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A Polycentric World Order and the Supply and Demand of Global Public Goods

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Abstract: The word “polycentric” has been regularly used to describe a more diffused multipolar world order. However, the concept of polycentrism has a much richer history in social science and may be applied more broadly as an analytical framework. It could serve to explain one of the biggest gaps in the global governance system, between the demand and supply of global public goods. Global governance scholars traditionally assume that the gap is caused by the lack of delivery and that international governmental organizations (IGO) are the weakest point. In other words, they dream of about a global executive power. This paper argues, that in order to better understand the governance of world order, we should stop instead use better analytical tools. The polycentric approach shows that the problem lies not only in supply, but equally on the demand side of global governance.

Keywords: global governance, polycentric, world order, global public goods, multilateralism

Introduction

“Multipolar,” sometimes replaced by “polycentric,” has become a buzzword to describe the ongoing changes in the world order and the emergence of new powers at the expense of hitherto dominating West. There are many authors who argue what consequences this will have for the shape of world politics and which countries will dominate in the 21st century. But only a few ask how to conceptualize the material and normative changes underway. Thinking about how to manage such a world requires much better understanding of changes, not only from the global perspective, but also in regard to the decentralization of IR studies and new analytical frameworks.

Therefore, the aims of this article are as follows: (a) to introduce the concept of polycentrism and its origins, (b) to reflect on a conceptual route towards better understanding of governance of a world order that is aimed at the delivery of global public goods, (c) to reflect on the existing gap between supply and demand of global public goods, and (d) to examine whether the concept of polycentrism can contribute to improving the analytical framework for global governance.

The above questions touch the very nature of multilateral cooperative action. Cooperation is usually defined as “a situation where parties agree to work together to produce new gains for each of the participants unavailable to them by unilateral action, at some cost. Its constituent elements are working together, agreement to do so (not just coincidence), cost, and new gains for all parties.”¹ It must be pursued in an aware and goal-oriented manner. Multilateral cooperation comprises at least three players.

This paper does not, however, take for granted that the need for multilateral cooperation in an interdependent world is natural, or that the lack of it may lead to chaos. Multilateral cooperation is presented too frequently as “black and white”. I argue that the problem is much more nuanced, and that new avenues for research will open up.

1 The Concept of Polycentrism

The origins of polycentrism as a concept can be found in social science. Though the foundations for understanding and analyzing a polycentric order were introduced by Alexis de Tocqueville, the term was first used by Michael Polanyi, who observed the development of the scientific community and described the conditions for its progress. Polanyi argued that progress was not simply the result of a single abstract model.² It needed a certain kind of social organization, freedom of interaction of different agents and a trial and error evolutionary process.

1 W. Zartman, S. Touval, 'Introduction: return to the theories of cooperation', in: W. Zartman, S. Touval (eds), *International Cooperation. The Extents and Limits of Multilateralism*, New York: Cambridge University Press, 2010, p. 1.

2 M. Polanyi, *The Logic of Liberty*, Chicago: University of Chicago Press, 1951.

The concept of polycentrism was subsequently used in law, urban studies, and, most importantly, in economics and governance studies. In the later fields it aimed to understand the interactions between public and private bodies in metropolitan areas. The key question concerned whether the delivery of public goods was chaotic or if successful, and whether more organized and systemic solutions could work through a bottom-up approach.³

Polycentrism assumes the existence of different decision-making centers which are formally independent of each other. In fact, their autonomy is limited by an “overarching set of rules” that they should subscribe to.⁴ A polycentric system consists of different players, both public and private, state and non-state, acting on different levels and scales.⁵ Interaction between the players can often ensure successful cooperation and alleviate the problem of free-riding.⁶

The seminal conceptual work on polycentrism as a system of governance was done by Vincent and Elinor Ostrom, who formed the “Bloomington school” of institutional analysis or political economy. In short, it ascribes the following features to polycentrism: different decision-making centers and different organizational levels of centers of power; a relationship that takes place within a system of agreed rules and is persistent over time, the rule of law, decentralized and legitimate systems of enforcing rules, participatory design of rules (including the connection between them, transparent consequences and a system for changing them), rules based on incentives, and openness of the system in terms of entry and exit.⁷

However, there are number of caveats of critical importance if polycentrism is applied to larger social systems. The first is that co-

3 Cf. V. Ostrom, Ch.M. Tiebout, R. Warren, ‘The Organization of Government in Metropolitan Areas: A Theoretical Inquiry’, *American Political Science Review*, vol. 55, no. 4, 1961, pp. 831-842.

