

Governance and Policy in a Multicentric World

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Le présent article examine trois aspects de nombreux centres de pouvoir ainsi que leurs répercussions sur les politiques et la bonne gestion de l'État. La prolifération des intervenants à la gestion de l'État et à l'élaboration de politiques n'est pas un phénomène nouveau. L'État subit constamment des transformations; il doit surmonter les obstacles qui se dressent sur son parcours. Il ne faut pas croire que l'État se retire ou qu'il s'est affaibli. L'État d'aujourd'hui joue un rôle essentiel dans la gestion et l'élaboration de politiques. Cependant, au lieu de garantir un réseau exhaustif de sécurité sociale, il a maintenant un nouveau mandat, c'est-à-dire notamment celui d'aider sa population en matière de commerce international et de liens sociaux.

Three dimensions of multiple centres of power and their corresponding implications for policy and governance are examined. While there has been a proliferation in the number of actors participating in governance and the policy processes, this development is not entirely a new phenomenon. The state is in constant transformation, adapting to the various challenges it faces. It is wrong to argue that the state is in retreat or that it is not as powerful as it once was. Today, the state has retained a preeminent role in governance and in the policy process. However, instead of providing an extensive social security network, it has taken on new roles, including helping to prepare domestic populations for global trade and social interactions.

INTRODUCTION

This article argues that decisionmakers in Canada are today working in an environment marked by a proliferation of power centres affecting policymaking and governance. When managing transnational problems and formulating public policy, decisionmakers must now not only increasingly take into account the interests and agendas of non-governmental organizations (NGOs) and mul-

tinational corporations, but also consider other important authoritative participants such as the various levels of government in Canada, the interests of a growing number of influential states around the world, and the obligations and responsibilities arising from Canada's signing of international agreements and membership in intergovernmental organizations. The proliferation of centres of power — on domestic, transnational, and international levels — has accompanied a gradual

transformation in the Canadian state. We do not, however, see multiple centres of power as a challenge to the uncontested authority of states. Governments have retained the decisive role in aggregating and mediating interests, setting policy, and enforcing rules.

In putting forth this argument, we present the arguments and findings of a team of eight Canadian thinkers convened to investigate multiple centres of power and their impact on governance in Canada. Team members surveyed the existing literature on multiple centres of power and then presented their insights concerning two questions: first, what are the essential characteristics of multiple centres of power? Second, what are the implications of multiple centres of power for Canadian policy and governance?

In addressing these questions, team members divided their labours. Julien Bauer and Philippe Le Prestre together wrote on globalization, civil society, and the international system. Ronald Crelinsten investigated the impact of globalization, privatization, and decentralization on policymaking and democratic governance. Vincent Della Sala explored the threat that multiple centres of power and globalization can pose to democratic governance. Stephen Clarkson looked into the Canadian multcentred state and the pressures of globalization. Robert Cutler offered an analysis of international parliamentary institutions. Philippe Le Prestre compared traditional intergovernmental organizations to the more recent convention secretariats — established by states to coordinate implementation of treaties, but without the autonomy typical of international organizations. Robert Wolfe looked at multiple spheres of authority in the international system, and specifically in the World Trade Organization (WTO).

While the team members did not necessarily agree with one another, a common theme emerged from their discussions: while there may have been a proliferation of power centres, the federal govern-

ment still retains a central, in fact critical, role in mediating interests, setting policy, and enforcing rules. The purpose of this article is to present the essence of the arguments advanced by team members and to comment on the implications of these arguments for policy and governance in Canada. We begin the article by presenting three possible definitions of “multiple centres of power.” This is followed by a discussion of why multiple centres of power is not necessarily a new phenomenon. We then discuss the impact of multiple centres of power on public policy and governance, with a particular focus on the changing role of the state and the management of transnational issues.

LOCATING THE CENTRES OF POWER

The term multiple centres of power can be understood in three ways. The first, drawn from a traditional international relations approach, suggests the existence of three or more powerful countries interacting in the international system; a multicentric world stands in contrast to the Cold War era, which featured only two superpowers. Power, according to this definition, is understood as the means of a state to pursue its interests internationally. Power refers to state capabilities and the resources employed to pursue interests and induce other states to act in accordance with the desires of the power-wielder.¹

The second approach, like the first, focuses on the actors engaged in politics. This approach broadens the analysis beyond states and their national governments by highlighting and then examining the involvement of other political participants such as NGOs and firms, both of which influence the public policy and governance processes in different ways and to varying degrees. Central governments, according to this perspective, are seen as one, and perhaps the most powerful, of the many participants in national and international politics. Power is understood to be much more intangible than it is according to the previous definition. While power

TABLE 1
Approaches to Understanding Multiple Centres of Power

| <i>Approaches</i> | <i>Type of Power</i> | <i>Type of Centre</i> | <i>Example of a Centre of Power</i> |
|-------------------|--|--|--|
| Approach 1 | economic and military capability | <ul style="list-style-type: none"> • States | United States, China, India, Brazil, Japan, Russia |
| Approach 2 | technological and financial capability, moral suasion, legal authority, international obligations, and the development and accumulation of knowledge | <ul style="list-style-type: none"> • <i>state actors</i> such as federal jurisdictions and municipal governments and branches of government • <i>non-state actors</i> such as NGOs and multinational corporations • <i>global cities and regions</i> such as New York, Shanghai, and the urban networks of Randstad • <i>interstate organizations</i> such as intergovernmental organizations, convention secretariats, and international parliamentary institutions • <i>quasi-state institutions</i> such as central banks • <i>group actors</i> such as established ethnic groups and terrorist organizations | Ontario, the Supreme Court of Canada, Greenpeace, Moody's Investors Service, Microsoft Corporation, the Catholic Church, European Parliament, Organisation for Economic Co-operation and Development, Montreal Protocols, the Bank of Canada, the Tupac Amaru Revolutionary Movement, Kosovars |
| Approach 3 | authority and common understanding | <ul style="list-style-type: none"> • spheres of authority • interaction between individuals • intersubjective consensus and understanding | The market, the international system, domestic political systems, the Internet |

does refer to the capabilities of political participants to pursue their agenda and interests, the sources of power vary according to the type of political actors and their particular aims. Power may stem from the ability to generate and use knowledge, from the accumulation of capital, from moral suasion, as well as from military or economic might.

Finally, one can take a more abstract approach in analyzing multiple centres of power by employing methods informed by the constructivist school of thought.² This approach requires us to investigate the socially constructed nature of norms, values, rules, and procedures. The focus, therefore, is not on the actors per se, as is characteristic of the previous two definitions, but on their *interaction*. In order

to comment on the content of political, economic, or social orders and about the regimes that support them, John Ruggie argues, "it is necessary to look at how power and legitimate social purpose become fused to project political authority."³ In any continuous interaction within a given issue-area, relevant actors, be they governments, NGOs, corporations, professional communities, or combinations thereof, interact to produce a convergence of expectations and a set of common understandings that give rise to a set of legitimate norms, values, rules, and procedures. When the concept of multiple centres of power is approached in this way, states and national governments can be understood as only one of many spheres of authority and one of many arenas through which the construction of values, norms, and

procedures is legitimate.⁴ The market, the Internet, international NGO conferences, and professional communities, to name a few, may also be considered as spheres of authority.⁵

States as Power Centres

The first definition of multiple centres of power takes a conventional approach. For Kenneth Waltz and others in the Neo-Realist tradition of international relations theory, international politics consists of the interaction of undifferentiated unitary actors pursuing power in the international system.⁶ International politics, accordingly, is characterized by the distribution of capabilities across states interacting in the system. For Waltz, no actors other than states in the international system require analysis or consideration; states are the primary political actors. Moreover, Waltz goes so far as to suggest that only great powers really matter. In this use of the term multiple centres of power, therefore, “centres” is synonymous with states and “power” refers to the capability of states to pursue their goals in international politics.

