Globalization, Governance and the Nation-state: An Overview

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1 Introduction

Globalization has been one of the central topics in the fields of social science and economics for several decades. A simple search on the Web of Science/Social Science Citation Index databank reveals 21,058 journal research articles published between 1990 and 2016 that contain the terms "globalization" ("globalisation") in the title, abstract, or keywords. That is more than two articles per day. This number does not include the thousands of books, book chapters, conference papers, research reports, and blog entries dealing with globalization, and it also does not include publications that may use related terms, such as "global" or "globalizing". If the term "state" is added to the search, the Web of Science returns 18,577 articles, or 88% of the "globalization" articles. Obviously, this statistic is difficult to interpret, but it appears that although it is still common to think of globalization as something going on beyond the state, the study of globalization and particularly the global economy is impossible to imagine without a discussion of the role of states in the emergence and evolution of the global economy. This brief review makes a very modest attempt to provide an overview of the recent literature dealing with the relationship between globalization and states in economic sociology and related disciplines and proposes several directions for further research.

This review is subject to caveats. The topic of globalization is extremely broad and inherently interdisciplinary. Among the 21,058 articles, only 2,213 were published in sociology journals, according to the Web of Science subject categories.[1] Other top disciplines include economics (3,625 articles), geography (2,379), political science (2,307), and international relations (1,681). It is therefore not feasible to include all perspectives, economic sectors, policy domains, and geographic units, such as countries or regions, in the review. The selection of the policy areas literature for this review is based on the author's research interests and focuses mainly on the sociological literature, which means that the selection is naturally biased and partial.

The paper is structured as follows: The next section discusses two conceptualizations of globalization – as a set of profound economic transformations and as a set of governance projects. Section 3 focuses on the re-scaling of political authority in the global economy and reviews what actors are claiming rule-making authority in the transnational space and how the re-scaling of authority affects the role of nation-states in globalization and its governance. Section 4 reviews several relatively new theoretical and empirical approaches focusing on the complexity of the interplay between public and private actors and transnational and national rules at transnational, national and local levels. The concluding section outlines several avenues for future research.

2 What is globalization?

Due to the vast scope of globalization, there are dozens if not hundreds of images of globalization. Although there clearly are cultural, legal, social and ecological aspects of globalization, it is typical for economic sociologists to use economic and institutional (or political) theoretical lenses for examining globalization. Scholars focusing on economic and market aspects of globalization view globalization as complex flows of goods and services and networks of actors involved in their production and trade (Held, McGrew, Goldblatt and Perraton, 1999). They emphasize global economic integration, the emergence of international markets, and the extensive growth in international trade, foreign direct investment, and global financial flows in the second half of the twentieth century. This, however, is not unprecedented in global economic history: trade flows were significant before World War I and the Great Depression (Gereffi, 2005: 163). What distinguishes the globalization period that started in the 1960s is the qualitative shift in the structure of the global production of goods and services: This shift involves the fragmentation and re-organization of production processes across borders and their geographical relocation across national and territorial borders, as well as the emergence of new financial instruments and global financial markets (Dicken, 2003; Gereffi, 2005: 162-64).

To capture this shift in the structure of the global economy, in particular the fragmentation and reorganization of manufacturing, students of the global economy, including several prominent economic sociologists, have developed several analytical approaches focusing international production networks (Borrus, Ernst and Haggard, 2000), global commodity chains (Gereffi and Korzeniewicz, 1994), and global value chains (Gereffi, 2005; Kaplinsky, 2001). They focus on the structure of global supply chains, their governance and coordination, and their evolution over time. In particular, they focus on the central role of transnational corporations (TNCs) in shaping the contemporary global economic system (Gereffi, 2005: 164). The concepts of global production networks, commodity chains, and value chains overlap in their focus but have different emphases; for instance, the global production networks literature focuses on the structure and governance of supply chains, while global value chain approaches focus on the creation and capture of value in cross-border supply chains (Gereffi, 2005: 168).

