

GLOBAL GOVERNANCE AND SUSTAINABLE DEVELOPMENT: THE CASE OF UN'S SUSTAINABLE DEVELOPMENT GOALS

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ABSTRACT

The achievement of sustainable development, which is essential for preserving a healthy world for future generations, depends on the implementation of efficient global governance. Traditional, nation-state-focused approaches struggle to address difficulties that cross borders. In contrast, global governance structures facilitate collaboration by establishing frameworks—such as the Sustainable Development Goals established by the United Nations—and unite a wide range of actors—including businesses, governments, and nations—to exchange resources, expertise, and optimal methodologies. This collaborative effort is essential to tackle complex issues like climate change and poverty, ultimately paving the way for a more sustainable future. This paper will discuss the roles and responsibilities of significant actors contribute largely on sustainable development, focusing on the emerging trend of global governance in the international order. By taking the case of UN's 17 Sustainable Development Goals, key problems for the public sector and private one will be identified and also provide some further suggestions in improving the implementation of sustainable development.

Keywords: *Global Governance, UN's Sustainable Development Goals, Firms and Country level.*

1. INTRODUCTION

Currently, it is challenging to separate the concepts of "globalization" and "governance," or to disconnect "global governance" from the idea of "sustainable development." The proponents of the theory that shift signify the demise of local governments can be encapsulated in the term "globalization." The complex phenomenon refers to the ongoing expansion of development on a global level, including various dimensions of human activity (Carroué et al, 2005). This process would result in the establishment of a global society where national boundaries become irrelevant, and the influence of governments is diminished in favor of the dominance of market forces. The dominant paradigm that prevailed until the 1990s was interdependence. As such, the global arrangement has seen changes, leading to the development of a "need" for such a united global system or what is called "global governance".

The topic of global governance has attracted widespread attention and is being examined by a diverse range of professionals, including theorists, managers, political scientists, and sociologists. They are focusing on matters concerning corporate responsibility, the power of local governments, and the collaboration of global governance. These conditions validated the establishment of global governance as a method of harmonising national policy. The pursuit of a more balanced and fair globalisation appears to have originated with the establishment of several international organisations. Undoubtedly, the market's ideological credibility has significantly grown as its key participants have moved away from national boundaries, allowing global governance to take charge. This confirms the emerging power paradigm, which relies less on a fixed hierarchy and more on networks of diverse actors as the concept of global governance suggests that regulation is no longer limited to the exclusive and independent regulation of individual governments. The discussion of sustainable development arises from the state's lack of

adequate means to address global concerns that impact the national collective interest. This is the explanation that clarifies the decrease in the state's authority to give decisions and the limitation of state laws and regulations, in order to give more influence to global governance bodies like the WTO, IMF, or UN (Uzunidis and Yacoub, 2009).

Some argue that global governance is the most effective solution to address the increasing number of conflicting agendas. However, others believe that it lacks the necessary legitimacy and fails to effectively implement sustainable development criteria (Laïdi, 2002). Consequently, the concept of global governance has progressively gained significance in the global discourse, posing a fundamental inquiry: How can globalization be effectively managed in the absence of a worldwide governing body? Can rules be used to effectively delegate certain activities that are typically the responsibility of national governments to states? The state perceives itself as being in a contractual relationship with numerous entities to ensure the validity of its activities. According to Bianco and Severino (2001), the establishment of a global governance system confirms the ambiguity of the position of a country and its policies. In addition, companies engaged in the language of "corporate responsibility" have actively participated in these initiatives. They have not only contributed to the development of goals and targets, but also played a crucial role in legitimizing the entire endeavor. To understand the influence and position of two highly involved participants in global governance and sustainable development, we will examine the case of the UN's sustainable goals. All member states of the United Nations unanimously endorsed these goals in 2015, and firms worldwide have also extensively embraced them. But in reality, how, they handle the goals? In the following section of this article, we will provide a comprehensive overview of the ambitious objectives set by the United Nations for sustainable development. Subsequently, we will evaluate how both the public sector, such as government entities, and the private sector, including corporations, address these goals. Finally some discussion of the relationship between global governance and the practice of sustainable development in general will be delivered.