States pursue their goals by exercising a combination of hard and soft power. Hard power refers to the coercive capabilities of a state or the ability of a state to achieve desired outcomes through military and economic means. Following Joseph Nye, soft power refers to the ability to achieve desired outcomes through attraction rather than coercion. It works by convincing others to follow, or getting them to agree to, norms and institutions that produce the desired behaviour. Nye goes on to argue that soft power rests “on the appeal of one’s ideas or the ability to set the agenda in ways that shape the preferences of others. If a state can make its power legitimate in the perception of others and establish international institutions that encourage them to channel or limit their activities, it may not need to expend as many of its costly traditional economic or military resources.”⁷

An international system characterized by multiple centres of power stands in contrast to the bipolar

system of the Cold War era. A shift in international politics from a bipolar system to one of multiple centres of power requires a change in the strategies states use to pursue their goals, a search for alliances, and perhaps a restructuring of existing international regimes.⁸ This definition of multiple centres of power, therefore, leads us to consider policy research questions relating to international political instability and national security, and the implications of these questions for strategic alliances, desired military and technological capabilities, international economic and political partnerships, and so on.

When a committee of assistant deputy ministers associated with the Policy Research Initiative first issued a report entitled *Canada 2005*, it considered this type of change as an important component of multiple centres of power. The emergence of Asia, in particular, was noted in *Canada 2005* as a “third pillar of the world economy and a region that is playing a significant and distinctive role in the councils of the world. The rise of Asia exemplifies the new reality of the millennium — in terms of economic power, a new security balance, the global environmental equation and even the ‘values’ that underlie the workings of multilateral institutions ... This is a new reality to which we Canadians, like others, will have to adapt and respond.”⁹ In addition to the ascendance of Asia, *Canada 2005* noted the growing influence of the European Union, emerging markets in Latin America, and the formation of Russia as key components of a multicentric world.

This approach to multiple centres of power has analytical utility. Clarkson implicitly employs it in his criticism of Canadian foreign policy.¹⁰ Critical of the Canadian government’s preference for a rules-based, as opposed to a power-based, international order, Clarkson notes these rules often reflect the interests of the most powerful states. As a result, Canada does not always win out under these rules. According to Clarkson, Canada should forge coalitions with like-minded states in order to balance the overwhelming power of its southern

neighbour, currently the most powerful state on the world stage.

Similarly, Le Prestre comments on the relationship between the rules of the global order and the international distribution of power in his comparison of traditional intergovernmental organizations (IGO), such as the Organization for American States, and the emerging convention system of governance, as typified by the series of conventions and their corresponding supporting secretariats in the environment issue-area.¹¹ Different patterns of power distribution often require a different set of international rules and organizations. Le Prestre notes that convention secretariats might be able to adapt better than IGOs to power shifts because secretariats can more easily modify their internal structure as needed. Moreover, because conventions and secretariats tend to be issue-specific, they can more easily reflect the international distribution of power within a given issue-area.

The focus on power and on the relationships between the international distribution of power and the structure of the global order is the strength of this approach to multiple centres of power. Restricting the discussion to states and their international capabilities, however, overlooks the importance of non-state actors in governance and the policy-making process. The definition of multiple centres of power should be broadened.

New Actors, New Governance?

The second approach to multiple centres of power is based on a different understanding of what constitutes a centre and what constitutes power. Political power is not necessarily concentrated in the central governments of states. Multiple centres of power here refers to the distribution of capabilities, responsibilities, and sometimes even decision-making authority across a varied set of participants in the policy process. To paraphrase James Rosenau, national governments are central to the conduct of governance, “but they are only part of the full picture.” Governance encompasses the activities of

governments, but it also includes the many other channels through which people frame goals and pursue policies.¹²

This approach to multiple centres of power deals with the governance process as a whole. For Della Sala, the emphasis is not simply on government institutions, but on the processes and the range of participants involved in making decisions that determine collective goods.¹³ It reflects a growing multiplicity of sites and levels of decision-making. And it stems from the view that there certainly remains a need for some form of regulation of social, economic, and political life, even though the instruments of regulation may be changing. Governance in a multicentric world implies that the state’s decision-making monopoly in areas that govern the public good and collective action no longer prevails.

The proliferation of organized activities has complicated and extended the process of local, national, and global governance. While organizations provide points through which decisions can be carried forward or implemented, they may also operate as a source of opposition to institutions and policies designed to facilitate governance. As Rosenau has argued, if political life at the dawn of the twenty-first century is more complex than ever before, “it is because the world is host to an ever-greater number of organizations in all walks of life and in every corner of every continent.”¹⁴

One can identify six types of participants in governance processes.¹⁵ The first, *state actors*, are those government structures operating in an official role on behalf of the state or jurisdictions within the state. Examples of state actors within Canada include municipal, provincial, territorial, and federal governments and the various branches of governments including the executive and bureaucracy (cabinets, the prime minister and premiers, and the administrative structures set up to support and implement their decisions), the provincial and federal legislatures, and the judiciary.¹⁶ By recognizing each of these branches and levels of government as a

centre, we can see the state not as an undifferentiated unitary actor, but as a system of power centres, each having an impact on policy and governance.

Second, we are increasingly encouraged to consider the impact of *global city-regions* on governance, politics, and decision-making.¹⁷ These regions have emerged of late as a new and important kind of geographic and institutional phenomenon “drawn by the deft but invisible hand of the global market for goods and services.”¹⁸ They are not governmentally imposed. City-regions serve as a platform from which concentrated groups or networks of firms contest global markets. They are small enough for their members to develop shared economic interests, but large enough to maintain the communications and transportation infrastructure and supporting professional and financial services needed to promote the regional concentration of firms capable of participating in the global economy. Their borders are determined by the “naturalness” of their economic zones and thus do not need to coincide with the boundaries of political units; some city-regions can span administrative boundaries within a single state, and others may be transnational in scope. They can be dominated by a strongly developed core, such as the Greater Toronto Area,¹⁹ or be more polycentric, as in the case of the urban network of the Randstad Region in the Netherlands.²⁰ Since they make effective points of entry into the global economy and because the characteristics that define them are shaped by the demands of that economy, global city-regions are constantly evolving.

Intergovernmental organizations (IGOs) are a third type of power centre. Robert Cutler identifies several types of IGOs, including executive-oriented organizations such as the WTO (where national governments determine membership and policy), and international parliamentary institutions, which have the trappings of legislatures and act as forums for multilateral consultations. The European Parliament is an example of the latter. Intergovernmental organizations can wield, as Philippe Le Prestre notes,

considerable power. Membership in intergovernmental organizations often requires governments to harmonize their national policies over a wide range of issues and to conform to internationally agreed upon norms and standards. While recognizing IGOs are important structures in international governance and affect national policy, we must remember that their memberships consist almost exclusively of states. In this sense, IGOs are the creatures of states; their power is limited by the commitment of member states to comply with their rules, and by the effectiveness of their enforcement mechanisms.²¹ Furthermore, as already noted IGOs are often dominated by their most powerful members.

A fourth type of participant in governance, *non-state actors*, includes non-governmental organizations and firms. The *raison d'être* for many NGOs, whether they are national such as the Canadian Taxpayers' Federation or international such as Greenpeace, is to establish standards of behaviour and influence state policy. Convening NGO summits alongside IGO conferences has become increasingly common since the 1992 UN Conference on the Environment and Development in Rio de Janeiro. A boisterous gathering of NGOs demonstrating at the WTO Ministerial Meetings in Seattle in December 1999 made a significant impact, drawing the WTO Director-General, the US Trade Representative, and EU Trade Commissioner to meet with several NGO leaders.

Similarly, the power of some private corporations extends well beyond the ability to lobby governments to pressuring governments to adopt particular policy positions. Della Sala argues, for example, that by changing bond ratings Moody's Investors' Service and Standard and Poor's Rating Group can effectively set the context and boundaries for government policy.²² The power of credit rating agencies derives, at least partially, from their capacity to establish the creditworthiness of enterprises and governments, in other words the capacity to borrow money.²³ As a result financial markets monitor many aspects of state spending and are therefore able

effectively to restrict a government's ability to set broad policy goals with respect to employment, social spending, and taxation.²⁴ The importance of non-state actors advocating and influencing policy reflects how power has shifted outward from national governments to other centres of power.

Fifth, both Della Sala and Clarkson encourage us not to overlook the growing importance of *quasi-state institutions* such as central banks. Central banks embody a tension between democratic accountability on the one side and maintaining support from the business community on the other.²⁵ Independent central banks, as we have seen in Canada, set monetary policy and have considerable influence on fiscal policy. When central banks are independent, and not answerable to the national executive or legislature, they are seen to provide a better guarantee against a loose monetary policy and inflation. Recounting John Crow's price stability policy, Clarkson illustrates how in 1987 the Governor of the Bank of Canada demonstrated his autonomy from the federal government as a power centre by pushing up interest rates, creating economic recession and longer unemployment lines. Crow's price stability policy also exerted substantial constraint on provincial governments, forcing them to embrace deficit-cutting policies. Hence, while provinces have acquired increased capacity and authority, they have done so in a context shaped largely by the federal state and the Bank of Canada.