A different view of globalization is offered by scholars focusing on its institutional and political aspects (Bruszt and McDermott, 2014b; Djelic and Quack, 2003b; Djelic and Sahlin-Andersson, 2006). Economic activities rely on governance frameworks; the global economic changes described above, therefore, require their modification. In the 1990s, mainstream thinking about regulatory changes associated with global economic integration stressed the dismantling of domestic and international governance frameworks imposing barriers to trade, or "negative integration" to use Scharpf's (1996) language. Others refer to these processes as neoliberal globalization (Chorev, 2005). Today, it has become common sense that global economic integration is also associated with the modification of existing governance frameworks and the development of new frameworks that replace the old ones or coexist with them. Scharpf (1996) refers to this process as "positive integration." Political and institutional change is no longer only confined to various rules on trade and financial liberalization. It includes other types of rules as well, such as rules forcing firms to address the social and environmental consequences of their global operations (Bartley, 2007). In this vein, Djleic and Quack (2003a) define globalization broadly as a double process of institutional change at the national level and transnational institution building. Globalization, they argue, is "deeply about governance": it is about the fundamental transformation of governance systems in many countries and about the building and stabilization of new governance systems in the transnational space (Djelic and Quack, 2003a: 6; see also interview with S. Quack in this issue).

Fligstein's (1996, 2001) approach in the sociology of markets illustrates these broad ideas. He argues that markets require societal infrastructure in order to exist. Societal infrastructure includes various types of rules, or institutions, which shape mutual expectations and terms of interaction between market participants. Examples include, for instance, property rights, currency, courts, and laws and regulations. Fligstein (1996) distinguishes between four types of rules that markets depend on: property rights, governance structures, rules of exchange and conceptions of control. From this perspective, the emergence and development of global markets requires building institutions that structure, regulate, and coordinate the various activities of different actors in global markets. Applying it to the case of the European Union and its common market, Fligstein and his coauthors (Fligstein, 2008; Fligstein and Mara-Drita, 1996; Fligstein and Stone Sweet, 2002) argue that European governments, in response to firms' and other market actors' demands to facilitate cross-border trade, created European institutions, such as the Treaty of Rome, and organizations, such as the European Commission and the European Court of Justice. These organizations have dismantled barriers to trade (negative integration) and created a single regulatory framework that has replaced national regulatory regimes (positive integration).

The literature on globalization as an institutional project expands the sociology of markets approach in at least two ways. First, this approach suggests that governance transformations, both transnational institution building and national institutional change, occur in response to structural economic transformations and in response to the demands of firms and other market participants interested in rules for expanding markets and trade. However, scholars have also shown that institutional and organizational changes at the national and transnational levels may precede rather than follow structural economic changes (Chorev, 2005). The relationship between economic transformation and transnational governance is not straightforward. Second, Fligstein analyzes how governments and international organizations created by governments build, change, and dismantle institutions for the regional and global economy. Over the last two and a half decades, a broad literature on transnational private governance has emerged. It focuses on the central role of nonstate actors, including business, civil society groups, and expert communities, in building institutions that regulate and coordinate the behavior of actors in global markets (Djelic and Sahlin-Andersson, 2006). One of the prominent examples is the setting of transnational standards ranging from technical standards for electronics to accounting standards facilitating cross-border economic activities (Botzem, 2012; Büthe and Mattli, 2011).

Looking at globalization and the global economy as a political and institutional, or governance, project illuminates its contested and negotiated nature (Chorev, 2005; Djelic & Quack, 2003b; Djelic and Sahlin-Andersson, 2006). This means that globalization is about power and authority. It is not about rules that enable the most efficient allocation of resources on a global scale; it is about political struggles and the unequal distribution of various resources, costs, and benefits. In this sense, transnational and global regulations are viewed in the current literature as a reflection of dynamic processes of (re-)distribution of power and resources, a reflection of constantly evolving constellations of actors who have specific ideas about the importance of the free movement of goods and capital across borders for global welfare and development and other types of rules and regulations. In order to understand economic globalization, it is crucial to explore the constellations of actors, their strategies, and the political struggles they are involved in. The next section reviews various types of actors that have emerged as active rule-makers in the transnational space and challenged the authority and autonomy of states to make and enforce rules and regulations.