4 P.D. Aligica, V. Tarko, ‘Polycentricity: From Polanyi to Ostrom and Beyond’, *Governance*, vol. 25, no. 2, 2012, p. 237.

5 E. Ostrom, ‘Polycentric Systems as One Approach for Solving Collective-Action Problems’, *Paper Wo8-6*, Bloomington: Indiana University 2008, p. 1.

6 W. Blomquist, E. Schlager, S. Yan Tang, E. Ostrom, ‘Regularities from the Field and Possible Explanations’, in: E. Ostrom, R. Gardner, J. Walker (eds), *Rules, Games, and Common-Pool Resources*, Ann Arbor: University of Michigan Press, 1994, pp. 301-319; E. Fehr, A. Leibbrandt, ‘Cooperativeness and Impatience in the Tragedy of the Commons’, IZA Discussion Paper no. 3625, University of Zurich, 2008.

7 P.D. Aligica, V. Tarko, op. cit., p. 253.

operative action demands an open space for interaction.⁸ Second, in order to be effective, the polycentric system must be based on trust.⁹ People who have to face concrete problems on the micro-level tended to cooperate more frequently if situational variables suggest a greater likelihood of gaining reciprocal trust.¹⁰ Third, the problem of trust is connected with the capacity of the system to self-correct, which is crucial if the system is to thrive. Fourth, the ideational and material dimensions of the system are of equal importance. In other words, there must be common values which underpin cooperation.

The Ostroms stressed that polycentrism is often a characteristic feature of successful complex systems where different units are part of a greater whole. In other words, the autonomy of different units should be bound by common rules and patterns of behavior. The rule of law is a basic essential if such a system is to perform. As such, the polycentric system is less anarchic than it seemed at the beginning. Under these circumstances, it could often lead to the resolution of problems arising from the logic of collective action, which were described in the classic work by Olson.¹¹

There are many examples of empirical research which show that the complexity of different management systems does not necessarily lead to chaos. Simplicity is not always a virtue if there are different types of public goods which can be delivered on different scales and levels. The Ostroms assumed that the duplication and multiplicity of overlapping agencies should not be considered inefficient. On the contrary, it is quite natural as “we know that efficiency can be realized in a market economy only if multiple firms serve the same market. Overlapping service areas and duplicate facilities are necessary con-

8 Ch. Hess, E. Ostrom (eds), *Understanding Knowledge as a Commons: From Theory to Practice*, Cambridge MA: MIT Press, 2007.

9 Concerning the role of trust in complex organizations see for example: K.J. Arrow, *The Limits of Organization*, New York: W.W. Norton, 1974; B. Rothstein, *Social Traps and the Problem of trust: Theories of Institutional Design*, Cambridge: Cambridge University Press, 2005; on the role of trust in solving the problems of social activity see: P. Sztompka, *Trust. A Sociological Theory*, Cambridge: Cambridge University Press, 1999.

10 E. Ostrom, 'Beyond Markets and States: Polycentric Governance of Complex Economic Systems', *Nobel Prize Lecture*, 8.12.2009.

11 See: M. Olson, *The Logic of Collective Action. Public Goods and the Theory of Groups*, Cambridge MA and London: Harvard University Press, 1971.

ditions for the maintenance and competition in a market economy.”¹² Drawing parallels between the private and public sectors, they underline the role of interorganizational arrangements which may “manifest market-like characteristics and display both efficiency-inducing and error-correcting behavior. (...) the structure of interorganizational arrangements may create important economic opportunities and evoke self-regulating tendencies.”¹³

Summing up, the common understanding of polycentrism as a term by which to describe a world order with different poles of power is far from its real analytical meaning. There are multiple conditions that any social system must meet before it is recognized as polycentric. It is therefore necessary to draw analytical boundaries on the use of the word “polycentrism” in relation to the study of the world order and international relations.