Finally, one must consider *transnational communities*, ranging from benign yet potentially influential ethnic diasporas to more malevolent groups such as transnational criminal organizations. Diasporas comprise ethnic minority groups of migrant origins residing and acting in host countries but maintaining strong sentimental and material links with their country or community of origin.²⁶ Diasporas have evolved a number of ways of distributing financial and material assistance around the world and of maintaining bonds and contacts across national and generational boundaries. The activities of transnational criminal organizations, of

course, offer a greater challenge to the authority of states and the effectiveness of public policy. Not only do criminal syndicates move large quantities of financial and material resources from one place to another, but they also operate outside the existing structures of law and authority, and they have developed sophisticated strategies for circumventing law enforcement in individual states and in the global community.²⁷

Defining multiple centres of power in terms of the proliferation of powerful non-state political participants, as opposed to the rise of new powerful states in the international system, leads us to ask a different set of policy questions. For example, how can governments manage a policy consultation process involving the provinces, NGOs, and individuals while meeting their international commitments, often requiring specific and timely action? What has been the impact of multiple centres of power on democratic processes and political accountability in Canada? How can Canada, in partnership with other state, non-state and quasi-state actors, best manage transnational and global challenges, including human security, global environmental change, transnational organized crime, and the spread of infectious diseases?

With the exception of Wolfe, Trends Project team members adopt this definition of multiple centres of power in their discussions. Crelinsten, and Bauer and Le Prestre, provide the fullest assessment of the contention that governance today involves new actors. In particular, they investigate the relationship of the state to intergovernmental organizations, NGOs, and multinational enterprises. Bauer and Le Prestre argue that attempts by the state to minimize external uncertainties may, paradoxically, have compromised its autonomy, and that its legitimacy may no longer be exclusive. The state must now share legitimacy with other actors that sometimes become its partners.

Examining how power has shifted outward from the state, Ronald Crelinsten argues that states co-

exist and interact with a multicentric world where NGOs, multinational corporations, and individuals exercise considerable power. We live in an “enmeshed world” where the state is only one of several political actors. We should not view the state as a unitary actor in the international system, he argues, but rather as a networked component that forms relationships with NGOs and individuals in other countries, if need be, to pursue international and even national policies.

From Centres to Spheres, from Power to Authority

Wolfe, in his contribution to the *Projects on Trends*, adopts the third meaning of multiple centres of power. For Wolfe, the centre of power does not refer to a political participant, but rather to a sphere of authority; in this view, power is not synonymous with capability, but with legitimacy and authority. It follows that Wolfe is not concerned so much with the numerous political participants involved in the processes of governance, but more with how the various spheres of authority influence political behaviour. A sphere of authority can be defined as an issue-area in which relevant actors, be they states, non-state actors, quasi-state institutions, transnational communities, or any combination thereof, interact and in which one can discern a convergence of expectations on the rules, norms, principles, and procedures through which decisions are made and implemented.²⁸

This approach to multiple centres of power differs from the previous ones in three important ways. First, the emphasis here is not on political participants and their capabilities, but on their interaction and on the institutions that arise from and structure their interaction. Second, it suggests that there is a normative and subjective component to an analysis of governance and policymaking. In the two previous approaches to multiple centres of power, analyses concentrate on actors and their capabilities, with little or no reference made to the values and norms underpinning their behaviour. In this third approach, norms and values and the means by which

they are constructed are central to the analysis. Political participants interact with a sense of social purpose; it is this social purpose that gives rise to the specific content of values, norms, rules, and procedures.²⁹ Third, this approach emphasizes the importance of authority and legitimacy instead of power and capabilities. Authority here consists of the decision-making power over an issue-area that is generally regarded as legitimate by the key participants.³⁰ Compliance with the decisions tends to be voluntary, not enforced through coercion. Legitimacy, in turn, is derived from the convergence of participant expectations on the values, norms, rules, and procedures within a given issue-area. This understanding of legitimacy contrasts with the more conventional definition, which defines it as either reflective of the “will of the people” or generated from the effectiveness of state institutions.³¹ When multiple centres of power is approached in this way, states and governments can be understood as only one of the many sources of authority, as only one of many arenas through which the construction of rules and procedures is legitimate.

It follows from this approach to multiple centres of power that spheres of authority can differ in form and structure, depending upon the number and type of actors engaged. Spheres of authority need not be coterminous with bounded territory. Those who comply may be spread around the world and have no legal relationship with each other, or they may be located in the same geographic space and have the same organizational affiliations. Moreover, many formal and informal avenues for agreement on these norms, rules, and procedures exist. Practices and norms established by custom have an evolutionary quality to them and thus often appear as spontaneous developments. This appearance, however, disguises their nature as purposeful actions that over time acquire legitimacy. Informal rules and practices reflect a common approach to problems; they are focal points around which behaviour converges.

The existence of alternative sources of authority takes on great significance today. Claire Cutler has

recently examined several issues in which the private sector took the lead in establishing norms, rules, and institutions that guide the behaviour of actors and affect the opportunities available to them. She emphasized that the traditional focus of state sovereignty that dominates theoretical and practical discussions of international affairs is inadequate to explain the full contours of contemporary global life.³² Similarly, Wolfe argues that the state is only one of many sources of normative order; he encourages us to see law and authority not only as derivatives of states, but of other sources as well, including the private sector. Wolfe disagrees with those who assert that politics in advanced industrial societies has been based on the premise that the state is the sole repository of political authority and that legitimate authority in liberal democracy is expressed through its formal political institutions. Wolfe would argue that this approach mistakenly puts the state at the centre of the analysis and neglects other consensual normative systems that confer authority. It follows from his discussion that political, economic, and social life can be *law-governed* without being *state-governed*.

Similarly, Ruggie and Georg Kell argue that the formation of the *global compact*, a set of norms designed to govern the behaviour of transnational corporations, did not require the involvement or the support of national governments.³³ The global compact challenges corporations and representative business associations to demonstrate good global corporate citizenship by embracing nine principles in the areas of environment, labour, and human rights. The compact is not designed as a code of conduct, but instead, as a framework of reference and dialogue to stimulate best practices and to bring about convergence in corporate practices around universally shared values. The novel feature of the global compact is that corporations are asked to embrace the values directly, in their own sphere of operation. They are asked to incorporate them into their mission statements and to translate them into concrete corporate management practices. While the nine values comprising the global compact derive

from the UN Declaration on Human Rights, the Rio Declaration on the Environment and Development, and the 1997 World Economic and Social Summit, all of which were inter-state activities, the authority and legitimacy of the compact arise out of the coming together of the United Nations and NGOs with corporate actors.

This definition of multiple centres of power leads us to a set of policy research questions different from those posed under our previous definitions. The policy problem is recast from issues of diminished state capacity to questions of coordination with other spheres of authority. This also suggests, for example, that the federal government should not see itself as the leader in the coordination effort, but as a participant in it. To explain this policy problem, Wolfe invokes a metaphor: the Canadian government should see itself as playing in the orchestra, rather than conducting it.

Understanding multiple centres of power as multiple spheres of authority clearly has its analytical attractiveness. Not only does it bring our attention to the rich variety of political participants, but also to how their interactions provide content and authority to the rules governing our behaviour. The constructed nature of the governance system is as important to examine as the actors who participate in its construction. Because this approach emphasizes participant interactions, however, it does not recognize that political participants fulfill distinct roles in the political system. Second, the multiple spheres of authority approach does not adequately draw a link between authority and power. Power qualitatively differs from actor to actor depending upon the nature of the issue-area and the resource that the actor can bring to bear within that issue-area. Finally, this approach underestimates the importance and, indeed, the ubiquity of the state. While it is true one can find situations and issue-areas where non-state political participants have interacted on a regular basis so as to generate a convergence of expectations, such activity usually takes place either under the aegis of the state or with

the participation of the state. Moreover, the state is often needed to ensure compliance and enforce rules.