3 The re-scaling of political authority in the global economy

How does the economic and institutional globalization literature view the relationship between globalization and the state? In the relatively early literature on the state and globalization in the 1990s, the widespread image of this relationships was "the retreat of the state" captured by Strange (1996) in the title of her famous book. The state, Strange argues, is no longer able to exercise power because global markets have become more powerful and increasingly shape national policy. Many critical analysts of globalization have drawn – and continue to draw – attention to the tendency of economic globalization to undermine states' authority and capacity to make and enforce national rules (Jessop, 1997, 2002). Since this global economic transformation is associated with rules and institutions facilitating the free movement of goods, services, and capital across borders and therefore requires the dismantling of institutions protecting national markets and production systems and other rules, states give up or are forced to give up authority over national policy-making. In his latest book, Streeck (2016) diagnoses the victory of global capitalism over democratic states and warns that no political institution today is capable of controlling liberalized markets, in particular the global financial sector.

Where has the authority gone, then? In other words, what types of actors gain authority in the globalized economic and financial system? The globalization literature provides numerous conceptualizations of the redistribution and rescaling of political authority in the global economic system. Neo-Marxist scholars, for instance, argue that power in the global economic system is increasingly concentrated in the hands of the transnational capitalist class (Carroll, 2010; Sklair, 2001). Using social network analysis and other methodologies, they mainly identify interlocking ties in global corporate networks and argue that the owners and CEOs of global corporations form the core of a global ruling class that shapes global and national policies to serve their interests. The transnational capitalist class also includes globalizing bureaucrats, globalizing professionals, and consumerist elites (Sklair, 2002: 145). Together, they form and reproduce a global corporate community with distinct cosmopolitan lifestyles, cultures, and values. In a recent contribution to the transnational capitalist class literature, Carroll (2010) analyzes corporate-policy networks and illuminates how the interlocking ties and multiple affiliations of the representatives of the transnational capitalist class help them shape policies and institutions, strengthening the elite's power and organizational structures. Although written in a different theoretical tradition, Harrington's (2016) book also illuminates how the richest people in the world hide their wealth in offshore banks and shell corporations, which seriously compromises state authority and capacity to govern.

Other scholars focus on the geographical relocation of political authority. The strongest statement in this perspective is Sassen's (2001) work on global cities. Her point of departure is that the global economy is characterized by the fragmentation, reorganization, relocation, and dispersion of production in cross-border supply chains. In contrast to agricultural production and manufacturing, producer services, including financial, insurance, legal, marketing, and consulting services, have become increasingly concentrated in a dozen of the world's largest cities, including mainly New York, London, and Tokyo, but also Frankfurt, Paris, Singapore, and Hong Kong. Firms offering producer services form transnational networks and facilitate the integration of the global economy. Sassen's framework emphasizes the critical role of these firms in shaping the global economy and in the redistribution of wealth, and it points out that global power and authority is relocated from nation-states to global cities and is concentrated in global cities within the territories of several nation-states.