2. RESEARCH METHOD

The article uses qualitative methodologies to conduct content analysis on papers, agreements, and commitments related to global governance activities released by the United Nations and its member states. The information will be categorised into two aspects: the national level and the company level. The following article aims to provide a comprehensive analysis and data on the operations of this organization in global governance, in order to enhance understanding of its role. Subsequently, it is feasible to assess the extent of involvement of both nations and corporations, not just in a passive role within the globalizing trend, but through active and proactive endeavors.

The research methodology of content analysis identifies the occurrence of specific words, topics, or concepts in qualitative data. The application of qualitative methodologies, including systematic and prescriptive study of textual data. According to Hsieh & Shannon (2005) and Elo & colleagues (2014), researchers can use content analysis to measure and examine the occurrence, significance, and correlation of specific words, topics, or ideas. Qualitative content analysis is a method that uses accurate inference and interpretation to compress unprocessed data into categories or themes through the use of accurate inference and interpretation. This technique employs inductive reasoning, wherein themes and categories arise from the data through meticulous analysis and continuous comparison by the researcher.

3. RESULTS AND DISCUSSIONS

UN's Sustainable Development Goals



Figure 1. The SDGs
Source: UN (2015)

In 2015, all member nations of the UN made a unanimous commitment to accomplish the Sustainable Development Goals (SDGs) by the year 2030. The 17 goals (which are shown in Figure 1) are a current set of global objectives designed to guide society towards sustainable development by the year 2030. SDGs covering of 169 targets and 231 indicators, were formulated through a comprehensive consultation process involving all stakeholders such as governments, businesses, non-governmental organizations, and also researchers (Forestier and Kim, 2020). Mio et al (2020) suggest that the goals not only offer a reliable structure for establishing objectives and evaluating advancement, but they have also been specifically crafted to be readily understandable and implementable by a wide range of individuals and organisations. Bierman et al., (2017) propose that the framework determine the sustainable development aspirations of both UN Member Countries and their key stakeholders. Also according to these authors, the extent of governments' discretion plays a crucial role in deciding how effective governance through goals can be. Fukuda-Parr (2016) considered the global goals like a instrument that help converting linguistic standards into numerical values, while also establishing specific time-based objectives. In addition, Van Tulder et al 2021 argue that it has numerous advantages compared to previous initiatives. Hence, it is evident that both the country and the enterprise play a crucial role in not only achieving the SDGs but also reaping the advantages of promoting and progressing sustainable development. Now, let's go into the complexities of how countries and firms face the SDGs.

Country level

Now, let's go into the complexities of how countries and corporations face the SDGs. The UN 2030 Agenda for Sustainable Development, declared on October 25, 2015, presents a paradox that entails a twofold obligation: achieving sustainable development necessitates individuals to personally commit and also to hold others responsible. The SDGs represent a shared responsibility that does not have a specific country to assume main ownership. It leads to a risk of excessively prioritising the SDGs due to their own preferences and goals (Horn and Grugel, 2018). In general, economic goals is prioritised over other social and environmental goals. According to a study conducted in 2014, Bhutan, Thailand, and Vietnam, like many other developing countries, emphasized that economic growth is essential for achieving all other objectives. India, Pakistan, and Sri Lanka believed that it was logical to prioritize the economic growth of developing countries over environmental concerns. They argued that the responsibility

to address unsustainable consumption patterns lies primarily with developed nations. In contrast, nations from the Global North regularly highlighted the interconnectedness of sustainable development goals. The Poland-Romania duet argued that poverty alleviation and environment protection should be mutually reinforcing.