WHAT IS NEW, WHAT IS NOT

Notwithstanding the changes that have swept across global affairs, the assertion that we have moved to a multicentric world remains contentious — in part because of the multiple definitions at play. With respect first to international politics, if we understand multiple centres of power to mean the existence of more than two powerful states, then we can certainly accept that considerable change has occurred over the past ten years. Indeed, events such as the collapse of the Soviet Union, nuclear weapons testing in South Asia, NATO bombardment of Serbia/Yugoslavia, the growth of the Chinese economy, and the establishment of the European Union have all contributed to a new international power dynamic.³⁴ Of course, this new international power dynamic has implications for international negotiations, coalition building, and conflict.

One should be careful, however, not to overstate the argument that the post-Cold War era is characterized by a multicentric order. It may be true that China, Russia, the European Union, and India, as well as other countries, do exercise sufficient military and economic strength to influence international negotiations and force national governments around the world to heed their intentions. However, the United States has the capability to promote its national agenda onto the world stage more than any other single country or group of countries. US power is evident in its ability to forge three international coalitions to wage war in the past ten years, twice against Iraq and once against Serbia/Yugoslavia. Similarly, most of the world's international regimes negotiated since the Second World War arose out of US technological capability and US interests.³⁵ Without US participation, major global initiatives such as the international ban on landmines and the International Criminal Court are significantly weaker.

In addition, many of the world's most influential international NGOs are based in the United States, depend upon US government money, and are comprised mainly of US members. Similarly, many of the largest multinational corporations have their global headquarters in the United States, depend upon the US market and stockholders, and are managed to a significant extent by US citizens. Moreover, US multinational corporations played a crucial role in the Uruguay Round on the General Agreement on Tariffs and Trade (GATT) by mobilizing support in the European Union, Japan, and Canada to bring issues such as services and intellectual property to the negotiation table. The United States is, without a doubt, the world's leading military, economic, technological, cultural, and ideological power today. In this sense, one can argue that we are not living in an age of multiple centres of power, but rather in a period of US dominance.³⁶

With respect to the rising prominence of political actors other than the state, the assertion that we are living in a newly multicentric world is equally contentious. One can argue, as Wolfe has, that we have always lived in a multicentric world. The political problem, he notes, “may not be a changing world, but our assumptions, now exposed as fictions. The actors of interest today are not new, but we literally could not see them within a Westphalian worldview.” The Westphalian view of international relations has at its core the assumption that the state is the most important participant in the political process in the international system, and that it is the sole source of political legitimacy in domestic affairs. By accepting the Westphalian worldview, however, we overlook such other political participants and sources of authority as the Roman Catholic Church, which has had tremendous influence on both state and individual behaviour for centuries. Similarly, the market has been an important source of authority since the advent of capitalism and multinational corporations have wielded significant power for over a century.

Indeed, looking at national politics, we can see that the existence of multiple centres of power is a

requirement of a stable and lasting democracy. Robert Dahl argues that the circumstances most favourable to democracy exist when a pluralist social order has developed and the means of exercising power are distributed throughout society.³⁷ Similarly, Robert Putnam has argued that voluntary associations and civic institutions such as community associations, agricultural cooperatives, guilds, labour unions, and credit cooperatives and rural banks are essential when developing successful democratic institutions.³⁸ From this, we can conclude that the involvement of business enterprises and civic institutions in the domestic governance and policy processes is not a new phenomenon.

Even in the international realm, NGOs and multinational corporations are not new. NGOs such as the British and Foreign Anti-Slavery Society, P.J. Simmons has observed, were driving forces behind government action against the slave trade. He also notes that, by the turn of the century, groups such as the Anglo-Oriental Society for the Suppression of the Opium Trade were leading an influential anti-drug movement that culminated in the 1912 Hague Opium Convention.³⁹ One also cannot overlook the founding of the Red Cross in 1865 as a significant development in the history of NGOs.

Similarly, multinational corporations have played an important role in international affairs for well over a century. The first economically significant companies operating across continents, the great trading companies of the imperial powers, emerged in the sixteenth to eighteenth centuries. One needs only to consider the role of such companies as the Hudson's Bay Company or the British East India Company, in assisting governments to establish empires during the age of imperialism.⁴⁰

What is new, however, is the growing number and influence of NGOs, IGOs, and multinational corporations, the emergence of global city-regions, and the intensification of global interconnectedness. The number of NGOs functioning across borders has multiplied over the past two decades. In 1909, there

were 176 NGOs that had members in more than two countries. This number increased to 832 by 1951 and to 2,500 in 1990 and exploded to 5,472 by 1996.⁴¹ The significance of NGOs is not simply that they monitor and publicize events, but that they also campaign on specific causes and, combined, form a global network of organizations. They can operate transnationally with the consequence that they are able to bypass governments and establish vigorous global networks of activists.

A similar pattern of exponential growth can be noted amongst multinational corporations. By way of illustration, in 1973, 239 national banks established the standardized world interbank and financial transactions system, creating a worldwide framework for rapid interbank communications. By 1989, the standardized world interbank and financial transactions system had 1,000 members in 51 states.⁴² This pattern has been replicated in many other financial and commercial domains as well. According to one count, by 1998, there were 53,000 multinational corporations worldwide with over 450,000 foreign subsidiaries.⁴³

The number of IGOs has similarly expanded. Since the foundation of the International Telegraph Union in 1865, a plethora of IGOs has developed. In 1909, 37 IGOs had been created. By 1996, nearly 260 IGOs were regulating various aspects of global affairs, creating an international infrastructure for the management of economic, social, and cultural issues.⁴⁴ From 1946 to 1975, the number of international treaties related to IGOs expanded from 623 to 2,303.⁴⁵ The number of conferences hosted or sponsored by IGOs has also grown from two or three per year in the mid-nineteenth century to over 4,000 today.⁴⁶ Of course, the political salience and geographic reach of IGOs is uneven with members mainly coming from the Americas and Europe.⁴⁷

The appearance of global city-regions is also new. The emergence of city-regions responding to market incentives could potentially produce a set of interests clashing with those of national governments.

On the one hand, because city-regions are enmeshed in the global economy, they are now subject to intensified cross-border competitive pressures.⁴⁸ As a result, there exists a strong incentive to engage in institution-building and policymaking in an effort to turn globalization to their benefit. On the other hand, states by definition require a domestic political focus, often needing to mediate the competing interests of two or more global city-regions within their boundaries. National governments may find it increasingly difficult to deal with the varied demands of all the different localities that they oversee. Kenichi Ohmae has gone so far as to argue that the state, because it represents less and less of a shared community of interest or meaningful flow of economic activity, is growing more dysfunctional as a unit for coordinating economic activity in a globalized economy.⁴⁹ This clash need not, however, be adversarial; much depends upon the attitudes of political authorities toward the global outlook of city-regions. Nonetheless, the growth of city-regions calls our attention to the important role of “natural” economic zones as emergent forms of transnational rule that are not sponsored by national governments and that arise out of the activities that may initially foster a relocation of authority from the political to the economic realm.

What is also new, beyond that of the rapid proliferation of NGOs, IGOs, and multinational corporations and the emergence of global city-regions is the intensification of global interconnectedness. Global interconnectedness refers to the growing intensity of international enmeshment among national economies and societies.⁵⁰ The proliferation of linkages among countries and societies, facilitated by the emergence of global city-regions, means there has been a stretching of social, political, and economic activity across political boundaries such that events and decisions in one country can have significance for individuals and governments in another. Interconnectedness implies that linkages across frontiers are not just occasional and random, but rather are regularized, are growing

in magnitude, and are spilling over into other areas of activity. We can now witness a trend whereby social relations have become less tied to territorial frameworks; borders are not so much crossed as they are transcended.⁵¹ Global phenomena are those that extend across widely dispersed locations and can move between places anywhere on earth. Territorial distance and boundaries hold limited significance in these circumstances. The world has become “a single place in its own right.”⁵²

Dramatic breakthroughs in information and communication technology have facilitated the intensification of global interconnectedness.⁵³ At one time, large bureaucracies such as the Roman Catholic Church and national governments controlled transnational flows of goods and information. As a result of the information revolution, the cost of communicating information and transmitting documents over distance has diminished. With the advent of the Internet, the cost has become almost negligible; hence the amount of information that can be transmitted is effectively infinite. Now anyone with a computer can be a desktop publisher, and anyone with a modem or, better, an ethernet card, can communicate with distant parts of the globe. Large organizations remain important, but the dramatic cheapening of information transmission has opened the field to loosely structured networks of organizations and individuals. As a result, new political coalitions can be built online.⁵⁴

The impact of growing global interconnectedness is twofold: first, the distinction between local and global politics is eroding as local events increasingly have global implications and vice versa;⁵⁵ and second, the distinction among issue-areas is blurring as the linkages among issues grow. As the Project on Trends team members have argued, the emergence of multiple centres of power, along with growing global interconnectedness, all affect the policy process and, more fundamentally, the processes of governance.