Another "usual suspect" taking authority from the state in the globalization literature is the transnational corporation. Gereffi (2005) observes in his detailed review that in the 1970s and 80s, the common attitude of many researchers was that TNCs had grown big enough and powerful enough to challenge the autonomy of national governments to make and enforce domestic rules. TNCs were viewed as undercutting "the ability of nation-states to build domestic industries controlled by locally owned firms" (Gereffi, 2005: 165). Theoretically, these ideas were inspired mainly by political economy perspectives, including the theory of dependency (Cardoso and Falletto, 1979) and the world-systems theory (Wallerstein, 1979). According to Gereffi (2005), since the 1990s, organizational and institutional approaches have been actively developing and now offer a different perspective on the complex relationship between globalization and nation-states. In particular, organizational approaches focusing on the role of TNCs and global production networks in globalization highlight that the integration of specific developing countries into global supply chains, as coordinated by TNCs, facilitates industrial upgrading in specific industries in these countries, such as the apparel industry in the newly industrialized East Asian countries (Gereffi, 1999; Gereffi and Memedovic, 2003).

A similar debate has been unfolding in the related transnational regulation and governance literature. A conventional argument is the "race to the bottom" (Braithwaite and Drahos, 1999: 109): in a global competition for investment and capital, states are forced to lower the regulatory burden, in particular their environmental and social standards, fearing that otherwise TNCs will relocate production or choose other countries for new facilities. The process of relocation in response to more favorable regulation and taxation has been known as the "Delaware effect" (Vogel and Kagan, 2004). However, governance research has shown that economic integration may ratchet up environmental, social, and economic standards and policies. Vogel (1995) shows that under specific conditions, firms in highly regulated jurisdictions may choose not to flee, but to coalesce with other actors, such as environmental or labor rights groups, and convince their own governments to push governments in less-regulated jurisdictions to raise regulatory standards. Vogel (1995) labels this process the "California effect." Similar processes also apply to global economic integration. At the same time, a classic in regulation and governance research, Braithwaite and Drahos' (2000) book draws a similar conclusion to Vogel (1995): that environmental protection, safety, and financial security have been ratcheted up by globalization, while economic regulation, with the exception of financial security and intellectual property, has been driven down.

A more recent body of literature on limited statehood (Risse, 2011) adds to the debate on the role of TNCs by emphasizing that under certain conditions, TNCs may strengthen the state, since they serve as functional equivalent to governments by providing public goods and domestic rules. Scholars working in this tradition have demonstrated that when companies realize that their production depends on public services, such as healthcare, which are not provided by the state in areas of limited statehood, they are likely to design programs providing such services (Börzel and Risse, 2010: 121; Thauer, 2014). However, the impact of such programs depends on many factors. For instance, Thauer and Hönke (2014) show that automobile TNCs in South Africa and mining TNCs in the Democratic Republic of Congo have created programs for HIV/AIDS and public security, respectively, in situations in which governments have only a limited ability to provide these services. The effectiveness of these programs has varied depending on the degree of legitimacy enjoyed by TNCs among the public and the institutional design of the corporate programs.

Another group of actors that has commonly been seen as restricting the authority and autonomy of the state to make rules and regulate is international organizations. In particular, the role of the World Trade Organization (WTO), the EU, the World Bank, and the International Monetary Fund (IMF) in the economic globalization and re-scaling of political authority has been critically examined in the literature (Rodrik, 2006; Stiglitz, 2002). It is argued that the World Bank and the IMF have imposed the Washington Consensus standards on developing countries hit by crises in exchange for financial assistance, and this did not lead to the desired outcomes (Rodrik, 2006). The Washington Consensus is a set of economic policy principles for structural economic and fiscal reforms, including fiscal policy discipline, trade liberalization, the privatization of state enterprises, and deregulation, diminishing state interventions in the economy. It is also argued that the WTO restricts the authority of nation-states to regulate and govern national economies. However, the relationships between international organizations, such as the WTO, and nation-states may be more nuanced than this broad statement suggests. For instance, Chorev (2005) demonstrates that the establishment of the WTO in 1994, replacing GATT, more specifically the institutionalization of the Dispute Settlement Mechanisms (DSU), improved the political opportunities of member-states to challenge practices that the WTO deems illegal. Previously, hegemonic states, mainly the U.S., could impose a free trade agenda on weaker developing countries but retain their own protectionist policies. With the DSU promoted by U.S. negotiators, it became easier for weaker states to challenge the protectionist national policies of stronger states and "more difficult for the U.S. government … to pursue goals not compatible with the bureaucratic and legal logic of the WTO" (Chorev, 2005: 318).