2. Conceptualizing the World Order

There is rather broad consensus in the literature that the “long run of the West’s material and ideological hegemony appears to be coming to an end. (...) Peacefully managing the onset of the polycentric world will require compromise, tolerance, and recognition of political diversity.”¹⁴ Maintaining the rules-based international order will undeniably be very difficult, as the emerging powers do not share the basic views on political legitimacy, the liberal concept of political and human rights or the need to promote democracy. It seems that the normative consensus on the key values underpinning global order has been diminished. Understanding the ongoing changes demands that we take a more nuanced view of international relations and our understanding of world order. Western democracies have already stopped pretending that their route to modernity is universal. In consequence, Acharya and Hurrell argued for a much broader concept of agency, comprising material and ideational roles of both Western and non-

12 V. Ostrom, E. Ostrom, ‘A Behavioral Approach to the Study of Intergovernmental Relations’, *Annals of the American Academy of Political and Social Science*, vol. 359, 1965, pp. 135-136.

13 Ibid.

14 T. Flockhart, et al., *Liberal Order in a Post-Western World*, Washington D. C.: Transatlantic Academy, 2014, pp. 3-4.

Western agents and encompassing not only the acts of strengthening the global order, but also rejection of or resistance to it.¹⁵ Cox suggests that, instead of nurturing homogenous reality, we should promote universalism that comprehends and respects diversity in an ever changing world.¹⁶ There is a need to study governance of the globe in a more de-centered way and reconstruct a new global perspective.

The pluralization and historicization of IR studies are certainly desirable trends. But they should not lead to relativism. If we deny that some kind of global ethics exists and assume that problems are solved only on the basis of functionalism and self-interest, we will miss an important aspect of success in a number of areas of global cooperation since the Second World War. We should also avoid thinking that a more “regional world” can introduce an appropriate framework for analysis. Although “area studies” has quite great potential, it can only work in conjunction with global studies. As Baldwin recently showed, in some policy areas we are not capable of grasping full reality on the regional level.¹⁷

Flockhart introduced the concept of a “multi-order world.” She argues that we should look at the coming world order as a constellation of several different orders nested in the framework of the global system.¹⁸ However, it is different than the previous international systems because “the primary dynamics are likely to be within and between different orders, rather than between multiple sovereign states.”¹⁹ The difference from the traditionally understood multipolar order lies in the “second-order nature” of the emerging system, i.e. its elements are clusters of states, not simply states. However, it is also distinct from the system composed of regions or a “regional world.” Flockhart, Acharya and Hurrell propose the replacement of region defined through geography with the notion of identity as the organizing principle of

15 A. Acharya, ‘Global International Relations (IR) and Regional Worlds. A New Agenda for International Studies’, *International Studies Quarterly*, vol. 58, issue 4, 2014, p. 651; A. Hurrell, ‘Can the Study of Global Order be De-centered?’, *PRIMO Working Paper*, no. 2/2015, p. 13.

16 R.W. Cox, ‘Universality in International Studies’, in: M. Brecher, F. Harvey (eds), *Critical Perspectives in International Studies*, Ann Harbor: University of Michigan Press, 2002, p. 530.

17 R. Baldwin, *The Great Convergence. Information Technology and the New Globalization*, Cambridge, MA and London: Harvard University Press, 2016.

18 T. Flockhart, ‘The Coming Multi-Order World’, *Contemporary Security Policy*, vol. 37, no. 1, p. 3.

19 *Ibid.*, p. 23.

new orders. Different authors earlier indicated that identity and identification around the idea of region should be more important than geographical factors, so natural regions do not exist.²⁰ They should be considered more as “cognitive communities” forming a very specific lens through which we look at the “global.”²¹ The functionality of “region,” which is not strictly bound by its territoriality but rather by culture or market, and where the borders are blurred or even fluid, is therefore more important for the overall research of world order.

The “multi-order world” brings a fresh perspective to the three big narratives of the debate on the world order and its future. They are summarized by Flockhart as multipolar, multi-partner and multicultural. Each differs in its interpretation of how the order is created and maintained, and what its consequences are. The first is rooted in the balance of power politics and reflects the rise of new powers within the system.²² The second relies less on pure power and more on cooperation and partnership, so it seeks a more optimistic future. The third assumes that the future will be totally different than we can imagine today. Flockhart attempts to reconcile all three. However, there is a clear need to take a step forward and examine the governance of such a global system.