LIVING IN A MULTICENTRIC WORLD

Given that we live in a multicentric world we are required to think differently about the world and Canada's place in it. Hence, we propose two basic questions that governments in Canada should consider when preparing for the medium-term future:

- How does the position and role of the state change, given that today we have an array of actors, institutions, and/or sources of authority?
- How do we manage the growing number of transnational and global problems, some of which have both serious implications for human well-being and are gaining priority on the agendas of governments?

What Is the Future Role of the State?

Overall, those who argue the state is in retreat and becoming anachronistic overstate their case. For the most part, the state plays, and will continue to play, a significant role in governance. More actors participating in the political process do not necessarily mean the state has become obsolete, or that its power and authority has been eclipsed. On the contrary, the proliferation of new actors may have strengthened government and may have forced the state to transform.

Investigating the various sources of authority, Wolfe introduces us to the "lump of power fallacy" to demonstrate that the federal government's loss of authority is exaggerated. Those who are misled by the fallacy assume there is only a finite quantity of authority, and that it can be sliced up and assigned to different levels in the political system and to different political participants. When one level is given jurisdiction or authority, another must relinquish it. It is a zero-sum game. But if we understand that this misunderstanding originates in a state-centric perspective, we can see that authority and power can have several sources and can multiply as people come together for various purposes. NGOs, IGOs,

central banks, and multinational corporations have indeed gained power and authority over the past two decades, but not necessarily at the expense of the state. The state remains authoritative, but it must work with other actors. It is a non-zero-sum process.

Clarkson too is sceptical of the retreat-of-the-state argument. He agrees responsibilities have been devolved to the provinces. But the federal government, he notes, had to be strong to produce this devolution. When Ottawa strove to balance its budget by cutting back federal functions, it demonstrated its strength by taking steps bitterly resisted by many entrenched interests, including the provinces.

Della Sala and Bauer and Le Prestre argue that to say states have maintained their authority presents only a partial picture, and ignores the adaptation and transformation of political and state structures. The state, Bauer and Le Prestre contend, is always transforming itself in response to the changing demands of the times. In the eighteenth century, states collected taxes and waged war on behalf of the monarch; in the nineteenth century states took on the role of facilitating industrialization; and in the twentieth century, states participated in, and often led, the nation-building process and developed the social safety net.

Bauer and Le Prestre point to a variety of areas today where state activity is expanding, not shrinking.⁵⁶ States help their populations and domestic industries to be more internationally competitive by setting the rules for freer trade, embarking on trade missions, and the like. States have taken on an important role of environmental stewards, for only the state can make, negotiate, and enforce rules on how we use the environment. These rules may be negotiated at either the national or the international level and involve private and civil society actors, but usually only the state can implement and enforce them. Finally, states are playing a larger role in responding to major environmental crises such as earthquakes, ice storms, and floods.

Domestic and international pressures have always interacted in a dynamic way to keep states in a condition of constant transformation. The state exists at the point of intersection between its own domestic society and the global political system. "The state," in the words of Theda Skocpol, "is fundamentally Janus-faced, with an intrinsically dual anchorage" in domestic society and global international politics.⁵⁷ The state must mediate the pressures from these two domains. On the domestic side, demands in a democratic federal country are registered through elections, organized lobby groups, and intergovernmental negotiations. On the international side, demands are felt through exchange rates, investment patterns, organized lobbies, international agreements, and such global environmental problems as ozone depletion and climate change.

During the Cold War, states mediated the tension generated by these two sets of demands through the protection of domestic interests. States, particularly ones dependent on international trade, sought to protect society from the international sources of instability.⁵⁸ International trade negotiation during this period was informed by embedded liberalism, a package that combined the liberalization of the international trading regime with an expansion of social security protections in the form of the welfare state.⁵⁹ There was no single, transnational model of the welfare state, and public spending on social programs varied considerably from country to country. These variations, as Keith Banting has noted, depended upon a country's location in the international economy, domestic traditions and culture, and domestic politics.⁶⁰ While insulating domestic interests from international sources of instability, governments still had to convey to their electorates the pressures emanating from the global context and, when necessary, to adapt public policy to "unalterable international conditions."⁶¹

In contrast to the decades following World War II, states today are under increasing pressure to prepare domestic society to face the forces of instability

emanating from the international system, particularly those brought about by global economic and technological change. International public and social policy convergence, Banting argues, is a powerful process, and countries that deviate from international norms can place their economic futures in jeopardy.⁶² However, one should note that the shift from *protecting* domestic societies to *preparing* them to adapt to international forces is subtle and one of degree. While there is pressure for states and their societies to adjust to the pressures of globalization, states have not abandoned the need to manage the effects of international pressures. National governments, through regularly scheduled elections, are still held accountable to electorates.

In addition to encouraging a transnational harmonization of social policy, the shift from protecting to preparing domestic societies to face international forces has also produced a transformation in Canadian federalism.⁶³ During the post-war years, the embedded liberalism compromise and the ascendance of Keynesian economic theory supported the establishment of a strong central government. Relying on a combination of tax rental arrangements with the provinces, a formula for equalization payments to the poorer provinces, an expanded social role for the government in areas of unemployment insurance and family allowances, and an expanded use of federal spending power in a range of policy areas nominally under provincial jurisdiction, the federal government asserted its role as the shield against international sources of instability. The lack of constitutional limits on federal spending power provided the federal government with a powerful policy instrument to negotiate its participation in a wide array of health, post-secondary education, and other social programs.

As the embedded liberalism compromise collapsed and as the government moved away from Keynesian economic theory, maintaining the prevailing federal relationship grew difficult. As early as 1977, the post-war, federal-provincial relationship began to change. The passage of the *Established*

Programs Financing Act, with its shift from a conditional grants formula to a block-funding formula, signalled a reversal in the balance between the two levels of government. The further imposition of a 5 percent spending cap on transfers to the three richest provinces under the Canada Assistance Plan by the Mulroney administration in 1990 had the same effect on the federal government's role. Increasingly, it became the responsibility of the provinces to adopt a wide range of policies to foster innovation, international investment, and economic growth. The election of the Liberals in Ontario in 1985 represented a significant shift in federal-provincial relations from the previous four decades. The Liberals were determined to promote and develop the province's economy in the face of what they perceived as growing neglect by Ottawa. The emergence of the Greater Toronto Area as a global city-region will further complicate intergovernmental relations in Canada in the future.

Della Sala also suggests that states constantly transform. We should not equate state capacity, Della Sala notes, with the extent of a state's intervention in the economy. On the contrary, advanced industrialized societies value the protection of property rights, which requires limited state intervention in the economy. While the state is leaving some areas of activity, particularly in those social and economic fields associated with the welfare state, it is becoming more active in other areas. Some examples serve to demonstrate this point. First, the 1997 *Ontario Work Act* lists a series of mandatory actions as qualifying conditions for receiving social assistance, including having to work and abstention from alcohol. To enforce these conditions, the act gives government investigators intrusive police powers that leave no parts of recipients' lives immune to inspection. Second, the adoption of technology facilitating capital mobility at once helps us move toward a cashless economy and enables the government to keep track of a citizen's income and spending habits. Third, there may also be popular pressure on the state to regulate in areas where technology raises new ethical concerns for human

health.⁶⁴ Growing public awareness of the health risks arising from certain dietary patterns and lifestyles has caused many states to assume a greater responsibility for, at a minimum, warning their citizens of the risks involved. There is also pressure on governments to regulate or slow down the technological advances in genetic engineering, and to warn citizens of potential dangers in genetically modified foods.

In addition to the pressures of globalization and technological change, Clarkson and Della Sala encourage us to look at the impact of ideology, particularly the ascent of neo-liberalism, on state transformation. State transformation accelerated, they argue, as a consequence of the widespread ideological shift in the 1980s away from social democratic principles to neo-liberalism's commitment to limit the activities of governments in economic and social life. Bauer and Le Prestre suggest that this ideological shift can also contribute to a decline in state legitimacy.

