergent forms of global or supranational governance 'beyond the state', the manner in which power was refracted through international organisations, the varying modes of governance which were put in place to facilitate the 'neoliberalisation' of global and national economies, the disaggregation of political authority, and so on. The point is, simply, that we thought we knew what we were dealing with in terms of the core structural, ideological and political forces at play, and the questions related mainly to what sort of world order they would yield in the short and medium terms.

We suggest, however, that these unquestionably vibrant and interesting debates, albeit far from completed, have now been loosened from their moorings by a range of trends and events in the global political economy, such that the foundations of the study of governance now stand in need of re-examination. One would immediately think in this respect of the crises in the Anglo-American and Eurozone economies which took hold in the late 2000s, the fall-out from which, at the time of writing, is still in full flow. We are still, of course, a long way from having the perspective necessary for understanding the longer-term consequences of the crises, but a range of questions have already become pertinent relating to such matters as their impact on the ideological foundations of the contemporary world order, the Anglo-American dominance of the global political economy, and the direction of the relationship between different forms of political control and the operations of global markets. One would also think of the longer-term processes by which a range of 'rising powers' are actually or potentially disrupting structures of power and forms of authority in the global political economy, and possibly sowing the ideological, political and economic seeds of very different patterns of governance from those which we associated with the heyday of neoliberal global governance. The nature of political resistance and civil society activism has also come to assume distinctive forms which challenge much of what we thought we knew in the 1990s and 2000s about the nature of power and political control.

The list could go on, and indeed will go on as we advance through the chapters collected here. The point that needs to be made in this introductory context is, simply, that many of the assumptions that anchored the study of governance in IPE over the 1990s and 2000s have been shaken loose, and that its conceptual foundations are now more fragile, and in some cases distinctly unsteady. This is not to say that the entire edifice of

governance debates needs to be razed to the ground. It is simply to suggest that we need to take seriously the intriguing and important processes of change that have occurred, and are occurring, in the global political economy, and think afresh about how the study of governance needs to evolve in order to accommodate the associated conceptual, theoretical and empirical challenges that are now laid before us.

We seek to take a step in this direction with this volume. It is organised in two parts. The first, which we have referred to as the international political economy of governance, takes up four themes which we consider to be foundational to the study of governance, both as it has developed and as it needs to develop in the future. These relate to the underpinning ideologies of governance, the levels at which governance is articulated, the actors involved in governance, and the ethical questions associated with governance. In the remainder of this Introduction, we justify this thematic framing for the volume, exploring in a preliminary way how the case for a ‘refreshing’ of the study of governance manifests itself in these four areas. The authors of the chapters in Part I of the volume then pick up each of these areas in turn, not in order simply to survey the ‘state of the debate’, but to advance their own distinctive ‘takes’ on the questions and thereby contribute to the next phase of scholarship on these themes.

Moving, as it were, from the international political economy of governance to the governance of the international political economy, the chapters in Part II are then charged with addressing the patterns of governance which prevail in particular arenas and issue areas. The authors were invited to consider their contributions in the light of the four framing themes we set out, and indeed all four themes emerge strongly and resonate in varied and distinctive ways across the wide range of arenas and patterns of governance that the authors consider. The Conclusion, finally, pulls together some of the key insights offered into contemporary dynamics in the four thematic areas, and considers how these insights can be mobilised in refreshing the study of governance.

## IDEOLOGIES OF GOVERNANCE

One of the most notable contributions of IPE to the study of governance has been its claim that all forms and projects of governance are intrinsically ideological. Much more than approaches to governance that have emerged from the fields of, say, international relations or public policy, by its nature IPE has been alert to the centrality of ideas and ideologies in constituting the structures of the global political economy, and to the ideological purposes that are served by particular projects of governance that have emerged in the contemporary era. These have been captured most notably in critical traditions in IPE, finding early expression in the work of Robert Cox and Susan Strange, among others. Cox (1983: 168) was concerned with the ways in which the material and ideological dimensions of power were ‘always bound together, mutually reinforcing one another, and not reducible one to the other’ and advanced the admittedly slippery concept of a *nébuleuse* to refer to the ideological forces which shaped the contemporary world order. Ideology is, in short, a governance structure in itself – in the formulation of Stephen Gill (1995) or Andrew Gamble (2001), the ‘constitution’ which itself ‘governs’ world politics and development. In a slightly different mould, Strange (1988) referred more commonly to the role of ideas, captured in the notion of a ‘knowledge’ structure, again as one of