Attempts to identify an analytical framework have already been made. One was the concept of “global bricolage,” which assumed intellectual, institutional and cultural innovations, deconstruction and rethinking differences, and thus the possibility of a more spontaneous order. The appearance of groupings of emerging markets was given as an example.²³ The second proposal was related to the concept of

20 Cf. Ch. Kupchan, ‘Regionalism Versus Multilateralism: Analytical Notes’, in: J. De Melo, A. Panagariya (eds), *New dimensions in Regional Integration*, Cambridge: Cambridge University Press 1993, pp. 58-79.

21 A. Dirlik, *What is in a rim? Critical perspectives on the Pacific Region Idea*, Lanham: Rowman and Littlefield, 1998; W. Larner, W. Walters, ‘The Political Rationality of New Regionalism: Toward Genealogy of the Region’, *Theory and Society*, vol. 31, no. 3, 2002, pp. 391-432.

22 Association of multipolar world with classical balance of power is also underlined by Rotfeld. He stresses that in physics there are only two polar opposites. Consequently he uses the term ‘polycentric’ though not ascribing analytical meaning. Cf. A.D. Rotfeld, *The International Order. In search for new rules*, Poznań: Polskie Bractwo Kawalerów Gutenberga, 2017.

23 J.H. Mittelman, ‘Global Bricolage: emerging market powers and polycentric governance’, *Third World Quarterly*, vol. 34, no. 1, 2014, pp. 23-37.

fragmentation.²⁴ Scholars of international law originally used the term “treaty congestion” (where treaties conflict and overlap) and later “legal pluralism.” In political science, such fragmentation was identified with institutional analysis characterized by “interlinkages, overlaps or interplay” between different sets of institutions.²⁵ Later, the term “regime complex” was developed to describe “an array of partially overlapping and non-hierarchical institutions governing a particular issue-area that are marked by the existence of several partly overlapping and non-hierarchical legal agreements created and maintained in distinct fora with participation of different actors.”²⁶ Keohane and Victor introduced three levels of possible institutional integration/fragmentation where the complete integration ideal is placed on one side of the spectrum. Strong fragmentation, where no institutional core exists and ties between elements of the system are weak, is on the other side. In between these two extremes we can find “a wide range that includes nested (semi-hierarchical) regimes with identifiable cores and non-hierarchical but loosely coupled systems of institutions.”²⁷

3. Governing Globally

Here comes the question: how is this manageable? How can the study of the world order and governance of global issues be connected in a way that would take into account a non-hegemonic, non-hierarchical reality characterized by “compounding complexity,”²⁸ as

- 24 For a review on fragmentation literature see: M. Isailovic, O. Widerberg, P. Pattberg, ‘Fragmentation of Global Environmental Governance Architectures. A Literature Overview’, *Report W13/09*, IVM Institute of Environmental Studies, 2013; F. Bierman et al., ‘The Fragmentation of Global Governance Architectures: A Framework for Analysis’, *Global Environmental Politics*, vol. 9, no. 4, 2009, pp. 14-40.
- 25 Cf. V. K. Aggarwal, *Institutional Designs for a Complex World: Bargaining, Linkages, and Nesting*, Ithaca, NY: Cornell University Press, 1998; O.R. Young, ‘Institutional interplay: the environmental consequences of cross-scale interactions’, in: E. Ostrom et al. (eds), *The Drama of the Commons*, Washington, DC: National Academy Press, 2002, pp. 263-291.
- 26 K. Raustiala, D.G. Victor, ‘The Regime Complex for Plant Genetic Resources’, *International Organization*, vol. 58, 2004, p. 279.
- 27 R.O. Keohane, D.G. Victor, ‘The Regime Complex for Climate Change’, *The Harvard Project on International Climate Agreements*, Discussion Paper 10-33, 2010, p. 4.
- 28 J. Smith, J. Stokes, *Strategy and Statecraft: An Agenda for the United States in an Era of Compounding Complexity*, Washington, DC: Center for a New American Security, 2014.

Smith and Stokes call it, where challenges for policy-makers grow exponentially due to complexity of interacting trends?