Clarkson, however, believes this condition is not necessarily permanent. Just as neo-liberalism motivated the contraction of state functions, the ascendance of an alternative ideology could reverse this trend. Given the inability of the neo-liberal model to respond to public demands for public health and education accessible to all, the pendulum may be poised to swing back toward a state less reluctant to exercise its power to regulate the market and to provide society with more services. The federal government may try to reassert itself in ways it had earlier abandoned. In short, the potential for further change remains.

Not only does the state hold a unique position mediating between international and domestic pressures, but it also fulfils a unique role in the governance process. The state occupies, Bauer and Le Prestre argue, a particular place as the intermediary or nexus among IGOs, sub-national governments, multinational corporations, and NGOs. As intermediaries, states preserve a real capacity to lead, margin

of manoeuvre, and power of decision to mediate conflicts arising between various participants. One could argue that in an age of participatory democracy and of proliferating NGOs, intergovernmental organizations such as the World Bank, the WTO, and the IMF might actually be growing weaker. Compared to NGOs, these IGOs lack popular support and political leverage in bargaining with legislators.⁶⁵ That, however, is not the case. The state may be the only actor that possesses a general knowledge of the problems at hand; represents the interests of all stakeholders; and is capable of identifying, negotiating, and enforcing solutions.

For example, consider negotiations of such environmental conventions as the Kyoto Protocol to reduce greenhouse gas emissions. Many environmental NGOs have sought significant reductions in emissions and other environmental safeguards. These NGOs lobbied national governments as well as international organizations and secretariats. Multinational corporations from the energy industry were also key stakeholders, fearing revenue losses or stringent regulations that either could not easily be met or would impose punitive transaction costs. Sub-national governments, such as that of Alberta in Canada, had particular interests in the outcome of negotiations because they depend on the petroleum industry for the economic health of their regions and for their own revenue. At the same time, other countries came to the negotiations with varying interests. The international climate change convention secretariat had its mandate to fulfill. Thus, as Le Prestre argued in his chapter, the convention governance system reinforces the role of the state as the primary international actor in the negotiation and enforcement of treaties.⁶⁶

The proliferation of NGOs and citizen groups also offers opportunity for middle-power states such as Canada to find new partners in pursuing international policies. Ottawa's campaign to ban landmines is a case in point.⁶⁷ The International Coalition to Ban Landmines (ICBL) proved to be an effective partner for Canada (and vice versa) to help raise the

consciousness of citizens, officials, and politicians to the issue of landmines throughout the world, particularly in Europe and the United States. It mobilized public opinion and forged political coalitions within and between countries. It lobbied officials and politicians for access to funds, for opportunities for agenda-setting, and for participation in international negotiating sessions as observer components of national delegations. While this foreign policy initiative was pursued in part through direct state-to-state contact and in international organizations, partnering with the ICBL proved advantageous for Canada. Such examples show that not only has the state retained significant power, but it has also been strengthened by fulfilling a role as an intermediary among the multiple centres of power.

How Are Transnational Problems to Be Managed?

The literature concerning the management of transnational issues was for a long time dominated by analyses of interdependence⁶⁸ and by discussion of the obstacles and incentives for international cooperation.⁶⁹ Over the past ten years, however, an infusion of new ideas has enriched the discussion, directing attention to such factors as the importance of technical experts and NGOs in the negotiation and implementation of international treaties.⁷⁰ At the same time, the agenda of world leaders has changed as concerns about climate change and the environment, transnational organized crime, the spread of infectious diseases, the use of genetically modified organisms, poverty alleviation, and other issues gain prominence. Issues that were once of domestic concern have become transnational, if not global, in nature, requiring a collaborative effort for their management. The question of interest is no longer why states succeed or fail to cooperate — a question that gives little help to policymakers in responding to the realities of a multicentric world. Instead, scholars have begun to ask questions about how and with whom do we manage our transnational relations. In many ways, we must now understand public policy more from a transnational and even

global perspective rather than from a domestic viewpoint.⁷¹

In Le Prestre's assessment, the convention governance system provides a better way than the traditional IGO system to manage such transnational and global problems as environmental change. As international agreements increasingly drive Canada's environmental agenda, convention governance systems can help it maintain or strengthen the fundamental prerequisites of effective state action while facilitating progress toward international goals. Secretariats are issue-specific, mission-oriented organizations that are more responsive to the needs of the regimes they maintain than traditional inter-governmental organizations. Convention governance systems are sometimes better adapted to pursue specific objectives in the present environment of multiple stakeholders and overlapping issues.

While Le Prestre focuses on state-to-state relations, Crelinsten and Cutler offer us a framework for state-civil society relations in the management of transnational issues. Cutler asserts that the intersection between civil society and the state in a democracy is the elected legislature. Inter-parliamentary institutions (IPIs) offer a possible place for civil society to interact with national governments in the management of transnational issues. In his framework, which he calls "complex world society," Cutler shows how IPIs can enable transnational civil society groups to aggregate their interests unrestricted by the rules of national politics. He points out that the establishment of some of the most recent IPIs arises from bottom-up networking by NGOs. But if IPIs encourage the growth and development of NGOs, offering them a site for lobbying, informing, and consulting, they also provide states with a forum for interacting with NGOs and transnational social movements.

Crelinsten encourages us to do away with our old understanding of the state as a unitary actor. He argues that it would be more productive to see the state as a set of networked components interacting with

each other and with civil society. In a multicentric world, states interact with other centres of power, sometimes in concert, sometimes in opposition. Moreover, civil society itself is a transnational or global phenomenon in which there is no great distinction between domestic and foreign affairs. The management of transnational issues and policy-making in a multicentric world, therefore, rely much less on regulation and (re)distribution and much more on exhortation, persuasion, and management of state partners. Power is exercised by directing and integrating the decision-making and actions of non-state partners in the governance process.

The management of transnational issues, Crelinsten stresses, is no longer the exclusive domain of national governments. He cites what Margaret Keck and Katherine Sikkink call the "boomerang pattern of influence," whereby domestic NGOs bypass the state in which they are headquartered and search out international allies to try to bring pressure on their state from outside.⁷² Typically the international allies are other NGOs, who then lobby their own states and intergovernmental organizations. In this way, reaching outside the state to non-state actors helps overcome a domestic obstacle.

In addition to the changing ways of managing transnational problems, national governments have also had to embrace a new approach to the construction of domestic social policy.⁷³ Throughout the post-war era, when OECD countries were building the contemporary welfare state, social policy was thought of largely as a component of domestic policy. Social programs were seen as a reflection of national political economies shaped by the internal configurations of each country's politics and economy. Today, this understanding of social policy is inadequate. The supportive relationship between the global economy and the welfare state, constructed in the aftermath of the Second World War, has broken down. Moreover, economic globalization and growing interdependence, on a global and a regional basis, and rapid technological change have

generated a deep restructuring of domestic economies. Governments today are under pressure to harmonize their social and labour programs with those of their trading partners to avoid putting their own domestic industries at a competitive disadvantage. This pressure is of increasing importance as the needs and interests of global city-regions diverge from those of less competitive parts of a country.

IMPLICATIONS FOR POLICYMAKERS AND AVENUES FOR FUTURE RESEARCH

Federal government policy advisers and decision-makers are working today in an environment characterized by the proliferation of power centres. When managing transnational problems and formulating public policy, decisionmakers must not only take into account the needs of Canadians, but also the interests and agendas of other states, NGOs, private-sector corporations, and the various levels of government. This must be accomplished while the federal government also strives to meet its international obligations arising from Canada's membership in IGOs and the ratification of international agreements. Moreover, the federal government could soon face challenges to its power and, perhaps, authority from provincial governments and the emergent global city-region of Toronto (and perhaps Montreal and Vancouver) as they try to create the necessary conditions to be competitive in the global economy.

The proliferation of power centres, both domestically and on an international level, has accompanied a gradual transformation of the Canadian state. While the federal government retains considerable authority, it has shifted its focus from protecting Canadians from the vagaries of global capitalism to preparing them to meet the challenges of the global marketplace. The federal government in this new policy environment retains a decisive role aggregating and mediating interests, setting policy, and enforcing rules.

From the analysis above, three questions arise requiring further research: (i) how can the federal government engage in effective consultative policy research and development processes with non-state actors; (ii) how can the federal government engage the provinces in the development of policy and the management of transnational issues; and (iii), what challenges to policy and authority arise from the emergence of global city-regions.