the dimensions of power which underpinned and shaped the contemporary international political economy. The point is that the focus on the ideologies of governance was embedded in IPE scholarship from the time that IPE began to shape itself as a field of study. Those early insights have been expanded and developed vigorously in subsequent work, often distilled into the shorthand form of a concern with neoliberalism, especially in critical strands of IPE. The concept of neoliberalism has provided a device for understanding not only the direction of economic change and the content and outcomes of the economic strategies of governments and international organisations, but also, more broadly, the ideological forces and structures of political power which have driven forwards a particular conception of the relationship between markets, states and societies in the contemporary period.

However, this is not to say that these insights into the ideological character of governance have been taken up fully enough across the terrain of governance debates, within IPE or outside it. A good deal of the literature, despite its considerable value, has continued to privilege an agency-centred approach to governance (focusing on actors, multilateral institutions, global civil society, bargaining and collective action), without due attention to the material and ideological structures which themselves govern the global political economy and shape 'the way things are usually done' (Cox 1981: 152). It has also tended to focus on particular projects of governance without addressing sufficiently their ideological underpinnings and, more to the point, ideological purposes. In much of the literature, global governance has thus been understood as an activity, where the core of the study of global governance is properly a focus on 'purposive acts', rather than 'tacit arrangements' (Finkelstein 1995: 4–5). The problem, as Craig Murphy (2000: 796) usefully complained, has been the consequent inability of many approaches to global governance, even those with a critical orientation, to account for 'why so much of this creative movement in world politics seems to have added up to the supremacy of the neoliberal agenda both within and across states'. By extension, the issue is not only that much of the global governance literature neglects the issue of ideology, but also that global governance presented itself as ideologically neutral. It is this shroud of neutrality that, as Anthony Payne (2005) has argued, obscures the key point that global governance is in essence an ideological project which aims to sustain a particular, neoliberal, world order.

The contributors to this volume seek purposefully to remove this shroud of neutrality. They collectively set out to expose the manner in which ideological forces themselves govern the global political economy, the ideological and ideational underpinnings of particular projects of governance, and the ideological purposes that are served by those projects. As we have observed, for much of the 1990s and 2000s the concept of neoliberalism provided the theoretical, conceptual and empirical anchor for much of the literature on governance in IPE, whether critical in its orientation or attached to orthodox approaches relying on neoclassical or neoliberal theory. Yet there is a sense in which we now need to question the assumptions about the structural 'hegemony' of neoliberalism that we have become used to deploying in attempting to understand the ideological forces shaping governance. One reason for this is a growing perception that the ideological power of neoliberalism is on the wane, weakened by a combination of its poor and, in some contexts, disastrous record in promoting growth and development around the world, the crises of the Anglo-American model and the Eurozone project from the late

2000s onwards, and the apparent emergence of alternative ideologies of governance associated with the growing power of economies which have conspicuously eschewed a neoliberal development model.

All of these contentions are the subject of vibrant debate, which is reflected in many of the contributions to this volume. Yet, whether or not it is deemed premature, or just plain wrong, to think that we are moving beyond neoliberalism, we need at least to ask if we are now in a situation in which an unbending reliance on the concept of neoliberalism as a theoretical and empirical anchor still serves us well in capturing the direction and complexities of contemporary governance.

## LEVELS OF GOVERNANCE

In IPE, as in the many other fields in which the study of governance occupies an important place, the notion that governance operates at a variety of 'levels' is so basic an assumption that it scarcely needs to be articulated. Many approaches to governance have featured a distinct nation-state-centrism, concerning themselves with how particular national polities, economies and societies are governed, by both national states and other actors within national boundaries. Much of the impetus towards breaking out of those nationalist shackles emerged from European Union (EU) studies, specifically in the development of the concept of 'multi-level governance' (Hooghe and Marks 2001; Bache and Flinders 2004), which sought to capture the complexities of a regional arena in which governance occurred beyond the nation-state, and the relationship between the regional, national and subnational levels in the articulation of governance in the setting of the EU. IPE and, to a lesser extent, IR were similarly fertile beds for the development of perspectives on international, transnational and global levels of governance, where again the core questions revolved around how to conceptualise governance 'above' and 'beyond' national states. In this sense, developments in the study of governance spoke very directly to longstanding methodological and theoretical debates in the social sciences concerning 'levels of analysis', and indeed have been pivotal in pushing those debates forward.

