

# GOVERNANCE

**I**N A HOTEL CAFÉ IN THE LOWER EAST SIDE OF Manhattan, Miguel Poiares Maduro is an unassuming customer, eager to talk about his tickets to current Broadway musicals and the gray drizzle dogging pedestrians outside.

It takes some concentration to recall that this pleasant college professor is also former Advocate General of the European Court of Justice, a member of the European Council of Foreign Relations and the World Economic Forum, and of the EC High Level Group on Media Pluralism and Media Freedom. In his current role as Director of the newly established School of Transnational Governance at the European University Institute, Mr. Maduro is perhaps the world's leading authority on the important power lines being drawn beyond the control of any individual state.

Over breakfast and coffee, he described how states worldwide have ceded some authority

## Without Borders

to private companies and non-governmental organizations, often involuntarily. Large parts of global society are directed by multinational players who may or may not be answerable to governments or citizens. Professional sports organizations alone account for 1 percent of the world's GDP, and yet are left to rely on their own internal systems of governance.

In 2016, Mr. Maduro was brought in as Chairman of the Governance and Review Committee for FIFA to help reform the worldwide soccer organization then embroiled in ethics investigations. His service, along with several others, was terminated in 2017, over disagreements

**MIGUEL MADURO**, Director of the European School of Transnational Governance, tells Brunswick's **ALEXANDRA ABREU LOUREIRO** and **CARLTON WILKINSON** about evolving paths of power beyond the state



ILLUSTRATION: JOE CIARDIELLO

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with FIFA’s President. He talks easily about that experience, the lessons it holds for society’s handling of transnational governance generally, and how the School of Transnational Governance intends to facilitate that conversation.

The school, launched in 2017 and based in San Domenico di Fiesole on the outskirts of Florence, engages and trains high-level officials and executives in positions in government, NGOs and the private sector. In the process, Mr. Maduro says, the school hopes to map the different forms of governance beyond the state and the issues they impact, to empower individuals and societies seeking to answer this growing challenge.

**Is good governance fairly well defined? Or is it still evolving?**

Definitely still evolving. The only common element between these organizations is that they require governance that states themselves aren’t able to provide. The forms that governance takes are extremely diverse.

A lot of work needs to be done, both in systematizing these different forms, but also in discussing and seeing what they have in common with each other. Then, we need to link those with the traditional core uses of governance.

We’re living in an increasingly interdependent world. Migration, climate change, security, trade, even traditionally national areas like social justice or taxes, are now matters involving transnational governance. But our forms of governance are still largely determined by a state-based world.

It’s as if we have software being developed now, changing as we speak, but our hardware remains stuck in the ’60s. That’s the difficulty. We want to update that hardware and also study and know the software.

**I suppose you’re watching the Cambridge Analytica headlines?**

Yes, exactly. In theory, our privacy and personal data would be regulated by national laws. In fact, by engaging with multinational organizations, we’ve given regulation of our privacy, our personal data, to those actors. And what’s the right mechanism of accountability, of regulation, when the company that controls that data itself transcends the borders of the state?

There’s a mismatch between our actions – even sometimes writing social media posts for our state or local community – and our more traditional expectations for how regulation works.

**Is preservation of a free press a concern of the school?**

It is a core issue for governance beyond the state. You can only have good governance if you have a free and informed public space. Journalists are the editors of democracy: They shape the public agendas we discuss, and furnish us with information. But they’re being replaced – citizens and organizations are shaping the public agenda through social networks that don’t always have editorial processes. Not surprisingly, the quality of information is lower.

We’ve seen transnational processes – alleged interference in elections, or in political processes through fake news, for instance – but citizens don’t understand the transnational dimension. So they turn to ineffective traditional political solutions. The more the media is able to convey the complexity of these issues, and in a manner that’s accessible to citizens, the better citizens will be able to engage in democratic deliberation. They’ll be able to provide their political leaders with the right sort of incentives for governance that needs to happen beyond the state.

**Is there a risk that populism could reverse the trend toward more transparency and better governance?**

There are really two trends, and they don’t necessarily move in the same direction. On the one hand, there’s increasing awareness of the importance of good governance and a demand for it.

On the other, we’re increasingly inept in forms of governance to match what’s needed for an interdependent world. Those trends are moving in opposite directions. It’s a mismatch between where you need governance to be and the existing models of governance today.