One answer is given by theorists of global public goods. Such goods are defined by the principles of non-excludability and non-rivalry on the world level. Every state should have access to and the capacity to consume global public goods.²⁹ However the biggest obstacle that causes the gap between supply and demand of global public goods is found on the international level. According to the International Task Force on Global Public Goods, there are number of obstacles here:³⁰ (a) sovereignty of states, (b) different preferences and priorities, (c) the problem of “free riding,” (d) the “weakest link” problem (which can be resolved only if all countries contribute), and (e) the “summation” problem (if a certain global public good is the sum of individual efforts it is not sustainable over time). The three critical factors which would help to overcome the gap between supply and demand are catalytic action by responsible leadership, effective institutions which could engage different global governance players in negotiation and action and thus regain legitimacy, and accountability.³¹

The more advanced approach to global public goods is based on thorough investigation of the nature of a given global public good. It raises the question of the minimum threshold for cooperative action that leads to delivery of such a global public good. On the nature of a given global public good, Barrett mentions number of options.³² These are: the single best effort, where the action of one state or player

29 There is a trend to define GPG very broadly in many policy areas like development, education, EU policies. See for example: A. Visvizi, ‘Education (Production of) Knowledge and Progress in the Context of the Global Public Goods Debate’, in: E. Latoszek et al., *Facing the Challenges in the European Union. Rethinking EU Education and Research for Smart and Inclusive Growth*, Warsaw: Polish European Community Studies Association, 2015, pp. 661-674; E. Latoszek, M. Proczek, M. Krukowska (eds), *Zrównoważony rozwój a globalne dobra publiczne w teorii i praktyce organizacji międzynarodowych* [Sustainable growth versus global public goods in theory and practice of international organisations], Warsaw: Dom Wydawniczy Elipsa, 2016; A. Surdej, ‘The Scenarios for the Future of EU Public Policies: the Perspective of the Theory of Public Goods’, *Poznan University of Economics Review*, vol. 14, issue 4, 2014, pp. 7-21. However one has to be careful to make a distinction between the GPG and the international public goods which are also multilateral, but can be delivered on regional or even lower levels.

30 International Task Force on Global Public Goods, *Meeting Global Challenges. International Cooperation in the National Interest*, Stockholm, 2006, pp. 18-19.

31 Ibid. pp. 27-28.

32 S. Barrett, *Why Cooperate? The Incentive to Supply Global Public Goods*, Oxford and New York: Oxford University Press 2007, pp. 3-10.

can benefit all (for example in case of defense against an impending asteroid strike), the weakest link, where every country must participate to solve a problem (for example, infectious diseases), aggregate efforts, where the sum of individual contributions counts (for example climate change), and mutual restraint and coordination (as in the case of nuclear weapons).

Barrett also finds other critical factors for the provision of global public goods, including asymmetries among countries affected and the nature of the countries, and institutional designs for the delivery of global public goods (international organizations).³³ Every action, whether multilateral or unilateral, must have appropriate financing. The lack of it is one of the biggest barriers to incentivizing such efforts and sustaining the implementation process. The construction of appropriate incentives for the delivery of global public goods also poses one of the most interesting questions for future research.

However, all the emphasis on the current approach to global public goods is on the supply side of the equation. It is simply taken for granted that, in the profound nature of today's global challenges, problems must be solved to prevent states suffering. This conviction is widely shared by decision-makers and the expert community. For example, the collaborative report of the United States National Intelligence Council and the European Union Institute for Security Studies argued that there is growing demand for effective global governance, which arises from the increasingly deeper interdependence and interconnectedness of problems and the ever-deepening links between domestic and international politics.³⁴ Christine Lagarde, managing director of the International Monetary Fund (IMF) has been underlining that the world does not have a choice and a "new multilateralism is non-negotiable."³⁵ From her point of view, countries should thank multilateral global cooperation and its instruments for preventing a global great depression and a wave of protectionism.

33 S. Barrett, 'Critical Factors for Providing Transnational Public Goods', in: *Seven Cross-Cutting Issues*, Expert Paper Series, Stockholm: Secretariat of the International Task Force on Global Public Goods, 2006, p. 1.

34 National Intelligence Council, European Union Institute for Security Studies, *Global Governance 2025. At a Critical Juncture*, Washington, DC and Paris: 2010, p. 4.

35 C. Lagarde, 'A New Multilateralism for the 21st Century', *The 2014 Richard Dumbleby Lecture*, Washington, DC: International Monetary Fund, 2014.