As a consequence of the proliferation of centres of power, the policy consultation process has grown more complicated. Sensitive questions of who is to be consulted how and when, about what and for what purpose are only more difficult to answer today. Consultations are an important source of information for policymakers and they are critical for testing the reaction of key groups to possible policy directions. It is rare, however, that policy emerges from broad-ranging consultations that satisfies all groups equally. Good consultations must at once have a clear sense of direction and be open to views and information brought forth by interested non-state actors. Government needs to find the appropriate balance between providing direction and gathering new ideas and between leading and participating in broad-based, policy-oriented consultations.

Cooperating with the federal provinces offers a second challenge. In Canada's decentralized federation, there are innumerable areas where the federal and provincial governments have shared interests in policy questions. Institutions for cooperative federal-provincial policymaking, however, are weak. It is paradoxical that, in some instances, Canada has more structured institutional arrangements for cooperative policy work with its international partners than it does with the provinces. Canada's federal decision-making structures, characterized as "executive federalism," emphasize high-level political contacts and bargaining rather than integrated institutional arrangements for policy coordination. While Canadian institutions for federal-provincial cooperation are relatively weak, Canada does have a lengthy history of experience in informal policy

coordination. This history has only begun to be reviewed systematically.⁷⁴ A systematic review of this history with the goal of highlighting best practices and successful strategies is all the more important as the provinces and the federal government face the expanding agenda of transnational problems.

Finally, the emergence of global city-regions requires further research and analysis. It is not yet understood if and how the emergence of this phenomenon will challenge the power and authority of national governments and other political-administrative units.

In a world marked by the rapid proliferation of power centres, the need for governance and interest coordination will only grow. Much of governance will continue to be sustained by national governments initiating and implementing policies in the context of their legal frameworks. The effectiveness of their policies, however, will only be improved if governments find ways to work in concert with other centres of power. Similarly, there will be occasions when government involvement will not be productive, or where governments lack the will or ability to intrude. Working with other centres of power, government will have to find when it will and will not be expedient to participate in the formal implementation of policy and in the construction of norms, rules, and procedures.

NOTES

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¹See Robert Keohane, "Theory of World Politics: Structural Realism and Beyond," in *Neorealism and Its Critics*, ed. Robert Keohane (New York: Columbia University Press, 1986), pp. 182-89, especially 183.

²See John Gerard Ruggie, ed., *Constructing the World Polity: Essays on International Institutionalization* (London: Routledge, 1998); Martha Finnemore, *National Interests in International Society* (Ithaca: Cornell University Press, 1996); and Peter Katzenstein, ed., *The Culture of National Security: Norms and Identity in World Politics* (New York: Columbia University Press, 1996).

³See John Gerard Ruggie, "Embedded Liberalism and Postwar Regimes," in *Constructing the World Polity*, p. 64.

⁴James Rosenau, "Toward an Ontology for Global Governance," in *Approaches to Global Governance Theory*, ed. Martin Hewson and Timothy Sinclair (Albany, New York: State University of New York Press, 1999), p. 290.

⁵For more on spheres of authority, see James Rosenau, *Along the Domestic-Foreign Frontier* (Cambridge: Cambridge University Press, 1997), pp. 39-41 and 154-68.

⁶Kenneth Waltz, *Theory of International Politics* (Berkeley, CA: University of California Press, 1979).

⁷Joseph Nye and William Owens, "America's Information Edge," *Foreign Affairs* 75, No. 2, (March/April 1996): 1. See also Joseph Nye, *Bound to Lead: The Changing Nature of American Power* (New York: Basic Books, 1990); and Joseph Nye, "Soft Power," *Foreign Policy* (Fall, 1990): 153-71.

⁸Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981), pp. 42-43.

⁹The ADM Sub-Committee on Global Challenges and Opportunities, *Canada 2005: Global Challenges and Opportunities* (Ottawa, Canada, 25 February 1997), p. 13.

¹⁰See Stephen Clarkson, "The Multi-Centric State," paper presented at the Policy Research Secretariat's Trends Project seminar in Victoria, British Columbia, 10 May 1999.

¹¹Philippe Le Prestre, "International Convention Secretariats and Canada's Role in Future Environmental Governance," paper prepared for the Project on Trends.

¹²James Rosenau, "Governance in the Twenty-First Century," *Global Governance* 1 (1995): 13-14.

¹³See Vincent Della Sala, "Governance of Politics without a Centre," paper presented at the Policy Research

Secretariat's Trends Project seminar in Victoria, British Columbia, 10 May 1999; see also Rosenau, "Governance in the Twenty-First Century," pp. 13-43.

¹⁴Rosenau, "Governance in the Twenty-First Century," p. 16.

¹⁵James Rosenau refers to two types of actors, sovereign and sovereignty-free actors. For other classifications, see James Rosenau, *Turbulence in World Politics* (Princeton: Princeton University Press, 1990); see also Susan Strange, *Retreat of the State* (Cambridge: Cambridge University Press, 1996).

¹⁶See Clarkson, "The Multi-Centric State." Both Vincent Della Sala and Robert Cutler distinguish between the branches of government, particularly between the legislature and the executive, as centres of power. Della Sala, "Governance of Politics without a Centre"; and Robert Cutler, "The Emergence of International Parliamentary Institutions," paper presented at the Policy Research Secretariat's Trends Project seminar in Victoria, British Columbia, 10 May 1999.

¹⁷Saskia Sassen, *The Global City: New York, London, Tokyo* (Princeton: Princeton University Press, 1991); and Kenichi Ohmae, "The Rise of the Region State," *Foreign Affairs* 72, 2 (Spring 1993): 78-87

¹⁸Ohmae, "The Rise of the Region State," pp. 78-79.

¹⁹On Toronto, see Thomas Courchene, "Responding to the NAFTA Challenge: Ontario as a North American Region State and Toronto as a Global City-Region," a paper presented at the Global City-Regions Conference, University of California in Los Angeles, Los Angeles, California, 21-23 October 1999.

²⁰See the Randstad Region's website <http://www.cordis.lu/randstat-region/src/intro.htm>

²¹Abram Chayes and Antonia Handler Chayes, *The New Sovereignty: Compliance with International Regulatory Agreements* (Boston: Harvard University Press, 1998).

²²See also Linda McQuaig, *Shooting the Hippo: Death By Deficit and Other Canadian Myths* (Toronto: Viking, 1995).

²³Timothy J. Sinclair, "Bond-Rating Agencies and Coordination in the Global Political Economy," in *Private Authority and International Affairs*, ed. Claire Cutler, Virginia Haufler and Tony Porter (Albany, New York:

State University of New York Press, 1999), pp. 153-65; and Timothy J. Sinclair, "Passing Judgement: Credit Rating Processes as Regulatory Mechanisms of Governance in the Emerging World Order," *Review of International Political Economy* 1 (April 1994): 133-59.

²⁴Robert Boyer and Daniel Drache, "Introduction," in *States against Markets: The Limits of Globalization*, ed. Robert Boyer and Daniel Drache (London: Routledge, 1996), pp. 2-3.

²⁵See William Coleman, "Monetary Policy, Accountability, and Legitimacy: A Review of the Issues in Canada," *Canadian Journal of Political Science* 24, 4 (1991), pp. 25-46.

²⁶Gabriel Sheffer, "A New Field of Study: Modern Diasporas in International Politics," in *Modern Diasporas in International Politics*, ed. Gabriel Shaffer (New York: St. Martin's Press, 1986), p. 3; see also Joel Kotkin, *Tribes: How Race, Religion, and Identity Determine Success in the New Global Economy* (New York: Random House, 1993).

²⁷Phil Williams, "Transnational Criminal Organizations and International Security," *Survival* 36 (Spring 1994): 97; Strange, *The Retreat of the State*, pp. 110-21; and Gianluca Fiorentini and Sam Peltman, eds., *The Economics of Organized Crime* (Cambridge: Cambridge University Press, 1995).

²⁸Rosenau, "Toward an Ontology for Global Governance," p. 290. For more on spheres of authority, see Rosenau, *Along the Domestic-Foreign Frontier*, pp. 39-41 and 154-68.

²⁹Ruggie, "Embedded Liberalism and Postwar Regimes," p. 64.

³⁰See Clair Cutler *et al.*, "The Contours and Significance of Private Authority in International Affairs," in *Private Authority in International Affairs*, ed. Cutler, Haufler and Porter, pp. 362-63.