Sociologists and other scholars have also looked at other actors challenging the authority of states to make collectively binding rules. Economic and political globalization enabled social movements, nongovernmental organizations, and civil society groups to challenge the policies and practices of states, corporations, and international organizations, in particular in the areas of labor conditions, human rights, and environmental standards. They have put pressure on business and governments in a variety of ways. By building and mobilizing transnational advocacy networks, social movements can force corporations, international organizations, and governments to change their policies in transnational supply chains (Keck and Sikkink, 1998; Soule, 2009). They can also build transnational systems of rules alternative to the international agreements created by states, international organizations, and businesses: Dobusch and Quack (2013) demonstrate how a social movement coalition advocating the fair use of intellectual property created a system of licensing rules and enforcement mechanisms called Creative Commons as an alternative to the Digital Rights Management system promoted by industries and governments in the framework of the Trade-Related Aspects of Intellectual Property (TRIPS) agreement. Finally, social movements can join efforts with the corporate sector and build multi-stakeholder standard-setting partnerships and initiatives regulating transnational supply chains in order to improve labor conditions, human rights protections, and natural resource management in developing countries (Auld, 2014; Bartley, 2007; Zajak, 2017). These various types of efforts together constitute transnational private governance.

Finally, sociologists and political scientists have also documented the growing influence of epistemic or professional communities of experts in the global economy (Djelic and Quack, 2010). In particular, the works of sociologists and legal scholars on transnational law-making emphasizes the critical role of legal and accounting practitioners in the making of transnational rules influencing national rules and practices (Botzem, 2012; Quack, 2007). Similarly, Büthe and Mattli (2011) document in their work the central role of technical experts in the global rulemaking, specifically in three international private-sector organizations: the International Accounting Standards Board, the International Organization for Standardization, and the International Electrotechnical Commission. They label these organizations, in which technical experts and practitioners (not diplomats) design standards for global market coordination and integration, "new global rulers." They demonstrate that technical standard-setting is highly political: the influence of national experts depends not on the economic or military power of their countries and not on technical rationality, but on national institutions shaping national experts' behavior in the negotiation of standards (Büthe and Mattli, 2011).

This brief and partial review of transnational actors beyond nation-states claiming authority in the global economy suggests that while the rescaling and dispersion of political authority occurs the transnational space, the image of the "retreat of the state" is probably incorrect. The state is not retreating, but transforming, and the transformation is uneven and diverse (Compagnon, Chan and Mert, 2012). In the literature, the focus appears to have shifted from questions addressing whether TNCs or international organizations or global elites have grown bigger and more powerful than nation-states and seized power at the global, regional, and national levels to questions regarding the specific impact of globalization on state capacity to govern and to conditions for both "regulatory capture" by interest groups or powerful firms and for positive regulatory change (Mattli and Woods, 2009). Moreover, the discussion of the retreat of the state and its eroding autonomy to make domestic (and global) rules is now complemented by discussions focusing on the embeddedness of global governance in domestic settings (Bartley, 2011), complex interactions and intersections of various actors and regulatory regimes at different levels and locations in a multi-level, multi-sited transnational governance (Bartley, 2011; Eberlein, Abbott, Black, Meidinger and Wood, 2014; Halliday and Carruthers, 2009), and the dynamic variation of the regulatory and development outcomes of globalization across governance regimes (Bruszt and McDermott, 2014b). The next section reviews some of these approaches.

