

# POLICY *dialogue* BRIEF



## Understanding the Future Actors in Transnational Governance

The number and variety of transnational actors involved in global governance has increased dramatically, but this phenomenon remains poorly understood. The lack of common tools to analyze this changing context has further restricted policymakers and stakeholders in transnational governance from understanding their options and acting in the most effective manner.

The Stanley Foundation convened a group of experts and policymakers from the United States and abroad to address these issues October 14–16, 2015, at its 56th annual Strategy for Peace Conference. The group discussed the scope of actors in transnational governance, including both the context in which they operate and different ways to categorize these actors; the terms of engagement between transnational actors and other governance institutions; and options for practitioners to improve global governance. The objectives of the roundtable were to develop a method to identify the main actors and their roles for any issue area and to develop options for transnational governance that could be applied across a variety of issue areas. The roundtable grew out of a Stanley Foundation workshop in November 2014, cohosted with the World Future Society and the National Defense University.

Drawing heavily on examples highlighted during the discussion, this policy dialogue brief outlines the context in which transnational actors operate, the processes and forms that transnational governance can take, and the practices of transnational governance or results of these processes. It also identifies further steps that can be taken to understand and improve transnational governance.

### Understanding the Operating Context

Participants repeatedly stressed the need for transnational actors to understand the context in which they operate, including both the existing institutions concerned with a particular issue and the broader structure of world order. When engaging existing governance venues, transnational actors must alter their strategies to suit the format.

Most importantly, the world is complicated. Participants emphasized that uncertainty is unavoidable and as a result, so is failure. However, uncertainty can discourage potential stakeholders from engaging on an issue. Consequently,

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This brief summarizes the primary findings of the conference as interpreted by the rapporteur, Naomi Egel, the organizer, Rei Tang, and the chair, Keith Porter. Participants neither reviewed nor approved this brief. Therefore, it should not be assumed that every participant subscribes to all of its recommendations, observations, and conclusions.

it is important for transnational actors to share their expectations and clarify their desired outcomes, but they must also understand that they cannot predict with certainty what will happen. Some participants suggested that building room for experimentation into the governance process could help address this complexity in a piecemeal fashion that can then be expanded. Others suggested that transnational actors should pursue and appreciate incremental progress because comprehensive success—even if temporary—is rare in today’s complex world. At the same time, a stronger investment in organizational and situational knowledge of issues and actors—by states, international organizations, and transnational actors—can somewhat reduce uncertainty.

Despite its limitations, the United Nations is in many ways an easy forum for transnational actors to engage: it has institutionalized channels for civil society access, and the decision-making process is relatively transparent. In contrast, the Basel Accords banking standards, hugely important for the financial sector, are decided by technocratic central bankers behind closed doors. And for the G-20, even though it has formalized venues for civil society engagement, actual influence is rather limited. One participant noted that since the G-20 summit is entirely constructed by the host country (with no standing secretariat or other method of ensuring continuity between summits), civil society engagement varies wildly from summit to summit. The Civil 20 civil society forum was rigidly controlled by host governments in both the 2013 summit (hosted by Russia) and the 2014 summit (hosted by Australia), which seriously restricted civil society’s ability to influence the G-20.

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However, the United Nations is not always as open as it claims. One participant stated that even though the United Nations may appear to be engaging transnational actors, at a certain point they are circumscribed. At the political level, the United Nations still operates under the Westphalian model, and member states are not willing to give nonstate actors decision-making capabilities. Another participant suggested that the United States, a leading country that shapes venue processes, has little appetite for engaging in transnational governance because the structure is messy—there are no embassies, no codified rules of mutual recognition—but that this is unsustainable as transnational actors become increasingly capable and active in addressing global challenges.

Although participants widely agreed that the presence of transnational actors is an established condition of global governance, several of them stressed that the actual influence of transnational actors can be significantly limited. Nationalism and geopolitics remain central features of today’s world. Moreover, the majority of states, international organizations, and populations are unfamiliar with or do not always recognize the legitimacy of transnational actors in global governance. Consequently, participants suggested that transnational actors should seek to educate their potential partners about the contributions nontraditional actors can make to advance shared goals.