A study by Fukuda-Parr and McNeill 2019 suggests that the political factors involved in setting and executing goals might influence a country's decision to prioritise certain SDGs, for example it is normal considered that nations with a substantial GDP per capita will give greater importance to environmental objectives like SDGs 13, 14, and 15, compared to areas where they are already excelling, such as SDG 8 (Forestier and Kim, 2020). While another study by Forestier and Kim in 2020 found that SDGs 1 and 8, which focus on poverty eradication and economic growth, were prioritised by almost half of the participants were chosen for their sample. This makes them the most often prioritised goals among the 16 SDGs examined. This is to be expected considering the continuous focus on these two goals. The levels of priority for the rest SDGs are very uniform, with around three to five countries per SDG out of a total sample. The results suggest that while countries may have different specific priorities, while most country (about half of the investigated countries choose to priorities SDG1 and SD8, while SD7, SD9, SD11 and SD12 seem to be least favored.

The 2030 Agenda witnessed many conflicts in values arising from the issue of poverty. For example, governments from developed countries and international organisations typically portrayed poverty as a consequence of individual marginalisation. Governments from the developing countries were more attuned to the structural aspects of poverty. Benin, a poor African country, similar to other impoverished nations, explicitly associated poverty with the structural obstacles encountered by developing countries. By using the three pillars of sustainable development suggested by Waage et al. in 2015 that categorised these SDGs, the findings suggest that states priorities social and economic objectives over environmental objectives. Finally, another important finding show that an analysis of the results from countries categorised based on their level of economic prosperity has shown significant discoveries (Figure 2). SDG 1 is the most important goal regardless of income levels. The research indicates that nations with higher incomes place a greater emphasis on economic growth compared to countries with lower incomes, as well as other objectives outlined in the SDG framework, such as SDG 8. The prioritisation of economic issues over environmental concerns by wealthy nations is a concerning indication.

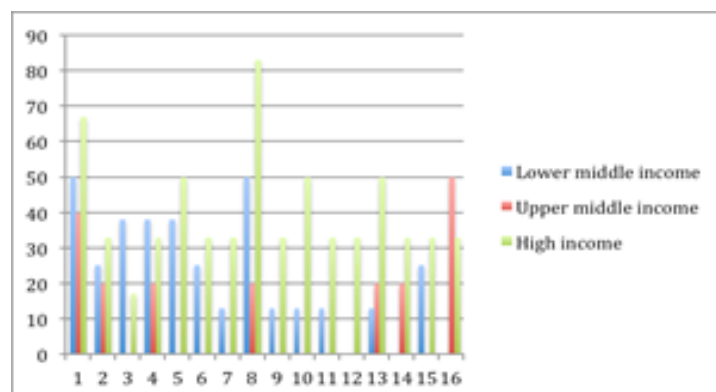


Figure 2. Percentage of countries in each income group that prioritize each SDG
Source: Forestier and Kim, 2020

SDG 17, the last Sustainable Development Goal, stands out due to its distinct focus on global governance. Conflicting perspectives on global governance led to differences of opinion about the Global Partnership for Development, a crucial element of SDG 17. Croatia asserted that by engaging all parties involved, a mutually beneficial outcome can be achieved, similar to other advanced nations. Nevertheless, the Global North's strategy towards the Global Partnership was frequently perceived as a deceptive tactic to prioritise the interests of the corporate sector. Several industrialised countries have coupled the concept of multistakeholderism believed that business plays a significant role in promoting inclusive and sustainable growth. Several countries from the Global South expressed heightened scepticism and deliberately minimised the significance of multistakeholderism, emphasising instead the importance of basing the Global Partnership on 'intergovernmental mechanisms'. The presence of inequality led to a strong dispute over the importance of the division between the North and South in relation to sustainable development. In 2015, the United Kingdom emphasised the need to shift the focus of conversation away from the north-south divide. In 2015, Germany proposed a 'paradigm shift' to transition away from conventional North-South ideology. They said that in terms of sustainable development, any country is considered a developing country. The positions taken by these countries elicited significant opposition from developing nations. In the same year, India introduced the phrase: 'North-South is not a division, but a reality'. Since 2012, China said that the worldwide progression of sustainable development is uneven. The disparity of the Northern & Southern regions is increasing. On the whole, poor countries' stance aligned closely with the prevailing perspective in civil society, which frequently distinguishes between the two locations (Reflection Group on the 2030 Agenda for Sustainable Development, 2016). Simultaneously, developing nations maintained a more cautious stance compared to the small yet vocal minority inside non-governmental organisations (NGOs) who contended that the true problem lied in our existing development framework (Pillay, 2013).

