



Changing climates of governance

Understanding real-world complexity and anticipating change are the key to global and local governance in the 21st century, says **Shyam Saran**

The issue of global governance has acquired increasing salience in recent years. With the process of globalisation and the increasing interconnectedness of economies, issues that transcend national and regional boundaries have become progressively more important. These include non-proliferation of weapons of mass destruction, in particular, nuclear weapons; cybersecurity and the security of space-based assets; international terrorism, whether state-sponsored or perpetrated by non-state actors; international drug trafficking; and maritime security.

Such cross-cutting issues can be economic and social. For example, climate change and energy security have a global dimension, where competitive action by states may result in adverse consequences for all stakeholders. There are public health challenges, such as Aids, avian flu pandemics, the eradication of polio or other epidemic diseases which have a global dimension. They share a common feature in that no state, however powerful, can tackle these challenges on its own. They require a common global platform, coordinated strategies and agreed preventive actions to safeguard both domestic and global interests. Domestic actions influence and, in turn, are influenced by global responses.

While the salience of cross-cutting issues has increased, so have the interconnections between them. It is no longer possible to operate in a single-domain framework. It is acknowledged that climate change and energy security are interconnected. It is the continued and expanded use of fossil fuels such as coal, oil and gas that is increasing the emissions of greenhouse gases into the Earth's atmosphere, which in turn are responsible for global warming. Therefore, the two separate

domains of climate change and energy security must be considered in tandem.

But the situation is more complicated. Climate change is already having follow-on impacts on agriculture and water resources, on forests as well as urban services. Even without climate change, the domains of agriculture, water resources and forests are closely interrelated. Climate change adds another dimension to this family of challenges. Water resources could acquire a national security dimension if climate change impacts on the distribution of river waters between neighbouring states. This lays bare the immense cross-domain complexity that countries face today, both domestically as well as internationally. This demands multi-disciplinary and multi-sectoral approaches — but governance structures, both at home and in the international arena, are conditioned to focus on single domain issues, ignoring real-life complexity. For example, the exploitation of shale gas in the United States may appear to promote energy security. But extracting shale gas requires large quantities of water for a process known as “fracking”. There is a potential danger that underground water aquifers, and therefore water security, may be affected. The chemicals used with the water may lead to soil and water contamination, which in turn will affect the health of exposed populations. Unless the entire set of inter-related phenomena is taken into account, any gain in energy security may well result in large losses in other domains.

There is another dimension that needs to be considered. This is the rapid spread of informal networks — corporate and non-governmental entities which have become influential actors beyond the traditional inter-state structure and norms of behav-

our. Understanding the dynamics of this change is critical to devising any strategy of domestic or global governance. The use of social media, such as Twitter and Facebook, the transmission of instant news and images, and the pervasive use of the internet beyond any state control make national and global governance a far more complex exercise. The domestic challenge is daunting, but may still be partially amenable to domestic rule-making and the exercise of state authority. The global dimension is a bigger challenge, because governance needs to be exercised without a global government. In the latter case, recent experience indicates that formal institutions and regimes, such as the United Nations and its specialised agencies, have become less important, while informal principles and practices as well as institutions are playing a more influential role in the setting of norms and standards. The G20 summit is an example. Mapping this entire complex of formal and informal global regimes and monitoring their evolution in response to a rapidly changing international environment have become urgent necessities.

Any strategy to deal with this new and unprecedented challenge requires a new mindset, capacities that are multi-disciplinary and cross-sectoral, and institutions and procedures that enable integrative analyses and responses. In addition, the rapidity of change in our world today also demands the ability to anticipate change — very much like an early warning system. Change in one area may adversely impact other areas but may also create opportunities to make trade-offs across domains to one's advantage. For example, at the most recent G20 summit in Cannes, China leveraged its substantial foreign reserves to promote the international role of the Chinese yuan, obtaining tacit approval of the currency's inclusion in the basket of currencies that determine the value of the special drawing rights (SDRs) which the International Monetary Fund maintains. It has also obtained endorsement of a potential regional monetary arrangement in Asia, centred on the yuan.

An informal working group comprised of professionals from a wide spectrum of political, economic, security and foreign policy domains held a series of brainstorming sessions over last year under the aegis of the Council on Energy, Environment and Water in New Delhi to explore these issues. The group has released a first report, available on the group's website, aimed at encouraging a much-needed national and international discourse on managing an unfamiliar, uncertain and transforming global landscape. The tried and tested tools of yesteryear are no longer capable of delivering results as the persistence of the global financial and economic crisis demonstrates. India needs to begin acquiring a new set of capacities, institutions and procedures to negotiate both domestic as well as global challenges which interpenetrate and interact with each other in a complex dynamic whose contours are only now beginning to emerge.

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