³¹See Fritz Scharpf, *Governing in Europe: Effective and Democratic?* (New York: Oxford University Press, 1999), pp. 6-14; and Juan Linz and Alfred Stepan, *The Breakdown of Democratic Regimes: Crises, Breakdown, and Reequilibration* (Baltimore: Johns Hopkins University Press, 1978).

³²Claire Cutler *et al.*, "Private Authority and Interna-

tional Affairs,” in *Private Authority in International Affairs*, p. 4; and Claire Cutler, “Locating Authority in the Global Political Economy,” *International Studies Quarterly*, 43, 1 (March 1999): 59-82.

³³Georg Kell and John Ruggie, “Global Markets and Social Legitimacy: The Case of the ‘Global Compact’,” paper presented at the conference *Governing the Public Domain beyond the Era of the Washington Consensus? Redrawing the Line between the State and the Market*, York University, Toronto, 4-6 November 1999.

³⁴This list of events is, of course, arbitrary. One can also mention other developments such as the expansion of NATO, political and economic transition in Eastern Europe, the unification of Germany, political transition and economic growth in Latin America, the economic crisis and partial recovery in Asia, and so on.

³⁵On the role of technical expertise and know-how, see, for example, Mark Zacher’s comments on the role of the United States in the establishment of a regime for global epidemiological surveillance: Mark Zacher, “Global Epidemiological Surveillance: International Cooperation to Monitor Infectious Diseases,” in *Global Public Goods: International Cooperation for the 21st Century*, ed. Inge Kaul *et al.* (New York: Oxford University Press, 1999), pp. 266-83. On US power to shape global trade and monetary regimes, see Richard Stubbs and Geoffrey Underhill, “Introduction: Global Issues in Historical Perspective,” in *Political Economy and the Changing Global Order*, ed. Richard Stubbs and Geoffrey Underhill (Toronto: McClelland & Stewart, 1994), pp. 145-62.

³⁶We thank Michael Carley for bringing this argument to our attention.

³⁷Robert Dahl, *Polyarchy: Participation and Opposition* (New Jersey: Yale University Press, 1971), pp. 48-61.

³⁸Robert Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton: Princeton University Press, 1993), pp. 121-47; Sidney Verba *et al.*, *Voice and Equality: Civic Voluntarism in American Politics* (Cambridge: Harvard University Press, 1995).

³⁹P.J. Simmons, “Learning to Live with NGOs,” *Foreign Policy* (Fall 1998): 88.

⁴⁰David Held, *Global Transformations* (Stanford, CA: Stanford University Press, 1999), p. 239.

⁴¹See *Yearbook of International Associations* (Brussels: Union of International Associations, 1996).

⁴²B. Ward, “Telecommunications and Globalization of Financial Services,” *Professional Geographer* (1989): 41.

⁴³Held, *Global Transformations*, p. 236.

⁴⁴On communications and transportation, for example, see Mark Zacher with Brent Sutton, *Governing Global Networks: International Regimes for Transportation and Communications* (Cambridge: Cambridge University Press, 1996).

⁴⁵On these numbers, see Held, *Global Transformations*, p. 53.

⁴⁶Mark Zacher, “International Organizations,” in *The Oxford Companion to Politics of the World*, ed. J. Krieger (Oxford: Oxford University Press, 1993).

⁴⁷Held, *Global Transformations*, p. 56.

⁴⁸Ohmae, “The Rise of the Region State,” p. 83; and Allen Scott, John Agnew, Edward Soja and Michael Storper, “Global City-Regions,” paper presented at the Global City-Regions Conference, University of California in Los Angeles, Los Angeles, California, 21-23 October 1999.

⁴⁹Ohmae, “The Rise of the Region State,” pp. 78-87.

⁵⁰See Held, *Global Transformations*, pp. 15-27.

⁵¹Jan Aart Scholte, “Global Capitalism and the State,” *International Affairs* 73, 3 (July 1997): 429.

⁵²*Ibid.*, p. 429.

⁵³See Robert Keohane and Joseph Nye, “Power and Interdependence in the Information Age,” *Foreign Affairs* 77, 5 (September/October 1998): 153-71.

⁵⁴See “The Non-Governmental Order,” *The Economist* (11-17 December 1999), found at www.economist.com

⁵⁵See Thomas J. Courchene, “Glocalization: The Regional/International Interface,” *Canadian Journal of Regional Science* 18,1 (Spring, 1995): 1-20; and Rosenau, *Along the Domestic-Foreign Frontier*, pp. 79-86.

⁵⁶Many of the points here offered by Bauer and Le Prestre were presented at the National Policy Research Conference. See Julien Bauer, “Ménage à Trois: The State, the International System, and Civil Society,” presented

at the Challenges for a New Era of Governance Workshop, National Policy Research Conference: Analyzing the Trends, Ottawa, Ontario, 25-26 November 1999.

⁵⁷Theda Skocpol, *States and Social Revolutions* (Cambridge: Cambridge University Press, 1979), p. 32.

⁵⁸For example, see Peter Katzenstein, *Small States in World Markets: Industrial Policy in Europe* (Ithaca: Cornell University Press, 1985).

⁵⁹Ruggie, "Embedded Liberalism and Postwar Regimes," pp. 63-85.

⁶⁰Keith Banting, "Social Policy in a Global Society," in *Social Policy in a Global Society: Parallels and Lessons from the Canadian-Latin America Experience*, ed. Daniel Morales-Gomez and Marco Terres (Ottawa: International Development Research Centre, 1995); and Banting, "What's a Country For? Globalization, North America, and Social Policy," Address to the Industry Canada Distinguished Speakers in Economics Program, Ottawa, 28 January 2000.

⁶¹Banting, "Social Policy in a Global Society."

⁶²Ibid.

⁶³David Wolfe, "The Emergence of the Region State," paper prepared for the Bell Canada Papers Conference, *The Nation State in a Global Information Era: Policy Challenges*, Queen's University, Kingston, Ontario, January 1997.

⁶⁴In addition to Della Sala, see Jane Franklin, ed., *The Politics of Risk Society* (Cambridge: Polity Press, 1998).

⁶⁵See "The Non-Governmental Order," *The Economist*.

⁶⁶Le Prestre, "International Convention Secretariats and Canada's Role in Future Environmental Governance," paper prepared for the Project on Trends.

⁶⁷See Ramesh Thakur and William Maley, "The Ottawa Convention on Landmines," *Global Governance* 5, 3 (July-Sept. 1999): 280-85.

⁶⁸On interdependence, see Robert Keohane and Joseph Nye, *Power and Interdependence* (Glenview, IL: Scott, Foresman and Company, 1989); David Baldwin, "Interdependence and Power: A Conceptual Analysis," *International Organization*, 34 (1989): 471-506; and Kjell Goldmann and Gunnar Sjostedt, eds., *Power, Capabilities, Interdependence: Problems in the Study of International Influence* (New York: Sage, 1979).

⁶⁹On cooperation see, for example, Stephen Krasner ed., *International Regimes* (Ithaca: Cornell University Press, 1983). For a survey of the literature see also Andreas Hasenclever *et al.*, *Theories of International Regimes* (Cambridge: Cambridge University Press, 1997).

⁷⁰On the role of technical experts, see Peter Haas, "Do Regimes Matter? Epistemic Communities and Mediterranean Pollution Control," *International Organization* 43 (1989): 377-403. On the role of NGOs see Simmons, "Learning to Live with NGOs," pp. 21-33; Ramesh Thakur and William Maley, "The Ottawa Convention on Landmines," pp. 273-302; and Thomas Weiss and Leon Gordenker, eds., *NGOs, the UN, and Global Governance* (Boulder, CO: Lynne Rienner, 1996).

⁷¹Wolfgang Reinicke, *Global Public Policy: Governing without Government?* (Washington: Brookings Institution Press, 1998); and Daniel Morales-Gomez, ed., *Transnational Social Policies: The New Development Challenges of Globalization* (Ottawa: International Development Research Centre, 1999).

⁷²Margaret Keck and Kathryn Sikkink, *Activists Beyond Borders: Advocacy Networks in International Politics* (Ithaca: Cornell University Press, 1998), p. 12.

⁷³Banting, "Social Policy in a Global Society" and Banting, "What's a Country For? Globalization, North America, and Social Policy."

⁷⁴Ivan Fellegi, "Strengthening our Policy Capacity," Report of the Task Force on Strengthening the Policy Capacity of the Federal Government, Ottawa, 3 April 1995.