Firms level

The UN 2015 foundational statement 'Transforming our World' expressly calls for private sector to use their creativity and innovation in order to tackle sustainable development concerns as they were given a significant role in achieving the SDGs. Since the introduction of the MDGs, the sustainable development paradigm has undergone a shift. The deliberate incorporation of firms into the process of establishing legitimacy was founded on the belief that they possess the capacity and duty to function as strategic actors in the worldwide attainment of the SDGs. Firms can play a significant and influential role in advancing the agenda and guaranteeing its successful execution in this specific situation. In addition, firms possess the capacity to provide valuable advise throughout the implementation stage as a result of their vast managerial knowledge and global impact. Agenda 2030 represents a departure from previous sustainable development initiatives, which primarily emphasized the responsibilities of governments and businesses. Firms and businesses was thus assigned a prominent role in attaining the SDGs as they would bring many leverages for them. However, it should be noted that the SDGs lack the legal binding power of international law. In this particular situation, firms have the ability to assume a prominent and influential role in driving the agenda forward and ensuring its successful implementation. Furthermore, firms have the potential to offer effective guidance throughout the implementation phase due to their extensive management expertise and worldwide influence. Recent studies indicates that firms have shown reluctance in adopting the SDGs, and have not actively promoted them (UN Global Compact, 2020). Based on the 2019 UN Global Compact Progress Report, it is said that 67% of the companies that have endorsed the compact are pledging to prioritise sustainability by the top level, while only 48% are actively applying

sustainable practice. While a majority of more than 70% of firm leaders see that businesses can act in facilitating the accomplishment of the SDGs, about 21% of them believe firms are presently delivering that duty. While numerous prominent firms have embraced the SDGs as defined by PwC (2015), their implementation has primarily concentrated on SDGs that are compatible with their current business models, thereby perpetuating their customary practices (Van Zanten & Van Tulder, 2018). Over 50% of firms expressed the difficulty of striking a balance between being extremely cost-conscious and making investments in long-term strategic objectives that are crucial for ensuring sustainability. Mio et al., (2020) finalize that ironically, through firms admit that they should follow SDGs, the actual adoption of the framework is still very restricted. One of the reasons helping to clarify these results is the way in which MNEs internally structure the SDGs. Frequently, these tasks are assigned to less prominent divisions within firms, such as corporate social responsibility, communication, or the 'corporate foundation' (UN Global Compact, 2019). In addition, MNEs are organising networks that are becoming more dispersed and less hierarchical. This implies that a core company must now persuade rather than manipulate the adoption of SDGs within its networks. This is necessary because relying solely on their direct control and coordination limits their effectiveness.

Furthermore, companies encounter operational challenges when it comes to implementing the SDGs at three different levels: (1) on a societal level, by dealing with governance principles and collaborating with governments to promote sustainable development, (2) on a systems level, by recognising the interconnected effects and devising intelligent intervention strategies to create shared values and prioritise strategic SDGs, and (3) on a strategic level, companies can link their SDG strategy with their primary business objectives (van Zanten and Van Tulder, 2020). Furthermore, companies are now structuring their networks in a more dispersed and less hierarchical manner. This implies that a core company must now persuade, rather than manipulate, the adoption of SDGs within its networks. Finally, several researchers have expressed concerns regarding the efficacy of the SDGs. These issues revolve around the perception that the goals may either be excessively ambitious or insufficiently ambitious, particularly in terms of their implementation.