The problem with that presumption is that too many of its underlying beliefs are not subject to proof. Complex interdependence does not equal more cooperative behavior, as liberal institutional IR theory assumes. Avoiding a great depression is an important achievement, but the occurrence of the global financial crisis has triggered very great demand for cooperation. This was the case where both sides of the equation (supply and demand) were in conjunction. “The system worked,” as Drezner titled his book.³⁶ Nevertheless, prior to the crisis there was lack of cooperation in too many important areas of global economic governance. The long-known problem of global macroeconomic imbalances, which John Maynard Keynes warned about decades ago, still has no workable solution and contributed greatly to the crisis of 2008 onwards. The same is true of the problem of “currency wars.”³⁷ It seems that, although these problems are real, the demand side of global public goods has never risen sufficiently to trigger supply.

Barnett and Duvall rightly observe that, in the area of global governance, “most definitions revolve around coordination of people’s activities in ways that achieve more desirable outcomes.”³⁸ Complex interdependence was simply considered as beneficial. Market solutions created the impression that cooperation is in the interests of all, while unwillingness to cooperate is not very natural.³⁹ Becoming parochial and uncompromising was simply not a rational option.⁴⁰ Fixing ineffectiveness in the decision-making process was considered an appropriate response to the supply-side problems. The sovereignty of nation states seemed to be the major obstacle in this process. Ruggie has even compared it to the “social defect that inhere in the modern

36 D.W. Drezner, *The System Worked. How the World Stopped Another Great Depression*, New York: Oxford University Press, 2014.

37 On global economic governance after 2008 crisis see for example: B.E. Nowak, ‘Whither Global Economic Cooperation’, Washington DC: Transatlantic Academy Papers, no. 6, 2014.

38 M. Barnett, R. Duvall, ‘Power and Global Governance’, in: M. Barnett, R. Duvall (eds), *Power in Global Governance*, Cambridge: Cambridge University Press, 2005, p. 6.

39 See for example: R.O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy*, Princeton, New Jersey: Princeton University Press, 1984; S. Krasner, ‘Structural Causes and Regimes Consequences: Regimes as Intervening Variables’, in: S.D. Krasner (ed.), *International Regimes*, New York: Cornell University Press, 1983.

40 R.O. Keohane, J.S. Nye, *Power and Interdependence*, Glenview, Illinois: Scott, Foresman, 1989, p. 233.

construction of territoriality”⁴¹ which suppresses collective action. It was assumed that, over time, nations would learn more cooperative behavior.

However, this perspective says very little about the causal relationship between the changing system and the demand for global public goods. Supply side analysis is right on many issues, but clearly is not sufficient for understanding of reality. To say that global public goods are delivered simply because it is rational for all nations to cooperate assumes the resiliency and sustainability of demand, which we know is not the case. It does not also explain why such a gap exists between supply and demand. Is this really only about delivery? If international cooperation can be compared to the Loch Ness monster (“much discussed, but rarely seen”⁴²), we should probably place much more emphasis on the role of agency and the way in which demand is formulated. Kahler and Lake argued that, instead of a rational economic model of governance, we should use a more political model that takes into consideration the preferences of players and institutions.⁴³ The legitimacy and normative underpinning of the system for all would here be of paramount importance. We should place more emphasis on the ideational dimension of demand for global public goods, not on the material aspects. Acharya proposed two interesting ideas, called “norm localization” and “norm subsidiarity.” The former is created by the reconstruction of universal ideas by local players and their active adjustment with local practices and culture. In the latter, “local actors create rules with a view to preserve their autonomy from dominance, neglect, violation, or abuse by more powerful central actors.”⁴⁴

41 J.G. Ruggie, *Constructing the World Polity: Essays on International Institutionalization*, New York: Routledge, 1998, p. 195.

42 O. Blanchard, J.D. Ostry, A.R. Ghosh, ‘International Policy Coordination: The Loch Ness Monster’, *IMF Direct*, 15.12.2013.

43 M. Kahler, D.A. Lake, ‘Economic Integration and Global Governance: Why so Little Supranationalism?’, in: W. Mattli, N. Woods (eds), *The Politics of Global Regulation*, Princeton, Oxford: Princeton University Press 2009, p. 250.