Transnational actors are often more adept at using new technologies than traditional state or international bureaucracies. One participant noted that the United Nations and other international organizations collect huge amounts of data but often have limited capabilities to analyze most of it. If these organizations could share their data with civil society researchers who have expertise in data analysis, the data would become far more useful, and such a partnership could make a significant contribution to improving global governance. However, others suggested that transnational actors often do not make full use of new technologies and that a better understanding of the role information technology can play in transnational governance—especially in data collection and analysis,

and providing platforms—would help many transnational actors utilize these tools more effectively

Transnational actors must also consider the local implications of their actions. One participant commented that when transnational priorities are brought to a given place, local priorities are vulnerable to being overruled by transnational actors. Others suggested that foundations and nongovernmental organizations (NGOs) are often more accountable to their boards and donors than to the local groups they work with.

Several participants pointed out that the extent to which emerging powers are altering the existing world order will impact transnational governance. Civil society is limited and repressed in many non-Western societies, including China. Particularly as domestic politics within the United States continue to prevent it from ratifying multilateral treaties, states are increasingly pursuing routes that lie outside the UN-led institutional framework. The Asian Infrastructure and Investment Bank, led by China, emerged in part out of frustration with the collective inability to reform the International Monetary Fund. It remains to be seen how institutions led by emerging powers, including the Asian Infrastructure and Investment Bank, engage—or attempt to block—transnational actors.

Transnational actors may have the potential to make significant changes in particularly polarized environments. Especially when transnational actors are seen as neutral or lacking power, they—as well as other actors, like middle-power countries—may be able to build bridges between oppositional actors. In such environments, one participant suggested, transnational or other mediatory actors should focus not on bringing two sides to a compromise but on finding the core interests of each group and reframing the problem in order to find a solution that benefits those interests. At the same time, participants noted that no group is a monolith: even in seemingly polarized environments, there are always collaborative individuals.

## Key Points About the Operating Context

- Transnational actors should not discount incremental progress; in today’s complex world, there are few cases of comprehensive success, and limited success can provide a foundation for further efforts.
- Transnational actors should prioritize education among their work, as potential partners are often simply unaware of the unique contributions transnational actors can make to improving global governance.
- Transnational actors should seek to use new technologies and identify where their knowledge or specialized skills may fill a gap in state or international organization capabilities.
- Transnational actors can bridge especially polarized environments.
- Transnational actors should seek to build local accountability into their work, as they are often responsible to their funders or members rather than the people they impact.

## Processes and Methods of Transnational Governance

Participants stressed that transnational governance can take many different forms. In discussing these various forms, the group proposed several categories that could help guide thinking about them. Although these categories do not describe the full array of forms transnational governance can take, and there are overlaps between categories, they provide an initial typology for understanding the actors in transnational governance. These categories include:

- Type of actor
  - NGOs, corporations, and foundations
  - Public or private organizations
  - Donors, contractors, and aid recipients
- Issue area (including human rights, finance, and environment)
- Geography (global, regional, or local)
- Methods of engagement (along a spectrum)
  - Oppositional to collaborative
  - Top down to bottom up
  - Formal to informal
- Functions (including agenda setting, coalition building, and implementation)

For example, some groups involved in the climate talks through the UN Framework Convention on Climate Change could be characterized as NGOs (type of actor) advocating (function) for climate adaptation funding (issue area) at the global level (geography) in a collaborative manner through formal channels (methods of engagement). Others could be classified as corporations developing green business practices at the global level in a collaborative but informal manner.

Several participants used a metaphor of a kitchen to explain how these categories can help transnational actors think more strategically about their interactions: rather than a list of ingredients or recipes for action, practitioners need a set of tools and methods that can be applied depending on the “dish” being cooked. Others commented that just as there are basic ingredients (like salt and pepper) in all successful dishes, there are essential factors, including legitimacy, in all cases of successful transnational governance.