4 Interactions among actors and regulatory regimes in transnational governance

The literature focusing on the work of global regulations at the national and local levels emphasizes that the impact of global rules varies and depends on its interplay with the local context: actors, institutions, and the structure of domestic industries. Focusing on the substance of rules, Bartley (2011) challenges the argument that private governance transcends or bypasses the state. He argues that governance initiatives of various types neither crowd states out of policy-making, nor do they fill a regulatory void. He proposes "accepting that nationally-based 'old' forms of governance still matter and the variation of politics surrounding them can deeply shape the effect of private regulation" (Bartley, 2011: 523). In the area of labor conditions and environmental standards, he demonstrates that state and private regulations can complement and reinforce each other in various ways; at the same time, even in countries where the global social movement's pressure for better practices through private standards is in place, national policy and politics may thwart any efforts of business and civil society groups to implement private environmental and labor standards on the ground (Bartley, 2011). This literature draws attention to the layering of public and private standards and to transnational and national rules, and it investigates how domestic and transnational rules intersect.

As a complement to Bartley's (2011) approach, an interdisciplinary project on transnational governance based at York University focuses on interactions, rather than intersections, in transnational business governance (Eberlein et al., 2014; Wood, Abbott, Black, Eberlein and Meidinger, 2016). Eberlein and his colleagues (2014) argue that in order to understand the dynamics of global regulation and governance, it is critical to explore how various actors and rule systems interact at different levels of patchy, multi-level transnational governance. Transnational business governance interactions (TBGIs) are conceptualized as a multiplicity of actions and responses exercised by various state and private actors within and across specific governance fields and oriented towards each other in one way or another (Wood et al., 2016). Examples include domination, complementarity, competition for regulatory share, cooperation, and convergence among state and nonstate rule systems (Wood et al., 2016). The project mainly examines interactions at the meso-level, that is, among transnational governance schemes and state regulators, and looks into the drivers and effects of interactions, their evolution over time, and the mechanisms and pathways of change (Cashore and Stone, 2014; Eberlein et al., 2014; Overdevest and Zeitlin, 2014).

Similar to the TBGI approach, the socio-legal literature on law and globalization is also interested in the interactions between global and national actors and systems of rules, as well as the mechanisms and pathways of their co-evolution. One of the prominent works in this tradition is Halliday and Carruthers' (2007, 2009) theory of the recursivity of law that brings together state and nonstate actors across multiple governance levels and sites in order to explain how legal change occurs in the time of economic globalization. Although the approach focuses primarily on law, specifically corporate insolvency law, it can be extended to other types of rules in transnational governance. Halliday and Carruthers (2007, 2009) distinguish between three levels or processes in transnational legal systems: (1) global norm-making through creating guidelines and non-legally binding standards, (2) national law-making (law on the books), and (3) national law implementation (law in practice). National lawmaking shapes implementation and is shaped by it. Halliday and Carruthers (2007, 2009) refer to these oscillations as the recursivity of law. In the era of globalization, they argue, the recursive cycles of (national) lawmaking are influenced by global legal norms that emerge as a result of iterative global normmaking by global actors, such as powerful nation-states and international organizations, seeking to harmonize economic rules across national borders and foster global market integration. It is typical in the literature to emphasize the economic coercion employed by powerful global actors to influence lawmaking in more dependent countries. Halliday and Carruthers (2007, 2009) propose two other processes of influence: persuasion and modeling. As a result, not harmonization, but convergence, of national law occurs. The susceptibility of national lawmakers to external influence depends on the balance of power between global and local actors and the cultural distance between global norms and local legal tradition.

Similar to the recursivity framework, Bruszt and McDermott (2014b) also explore a stark variation in the impact of globalization and transnational integration projects on nation-states, but they focus on regulatory and development outcomes for developing countries across regions, policy domains, and economic sectors. Governments and private actors may resist transnational regulation. Or regional powers may impose their rules on weaker countries. Or governments and private actors in developing countries may negotiate agreements that facilitate integration and generate benefits (Bruszt and McDermott, 2014a: 3-4). Previous literature, they argue, focuses on institutional starting conditions (e.g. national governments' regulatory capacity and resources). Their approach instead focuses on the transnational integration strategies of both transnational and national actors. They argue that "the inclusion and empowerment of diverse domestic private and public actors, their embedding in a multiple network of transnational supporting and monitoring institutions, can dramatically improve the success of regulatory integration and its development effects" (Bruszt and McDermott, 2014a: 5). They also emphasize the importance of tracing transnational integration projects over time in order to capture the dynamics of the relationships between institutional conditions and integration strategies that may change over time.