The difficulty has been that the different sub-fields hosting the study of governance have tended to confine themselves to a particular 'level', such that, for example, IPE has focused its energies mostly on 'global governance', EU studies on supranational and regional governance in that particular setting, and comparative political economy or public policy on the national level. Admittedly, in one sense, this is overstating the case, inasmuch as none of these approaches should be accused of having an entirely myopic focus on its corresponding level of governance. Comparative political economy and public policy approaches could not fail to accommodate the idea that there are influences on governance and policy that emanate from beyond the national polity or economy; similarly EU studies has been preoccupied with the relationship between supranational governance and governance within member-states and member economies. Yet it is nevertheless fair to say that a division of labour persists between various fields and sub-fields, and that we have collectively done less well at understanding the interactions between levels of governance than at identifying the levels at which governance is articulated. Part of the problem, however, is that the question has been framed precisely

in those terms – as being about interactions between levels, retaining a notion that they are in some sense discrete – rather than as being about how to understand the ways that levels of governance are intrinsically enmeshed.

We suggest that there is scope for refreshing debates about governance on these grounds, and specifically that understanding governance across different levels is the direction in which we need collectively to move. Analytically, it is probably inescapable that we will retain an idea of levels of analysis, and that our various sub-fields will be more concerned with some levels than others. Nevertheless, there is clearly space for a more considered treatment of the dynamics of governance across levels than we have hitherto developed. This comment applies as much to IPE as any other sub-field, inasmuch as our focus on global and transnational forms of governance can fairly be said to have neglected the manner in which these arenas and forms of governance are intrinsically constituted by governance at other levels. Put differently, the focus has tended to rest with the ways in which governance at the global and transnational levels has implications for governance at other (particularly national and subnational) levels, but much less attention has been directed to the dynamics of constitution (and contradiction) flowing in the other direction, except perhaps where those dynamics emanate from the forces associated with the power of the United States and its partners. Thus the contributors to this volume seek not only to explore empirically how governance in particular arenas operates at different levels – in, above, below and beyond national states and economies – but also to consider the question of how, in particular contexts, we can begin to understand and conceptualise governance across levels.

## ACTORS AND AGENCY IN GOVERNANCE

One of the conceptual and empirical mainstays of the study of governance is the idea that the activity of governance is no longer the preserve of national states. As well as being pushed downwards, upwards and outwards to different spatial levels, authority and agency have dispersed to a wide range of actors at and across all these levels. Ranging from credit rating agencies or non-governmental organisations to multilateral institutions or transnational criminal networks and mafias, the core questions concern who possesses and exercises agency, what those forms of agency look like, and of what sort of new or emerging world order they are the harbingers. A shift to ‘polycentric’ governance has been one interpretation (Scholte 2004); Philip Cerny (2010) has advanced the notion of ‘transnational neopluralism’; others have spoken of a ‘new medievalism’ (Ruggie 1993) or a ‘new transgovernmentalism’ (Slaughter 1997). All different in their theoretical and empirical significance, the common theme is a desire to understand the consequences of the dispersion and reconfiguration of agency and authority for governance in the global political economy.

A large number of specific avenues of enquiry have emerged as part and parcel of this endeavour. One has been the empirical investigation and mapping of who these new actors are and what they do (Wilkinson 2002). Another significant track of governance research has sought not to lose sight of national states. Here the starting point has been, with variations on the theme, a contention that states have been subject to a thorough reorganisation and that state power likewise has been intrinsically reconfigured. Hence

there has emerged an enormous array of conceptually tantalising concepts, from the ‘competition state’ (Cerny 1997) or the ‘disaggregated state’ (Slaughter 2004), to the ‘internationalisation of the state’ (Cox 1987), ‘leaner, meaner’ forms of state-ness (Evans 1997) or the ‘Schumpeterian post-national workfare regime’ (Jessop 2002). A third key focus, among many others, has been the increasing salience of private actors and private forms of governance, and the question of how the relationship between public and private authority in the contemporary world should be understood (Cutler et al. 1999; Hall and Biersteker 2002; Dingwerth 2008; Nölke and Graz 2008). These themes of continuing relevance are all picked up energetically in the chapters collected in this volume.