This can lead to populism that presents very simple solutions to complex issues. But you can’t address these problems appropriately by just retreating to the state – not effectively at least. It’s evolution. But political solutions that promise that are appealing. Citizens choose these traditional political solutions because there is no obvious alternative forum for governance beyond the state where they have a voice. There seems to be no form of effective or even possible governance for these transnational situations.

That’s really the challenge we have today. That’s what makes a project such as the School of Transnational Governance so important.

## How is the school structured? What sorts of programs does it have?

Our Master's programs start in 2020. We are looking to attract a mix of students from both the private and public sector. Currently we offer different types of executive training – seminars, courses and summer schools. In the seminars, we try to bring together policy makers, academics and private sector executives to address specific topics. The idea is to provide an informal context for stakeholders in a particular field to discuss the most urgent matters.

And we have a policy fellowship, where we host mid-career or up-and-coming leaders from the policy world in their respective fields for six months to a year. We hope to have formal politicians, people from the private sector, from non-governmental organizations – including trade unions – and journalists. We have a diverse group already for our first year.

Our faculty's the same way: Some are from academia and some come from professional practice to share their experience.

We've initiated a variety of partnerships in Europe – some working toward dual academic degrees and some non-academic – and are discussing similar arrangements in South America and Southeast Asia.

We also have an oral history series. At the moment, we're interviewing all the former presidents of EU institutions – the European Commission, the European Parliament, the European Council, the European Central Bank – all of them. Parts of the interviews will be kept in the EU archive that the university hosts. And part of them will be publicly available as online streams.

## Can we talk about FIFA? What went wrong?

Oh, we can! [Laughs] That's an example of transnational governance. There's a problem of culture at FIFA. There's a systemic conflict of interest between the stated goals of governance reform and what people call the political cartel that dominates the sport. FIFA has rules that seem to fit the best standards of governance. But when my committee, which was supposed to enforce and promote reform, tried to apply those rules, our plan wasn't accepted.

It doesn't depend on FIFA's leadership. Whoever the leaders are, they'll do what is necessary for the political cartel to survive. If they don't, they'll be sacked themselves. To reform, you have to



## MIGUEL POIARES MADURO

A full-time professor at the European University Institute and Director of its School of Transnational Governance in Florence (stg.eui.eu), Miguel Poiares Maduro is a regular visiting professor at Yale Law School and has taught at the London School of Economics. He previously served as Minister of Regional Development under the Prime Minister of Portugal. From 2003-2009 he served as Advocate General at the European Court of Justice. He was Chairman of the Governance and Review Committee of FIFA from 2016 to 2017.

**SCHOOL OF TRANSNATIONAL GOVERNANCE** Founded in 2017 under the auspices of the European University Institute, the School of Transnational Governance held its first lectures and events in 2017, toward the goal of enhancing knowledge, experience and programs of organizational governance and regulation beyond the state.

dismantle the political cartel. You cannot expect the cartel to do it itself. Reform has to come from outside the organization.

At FIFA, there's no chance that an alternative model can appear that will force them to change, to reform from the inside. In other commercial organizations, it's more likely that competition or public opinion could force a new approach to the business model. But FIFA dominates all soccer and the World Cup. It's impossible.

## The US and UK have traditionally been the leaders in establishing transparency and good governance. Do you see that continuing?

Their leadership hasn't yet extended to new forms of governance beyond the state. They haven't stepped into that role. I'm not sure anyone has. That's the problem.

The EU – in its support for our school, for example, but in many other ways – is showing a greater level of awareness. As a collection of states and economies, the EU has more experience of governance beyond the state. But it will be crucial for the US to play an important role in that too.

At all levels however, what the US has expressed is a retreating to its borders. It has been a trademark of President Donald Trump even during the campaign – on international security, the participation in NATO, on international trade agreements, on immigration. It is important for the US to remain engaged in international matters. In a world that is increasingly interdependent, the US should take a leadership role on those issues.

## Does Brexit or any future departure of a member state from the EU jeopardize the school's future?

No, I don't think it will. In response to Brexit, we've seen member states become even more cohesive. So the issue is relegated to the UK. They've made it clear that even if they leave, whatever form it takes, they want to continue to engage with Europe in many domains. The UK is realizing that even if it leaves the EU, it needs other ways to engage on the transnational level, to remain relevant in an interdependent world.

**ALEXANDRA ABREU LOUREIRO** is a Senior Adviser for Brunswick in the Portuguese-speaking world, based in London and Lisbon. She served as spokesperson for the Portuguese government on defense and foreign affairs, and is a former journalist. **CARLTON WILKINSON** is a Brunswick Director and Managing Editor of the Brunswick Review, based in New York.