One participant emphasized that in bringing stakeholders together to solve a particular challenge, decisions must be made regarding whom to include and whom to exclude: there will always be self-identified stakeholders left out. However, these decisions are made in part based on how an issue is defined and what process or forum is pursued. Consequently, any solution will only be partial, and transnational actors (and others involved in global governance) should see themselves as managing rather than solving issues. This learning and improvement requires accepting that mistakes were made in the past.

Effective transnational governance requires legitimacy of actors and processes, but legitimacy can come from many sources and is frequently contested. Although building legitimacy is essential to achieving one's goals, in an arena increasingly crowded with new actors that take a wider variety of forms, legitimacy can come from a variety of places. The growth of new actors also poses challenges to legitimacy: when established institutions do not alter their approaches after engaging with transnational actors, it is easy to assume they have not truly taken these stakeholders' concerns into account. And yet no actors achieve their desired outcomes every time. The challenge is to show that meaningful engagement takes place, even when the results may not be dramatically different.

Some participants stressed that groups should decide on their issue and be flexible as to the best venues to engage. The method for policy change should depend on the goal. Transnational actors should also build a coalition around an issue rather than forming a coalition and then deciding what issue to tackle. Often, interactions among oppositional actors can lead to agreements in unexpected ways. Environments that seem polarized may change once stakeholders begin to interact with one another. For example, efforts to regulate the private security sector evolved out of public reports in the first decade of this century of unaccountable and violent private security contractors in Iraq, which affected civilians and contracting firms. The Swiss government brought together oppositional stakeholders to seek merely a common definition of the private security sector, but the success of this limited process led to further efforts to develop international standards and a code of conduct for the private security sector.

At the same time, even highly consultative processes may lead to questionable outcomes. In establishing the Sustainable Development Goals (SDG), the United Nations made a concerted effort to collect input from the global public and drew on social media and other technologies to do so. However, some participants suggested the SDG process was too consultative and that it may have led to too many overly ambitious targets without any prioritization among them. At the same time, others viewed the actual negotiations over what to include in the SDGs as the typical geopolitics of UN negotiations over sensitive issues. Still others viewed the SDG process as a success in that it rallied

enormous political and financial capital around development and brought together many groups, including states, international organizations, civil society, and corporations, that might not have otherwise gotten involved in the issue.

In discussing the different forms that transnational engagement can take, one participant noted that although it may be easiest for formal institutions to work with the most collaborative actors and groups, this often leads to the least creative solutions. For coalitions to bring about significant changes, they must involve a variety of interests and groups that are not already aligned. Participants also emphasized that multistakeholder involvement is particularly important for durable solutions.

Transnational actors often seek to improve existing formats or efforts but also often create new initiatives to fill perceived or real governance gaps. For example, the Fissile Materials Working Group, a coalition of NGOs and think tanks, was formed out of the founders' frustration with the incongruence of different efforts to address nuclear security and a perceived coordination gap. The group developed a cohesive set of core principles and organized its messaging carefully in order to build support for these principles. This helped it secure early buy-in from key policymakers in friendly member states, which strengthened its influence and advanced its goals. By the time the administration of US President Barack Obama announced the first nuclear security summit, it was well organized and thus better able to influence the nuclear security agenda. Participants commented that it would be useful to identify additional cases of emerging issues where transnational governance can fill policy gaps.

Participants also explored how transnational actors can evolve their participation when certain strategies or forums have been exhausted. One participant said working in a coalition can make it easier for transnational actors to shift focus and pivot to a different forum or specific issue, evolving their work. Coalitions facilitate partnerships among diverse actors with different skills, but different actors may have unique strengths in particular issue areas. At the same time, coalition building requires careful orchestration, a practice of coalition management in wide and diverse networks of voluntary actors.