However, the chapters also reflect on the new challenges that have been presented to us by contemporary events, which, we suggest, should prompt a ‘refreshing’ or re-examination of some of our assumptions. The financial and economic crisis since the late 2000s has been particularly important in this respect, providing the context and impetus for what appears to be a rather new configuration of agency, and redrawing once again the contours of the relationship between public and private authority. The days when we could easily, and rather lazily, speak of a ‘privatisation’ or ‘marketisation’ of political and economic authority are clearly receding, as we witness a distinctly uneasy and fragile process of renegotiating the complex relationship between public and private authority and the interaction between public and private spheres of governance. For those interested in the politics and agency of resistance, furthermore, this uneasy relationship has provided both a focal point and an impetus to new forms of political engagement, whether domestically in electoral arenas (where those exist) or more broadly through new protest movements. In short, the quickly changing landscape of agency, and by extension authority, is – or should be – pushing us to reflect on and re-examine the ways in which we handle these concepts in governance debates.

## ETHICAL ISSUES IN GOVERNANCE

Our fourth theme refers to a set of questions which has become pervasive in governance research: these address the normative and ethical issues associated with governance in general and with particular projects of governance more specifically. By identifying the theme in this way, we refer to a wide array of approaches and concerns. Perhaps the most salient has been the preoccupation with the related issues of legitimacy, accountability, representation and inclusion, which take their cue most obviously from a contention that governance in all arenas other than democratic national polities suffers intrinsically from a ‘democratic deficit’. The question which IPE scholarship has addressed vigorously in this respect concerns how we can think about a legitimate form of global governance, which exhibits the characteristics of democracy, in the absence of democratically delegated and centralised authority (*Review of International Political Economy* 2011). The focus thus falls on the ethical content of particular kinds of governance, and the ethical implications of the shift of authority and agency out of the hands of national states associated with the processes of disaggregation and dispersion that we described earlier.

One of the problems associated with this strand of literature is that it is too often assumed that the national states in question are democratic; in other words, that they are essentially modelled on Western ideas of liberal democracy. This inevitably shapes (and

skews) the ways in which research agendas on governance are defined. It is also assumed that the national states which feature in governance debates conform with the associated types and extent of ‘statehood’; clearly, the questions are sharply different when we turn our attention to governance in areas of ‘limited statehood’ (Börzel and Risse 2010). These complaints aside, it is the case that one of the most vibrant avenues of governance research in recent years, in IPE as elsewhere, has taken ethical questions as its central preoccupation.

It seems obvious to us, indeed, that ethics both are – and should be – becoming ever more pervasive as a core concern across IPE scholarship (Brassett and Holmes 2010). While we have been used to thinking about questions of, for example, global financial governance and its ‘democratic deficit’, we are now compelled to range much more widely over the ethical terrain associated with particular forms and arenas of governance. The ethics of banking are constantly in the spotlight in popular debate, as are corporate scandals and business behaviour in general, as well as the deep imbrication of national governments, supranational authorities and a range of other actors in patterns of governance that most of us would deem to be deeply unethical. Similarly, the distributional consequences of particular forms and projects of governance have long preoccupied scholars in the field, ranging widely from concerns with global poverty and inequality to questions of labour standards, the possibilities for fair(er) trade and production, or what a form of ‘global justice’ might look like.

Ethical considerations run as a leitmotif through this volume, picked up in the chapters in different ways across a wide range of arenas and issue areas. Yet we also get a clear sense of the ways in which, as in the other themes we have identified, the parameters of our concerns might need to begin to shift. The scholarship focusing on what a legitimate form of global governance might look like, as just one example, may well need to grapple much more with the fact that many actually or potentially powerful ‘new’ actors in global governance do not carry with them the same, established, deeply ingrained ideas about liberal democratic governance as those actors who or which have traditionally dominated. What is apparent, amidst a rapidly changing political-economic landscape, is that the force of ethical and normative questions remains undiminished, and indeed is perhaps ever stronger than ever, in IPE debates on governance in all its forms.

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