These frameworks contribute to our understanding of globalization as a set of complex, nonlinear, and incomplete processes of building, maintaining and dismantling markets and institutions at transnational, regional, national, and local levels. It emphasizes that markets become increasingly global, but institutional systems remain national, and this brings about frictions and contradictions. These contradictions are temporarily resolved, not necessarily by powerful international organizations and nation-states imposing their rules on developing countries, but through negotiation and compromise among powerful and less powerful actors in international and national regulatory forums. They illuminate various strategies weaker actors can employ to undermine the efforts of powerful global actors to impose certain standards on them, as well as various strategies that may help generate positive development outcomes. Global and national institutions are therefore viewed as contingent outcomes of a complex interplay between the global and the local.

5 Concluding remarks

This article has reviewed a multiplicity of visions of economic globalization and of the relationship between globalization, nation-states, and private actors. Visions of globalization range from global trade and financial liberalization and the emergence of global supply chains and markets to a profound transformation of regulation and governance frameworks at the global, transnational, regional, and national levels. Views on the relationship between globalization and nation-states in the literature range from "the retreat of the state" and "the erosion of state sovereignty" expressed in the erosion of state authority and capacity to make rules and govern national economies to complex theories focusing on complex transformations of the state and multiple interactions between transnational, national, and local actors, transnational and domestic institutions, and transnational and global structures and governance agency. In particular, the recent literature shows a considerable variation in economic, regulatory, and development benefits of transnational economic integration for both developed and developing countries. Numerous examples suggest that transnational economic integration may be beneficial for developing countries, including for their governments' regulatory capacity, and that actors believed to undermine governments' authority and capacity to make and enforce rules, such as international organizations, corporations, and other private actors, may strengthen national regulation in various ways.

Although there are examples of positive regulatory and developing benefits, the globalization paradox described by Gereffi (2005: 164) remains: the expansion of production capabilities in many industries and the intensification of global trade, capital and financial flows did not translate into more equality and development and less poverty across the globe. Moreover, in relative terms, globalization makes the rich richer and the poor poorer (Harrington, 2016; Mader, 2015). The key question for future research remains how increasing transnational integration and governance can help address growing global inequality and increase the capacity of various actors, both public and private, to make and enforce rules fostering fair, equitable, economically just, and ecologically viable development in both developed and developing countries. It is also critical to continue examining how transnational governance rules are implemented in specific national and local settings and how implementation is shaped by local actors and institutions.

Despite the growing body of literature in this area (Bartley, 2011, 2014), we still tend to focus on the emergence and structuring of transnational governance schemes at the global level. Insights into implementation dynamics on the ground are likely to yield more specific insights into the concrete outcomes of globalization and governance. Finally, it is crucial to understand how local implementation experiences and problems are perceived by transnational governance schemes at the global level and how these perceptions shape organizational and institutional responses to implementation challenges. The response may vary from a significant revision of rules to address challenges to ignoring feedback completely. The literature on experimentalist governance and recursivity in governance (Malets and Quack, forthcoming; Overdevest and Zeitlin, 2014) provides analytical tools and first empirical insights, but more comparative cross-country, cross-sector studies are needed to shed more light on specific feedback mechanisms and institutional pathways in global economic governance.

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Endnotes

1 Every journal covered by the Web of Science Core Collection is assigned to at least one of the Web of Science subject categories. http://images.webofknowledge.com/WOKRS523_2R2/help/WOS/hp_subject_category_terms_tasca.html (January 12, 2017).

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