Participants also emphasized the importance of interpersonal connections in building legitimacy, power, and support. Power mapping at an individual level is an extremely useful but underutilized technique. Real-time mapping, in which maps are continuously updated to reflect changing circumstances and relationships, would be especially useful but is even rarer. However, several participants suggested that civil society has an aversion to power mapping and courting powerful actors that businesses do not have. Focusing on building relationships will help transnational actors better understand how to make other actors change their minds. However, some participants cautioned that civil

society actors, particular those from the Global South, often simply do not have the tools to identify the powerful actors on a given issue in a given space and that doing so is a matter of capacity and will.

One participant noted that as processes evolve to address different components of an issue, they inevitably bring in new constituencies. Focusing on processes as a unit of analysis in transnational governance can help actors evaluate opportunities and potential pitfalls, even as relationships and practices evolve.

## Key Points About Processes and Methods

- The forms that transnational governance takes depend on a variety of factors, including the type of actors involved and their functional capabilities, the issue area under consideration, relationships between transnational and local actors, and the method of engagement between transnational actors and traditional state-centric institutions.
- Engagement can be categorized along a spectrum, including from opposition to collaborative, top down to bottom up, or formal to informal.
- Categorizing their interactions can help transnational actors operate more strategically.
- Transnational actors may direct their efforts at influencing existing formats or efforts, or may create new initiatives when they perceive there is a governance gap.
- Global governance can usually only manage issues; rarely is an issue truly solved.
- Transnational actors must recognize that even when states and international institutions take their agendas seriously into consideration, the results may not be visibly different.
- Transnational actors should decide on the issue or goal to pursue and build a coalition around it rather than attempting to form a coalition before deciding what issue to pursue.
- Formal institutions are often more likely to engage with especially collaborative actors and groups, but more-oppositional engagement can lead to more-creative solutions.
- Interpersonal connections are crucial in building legitimacy, power, and support.

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## Transnational Governance in Practice: Achievements and Unintended Consequences

Participants emphasized that it is important to not idealize transnational governance but to examine the forms it actually takes. A participant noted that although many institutions engage transnational actors in consultation (in various ways and with varying degrees of openness to influence), there are far fewer arrangements that truly involve transnational actors as partners in governance. One example is the engagement between transnational actors and traditional institutions in forming the UN Guiding Principles on Business and Human Rights, which have been highly successful in changing business and state behavior and have gone far beyond the traditional human rights space. One participant

attributed the success of the transnational actors involved in the guiding principles to their autonomy from the traditional UN system and their ability to attract powerful actors early in the process.

Nonstate actors are also increasingly making commitments to mitigate and adapt to climate change outside of the traditional intergovernmental process. One participant noted that since the Copenhagen Climate Change Conference in 2009, there has been a broad recognition that other actors besides states can make pledges and commitments. The C-40 Cities Climate Leadership Group, a collection of cities, has done just that, and many businesses have signed up to various commitments to fight climate change.

Participants also stressed the underappreciated role of foundations and other nongovernmental funders in transnational governance, particularly as the United Nations struggles to steer the priorities of and funding from these new donors. Funders have tremendous behind-the-scenes power to set agendas, which is manifested through the groups they choose to fund as well as the requirements they establish for groups seeking funding. In doing so, they can make positive or negative contributions to global governance. Funders can connect important actors, but they can also weaken existing ties. One participant noted a widespread perception in the development community that the Gates Foundation has seriously damaged public health systems in many countries by siloing different health issues.

At the same time, while transnational governance that does not involve traditional states as partners (e.g., between a multinational NGO and a local NGO) is often assumed to undermine state capacity to tackle an issue, activities that do not involve states can indeed build state capacity. Despite the many ways transnational actors have introduced new challenges into the Democratic Republic of the Congo, there have also been partnerships between local communities and transnational actors that have indirectly strengthened state capacity—without involving the state.