44 A. Acharya, ‘Norm Subsidiarity and Regional Orders: Sovereignty, Regionalism and Rule Making in the Third World’, *International Studies Quarterly*, vol. 55, no. 1, 2011, pp. 95-123.

4. Can Polycentrism Help?

It would be useful to rethink the analytical frameworks again. For example, for the purpose of investigating demand for global public goods, we should take into account the constructivist approach of how the identities and preferences of players are shaped, and the realist emphasis on intra and inter-group behavior in anarchic conditions. The structure of the system counts very much if we want to understand how demand is formulated. There are other factors too. Is sovereignty a barrier on the supply or demand side? How do players perceive what their sovereign right or autonomy of action should be? How do they perceive what is in their ultimate interests, the added value of transnational policy coordination and the trade-offs that must take place? They may enter transnational cooperation not because of functional needs. This may be value-driven, in that they simply want to be seen as “good citizens” or seek more justice in the system. Or, it could be power-driven, a strategic extension of favorable policy preferences and shaping the conducive environment in the case of big states. All these directly affect the demand and supply sides of global governance, with the former being much less discussed and lacking appropriate analysis.

To understand the global order, it is insufficient to recognize what the new division of power will be, how fast it will change and which countries will become the new powers. The key question should rather be about whether the current order, which entailed the strong leadership of the West, can be maintained and recognized as relevant. “Outdated or oversimplified models of the world lead to inappropriate policies,” as Keohane and Nye stressed.⁴⁵ This is no less true in case of analysis of global governance.

Here, the concept of polycentrism can help and has many advantages. First, it reflects the quest for a more decentralized view of international relations. Second, it is a dynamic concept that connects governance and order. Rosenau recognized that governance and order are interactive phenomena which he thought was essential for the

⁴⁵ R.O. Keohane, J.S. Nye, *op. cit.*, p. 242.

conceptualization of global order.⁴⁶ Third, polycentrism has many features that are basic requirements for any analysis of global order. The issues of trust, participation, legitimacy, and rule of law are absolutely essential. Fourth, polycentrism is characteristic of complex system and inherently understands managing complexity. It denies that fragmentation or lack of cooperation leads to chaos.

Acharya was already close to the dynamic polycentric concept when he used the idea of fragmentation in the greater global, not only institutional, context. He stressed the dynamic factor of fragmentation as “erosion of the established patterns, rules and institutions of formal global governance that were substantially based on the post-war global multilateral institutions (closely associated with the liberal international order), leading to multiple and alternative structures and approaches, some of which complement, while others compete with, the existing architecture. In essence, fragmentation is associated with the diminished role of global organizations, especially those linked to the United Nations system. It means the emergence of new arrangements outside of global multilateral institutions.”⁴⁷ Similarly, Acharya stressed that the fragmentation of global governance does not have to be something wrong by definition. On one hand, it can diminish effectiveness, make the decision-making process longer, and create unnecessary overlaps. On the other hand, it may make governance more inclusive through greater participation of different players, and thus over time enhance the legitimacy of the system.⁴⁸

Conclusion

The fragmentation of the world system contributes to “gridlock” in global governance, as Hale, Held and Young call it.⁴⁹ Without a doubt, the growing number of players with different preferences, values and

46 J.N. Rosenau, ‘Governance, Order and Change in World Politics’, in: J.N. Rosenau, E.O. Czempiel (eds), *Governance without Government: Order and Change in World Politics*, Cambridge: Cambridge University Press, 1992, pp. 1-30.

47 A. Acharya, ‘Rethinking Global Governance’, in: A. Acharya (ed.), *Rethinking Demand and Progress in Global Governance*, Cambridge: Cambridge University Press 2016, p. 18.

48 Ibid.

49 T. Hale, D. Held, K. Young, *Gridlock. Why Global Cooperation is Failing When We Need It Most*, Cambridge: Polity Press, 2013.

images of the future, will make global cooperation even more difficult. In order to grasp the changing reality of governing the globe, we must see both the supply side of global public goods, i.e. the problems with institutions, finance and implementation, and the demand side, of which our understanding is underdeveloped. In this endeavor we must understand agency and the structure in which agents perform their role. The concept of polycentrism should not be only a metaphor for a diffuse multipolar order. It can offer an interesting analytical framework too.

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