4. CONCLUSIONS AND SUGGESTIONS

The primary issue at the core of the SDGs was commonly depicted as the enduring presence of poverty on a global scale. In the conclusive agreement, the member states of the United Nations acknowledged that eliminating poverty in all its various aspects, including severe poverty, is the most significant worldwide obstacle and an essential necessity for sustainable development (UN, 2015). The focus on poverty was enthusiastically embraced not just by governments from both the Global North and the Global South, but also by civil society. There was a prevailing sentiment that the SDGs were merely the initial phase of a significantly more ambitious endeavour. Inequality was a prominent topic in the ideological conflict. The Office of the High Commissioner for Human Rights (OHCHR) emphasised that poverty is not the sole factor of concern. The concept of spatiality refers to both our relative positions in regard to one another and the extent of the distances separating us (OHCHR, 2014). The presence of inequality led to a strong dispute over the importance of the division between the North and South in relation to sustainable development. Environmental issues can be resolved by implementing government regulations that focus on adhering to the law or by using market-based legal incentives at a national level. Environmental degradation transcends national boundaries and hence necessitates global solutions (Sachs, 2015). The efficiency of international environmental law is called into doubt due to the ongoing and growing degradation of the environment across several metrics,

despite the abundance of international environmental conventions. The intricacy of global governance frameworks can also have a range of particularly harmful impacts on international environmental law. Existing global governance systems may significantly raise the costs of compliance for nations and corporations by demanding significant quantities of specialised legal training and technical competence (Drezner, 2013). The author concludes that this can also undercut the principles of sustainability.

Therien and Pouliot (2019) state that the bricolage of the SDGs was facilitated by a confluence of values on concerns, allowing for the development of solutions. Initially, sustainable development was universally acknowledged as a worldwide goal. The convergence around sustainable development can be viewed as a highly effective solution for achieving the goals outlined in the 2030 Agenda. Another aspect of the normative consensus emerged over the imperative to eliminate global poverty and ensure that no individual is excluded from this endeavour. The SDGs do not have the enforcement of international law. In order for them to work well, all stakeholders such as individual governments and local firms, business need to have the willingness to adopt those measures voluntary. Another significant division in values revolved over the structure of global governance. Developing countries and civil society frequently emphasised the necessity of reforming the key institutions of the global economic system, a concern that was not well received by governments of the Global North. Developing nations largely justified modifications in the structure of global governance by emphasising the necessity to expand their ability to make policy decisions and to enhance their influence and presence in global organisations. Finally, Paramunda (2013) adds that NGOs contended that strengthening human rights necessitated global governance transformation.

The studies demonstrate that countries and firms contribution in SDGs can be viewed as an enhancement of the global agenda for sustainable development while significance of global governance has grown in global discussions, raising the issue of how to handle globalisation in the absence of a worldwide governing entity. The formation of a global governance system highlights the uncertainty surrounding a country's stance and policies. States perceive themselves as having a contractual obligation to several entities in order to ensure the legitimacy of their actions. Firms involved in "corporate responsibility" have actively taken part in these initiatives, making contributions towards the development of goals and targets. SDGs exemplify a framework known as 'hybrid governance', facilitating collaboration between firms and countries to implement specific actions aimed at achieving shared objectives for sustainable development. This framework facilitates collaboration between corporations and governments in pursuit of shared objectives for sustainable development. Moreover, the inability to efficiently acquire resources in specific poor countries, a limited assessment of the potential hazards to society and the environment, and a comparatively low level of commitment to engaging stakeholders and adequately monitoring impacts exacerbate the problem. The main factors that drive corporations to take action include constraints on the ability of authorities to enforce penalties, market inefficiencies, and a lack of effective mechanisms for guaranteeing corporate transparency in environmental, social, and governance performance.

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