However, participants also emphasized that strategies to achieve different goals may conflict. Notably, simplicity is appealing and often necessary for a campaign to mobilize support, but in reality, challenges are always complex, and oversimplification may impede actually addressing the real problem. The Kimberly Process, a certification program to prevent conflict diamonds from entering the mainstream diamond market, is a narrowly defined, simple campaign that garnered enormous support from states, businesses, and many individuals. However, its narrow focus on conflict meant that it did nothing to address human rights abuses in the diamond industry outside of conflict scenarios, which continue to account for huge numbers of deaths, injuries, and sexual violence. Similarly, a participant noted, the Save Darfur movement built a large and diverse coalition around the issue in the United States but led the Sudanese

government to expel all NGOs from Darfur, worsening the humanitarian crisis.

There are also real limits on buy-in, and transnational actors must consider when to act and when to refrain from certain actions. One participant stressed that most NGOs are likely to lose their funding if they engage with groups identified by the US government and others as terrorists, even if these groups are central stakeholders. At the same time, actors must also consider whether they have the capacity to follow through on their promises. In Greece, the political party Syriza gained power by promising to disrupt the European Union bank system in part by galvanizing transnational civil society across Europe. However, there was a huge backlash from governments, which, combined with little popular support in most European countries for Syriza, quickly neutralized Syriza's ability to bring significant changes once the party gained political power in Greece.

Transnational actors must consider not only the context in which they operate and the pros and cons of various approaches but also the unintended consequences of their efforts. Understanding the concrete outcomes of different processes will help transnational actors assess the best courses of action.

## Key Points About Transnational Governance in Practice

- Transnational actors should recognize the differences between governance and consultation, particularly since most institutions limit their engagement with transnational actors to consultation (in a variety of forms).
- Funders are an often underappreciated category of transnational actors but can have enormous agenda-setting power.
- Although simplicity is often both a necessary and attractive way to garner support for a campaign, oversimplification can actually hinder the potential to address complicated transnational challenges.
- Buy-in is not limitless, and transnational actors must assess when particular actions will harm their cause.

## Looking Ahead

Though roundtable participants drew heavily on their own experiences studying and working as transnational actors, they also stressed the need for additional illustrative case studies to help practitioners understand opportunities and pitfalls associated with different approaches. Several participants proposed that mapping different examples of transnational governance based on their characteristics would be a useful exercise. Participants also emphasized

the need to identify actionable items that would be useful for practitioners, in addition to broad categories.

Discussions concerning transnational actors, including this one, usually focus on peaceful actors. However, several participants stressed that it would be valuable to study violent transnational actors and actors that are mainly peaceful but occasionally use violence to further their goals. Such groups are an unavoidable part of today's world order.

Noting the challenges of introducing transnational governance into traditional, formal processes (such as the United Nations), one participant suggested that further research on informal transnational processes in which the United Nations could participate would be useful for exploring alternative forms of transnational governance. Another commented that research on partnerships involving transnational actors and regional institutions (e.g., the European Union) might illuminate additional success stories or opportunities for engagement.

Others proposed that further exploring conceptions of what governance actually entails could help expand thinking about roles for transnational actors in governance. One participant emphasized that no place is truly ungoverned; instead, the actors governing a particular area may simply not fit traditional paradigms. Alternatively, they may be state authorities that used illegitimate means to achieve their positions or use their positions for illegitimate purposes. Understanding how transnational actors can contribute to different forms of governance outside of traditional, state-centric paradigms may help strengthen their ability to achieve their desired solutions.

The roundtable was a useful exercise in developing different categories for the variety of ways transnational actors participate in global governance. Building on the lessons articulated in the discussion, future research could apply these considerations to compare an assortment of case studies.

## Key Next Steps for Understanding Transnational Actors

- To understand transnational actors, it is necessary to also study violent transnational actors, as well as those that are primarily peaceful but at times use violence to advance their goals.
- Further research is needed on informal transnational processes that do not have clearly articulated rules of engagement.
- Transnational actors influence global governance in a variety of ways, many of which do not fit neat categories of how states, NGOs, and other actors are supposed to behave. More research is needed to understand

hybrid actors who may simultaneously advance and hinder governance.

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Affiliations are listed for identification purposes only. Participants attended as individuals rather than as representatives of their governments or organizations.

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