



Where we are now with the emergence of multistakeholderism

A VISUAL PRESENTATION

Part two of three

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SERIES OF THREE VISUAL PRESENTATIONS – PART 2



These three presentations aim to inform social movements and activists about

- how the multilateral system could (and should) control transnational corporations (presentation 1)
- what is wrong with the emerging multistakeholderism (presentation 2)
- how global governance can be framed beyond globalization dominated by TNCs (presentation 3)

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PRESENTATION PREPARED BY

Harris Gleckman

Currently Director, Benchmark Environmental Consulting; Senior Fellow, Center for Governance and Sustainability, UMass-Boston; Executive Board member, Foundation for Global Governance and Sustainability, Brussels; Associate, Transnational Institute, Amsterdam

Previously worked for 20 plus years at the United Nations : as the head of the Environment Unit at the UN Centre on the Transnational Corporations; a member of the Secretary-General's Office and head of the New York Office at UNCTAD; and as senior staff for the Financing for Development Conference in the Department of Economic and Social Affairs

*Author, Multistakeholder Governance and Democracy: A Global Challenge, Routledge (2018);
Author, Multistakeholder Governance, Wikipedia entry is in five languages (2019), Author,
Readers' Guide: Global Redesign Initiative of the World Economic Forum, UMass-Boston on-line publication (2012)*

[more](#)

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MSGov@mindspring.com

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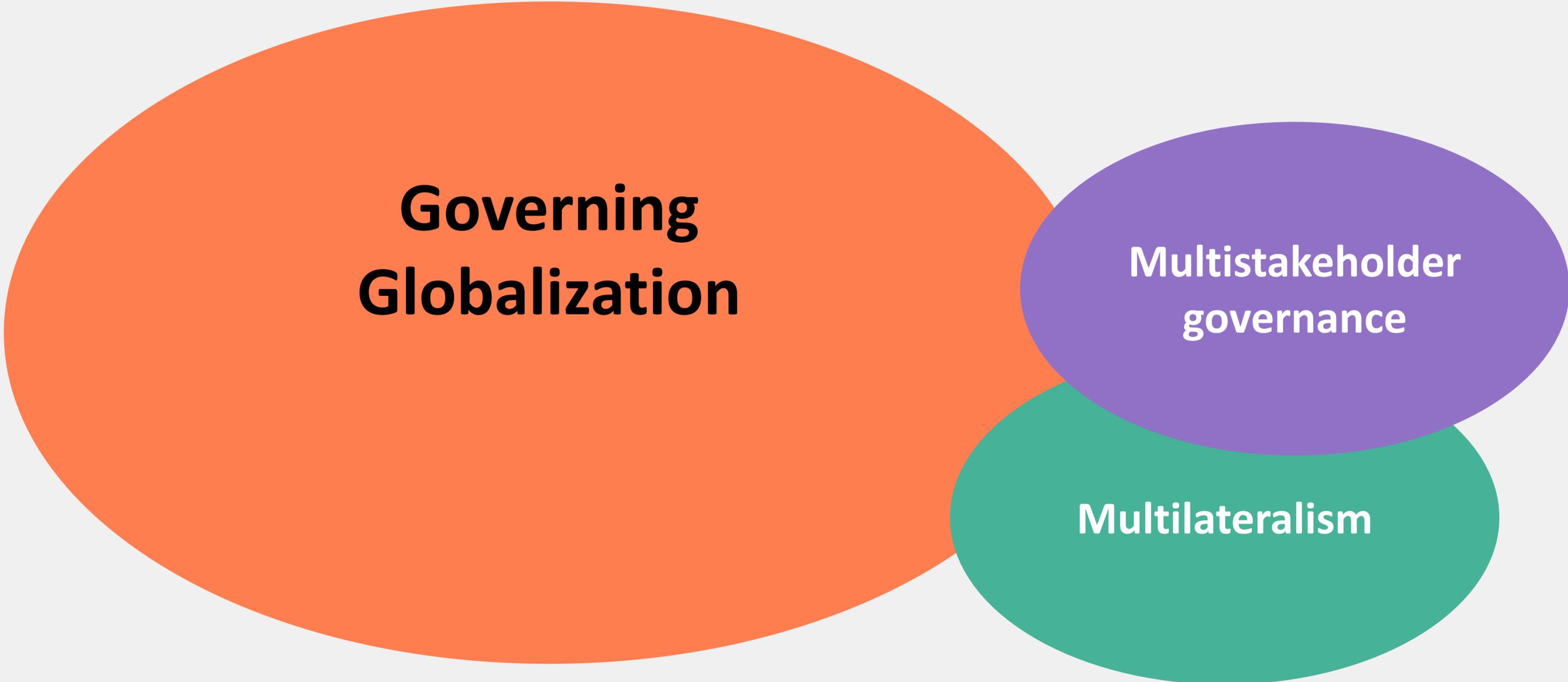
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Harris Gleckman

The governing arc is moving again



**Governing
Globalization**

**Multistakeholder
governance**

Multilateralism

TO BE CLEAR

TNCs means

- Individual global businesses,
- the businesses in their supply, distribution, and research chains, and
- their sources of finance

as well as

- their international commerce and industrial associations,
- corporate foundations, and
- international business alliances

Alternate names for TNCs include MNCs (multinational corporations), MNEs (multinational enterprises), and international business

TNCs are central to the movement between countries of



PEOPLE



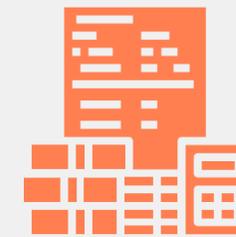
**NATURAL
RESOURCES**



PRODUCTS



SERVICES



FINANCES



DATA

TNCs also seek to control the pre-conditions for investments as well as the rules to minimize the consequences for themselves of all these activities

Corporate registration systems, labor standards and conflict of interest rules are examples of pre-conditions that can be used to control the domestic impacts of globalization

Environmental impact assessments and minimum wage requirements are examples of domestic arrangements to control the consequences of globalization

Outline of presentation on the multistakeholder governance

- Some history and background
- Three types of multistakeholder groups
- Risks from multistakeholderism
- Campaigns working to restrain TNCs and multistakeholderism interfering in global governance

Three current models of global governance are fighting for recognition within the business community

1. **The neoliberal approach** – major developed states and TNCs control global governance
2. **The nationalist authoritarian approach** – ‘my country first’, science denial, and abandonment of a global democratic ethos
3. **The multistakeholder governance (Msism) approach** – TNCs recruit their friends in government, civil society, universities to join them in ‘solving public problems’

One example of this intra-corporate leadership battle

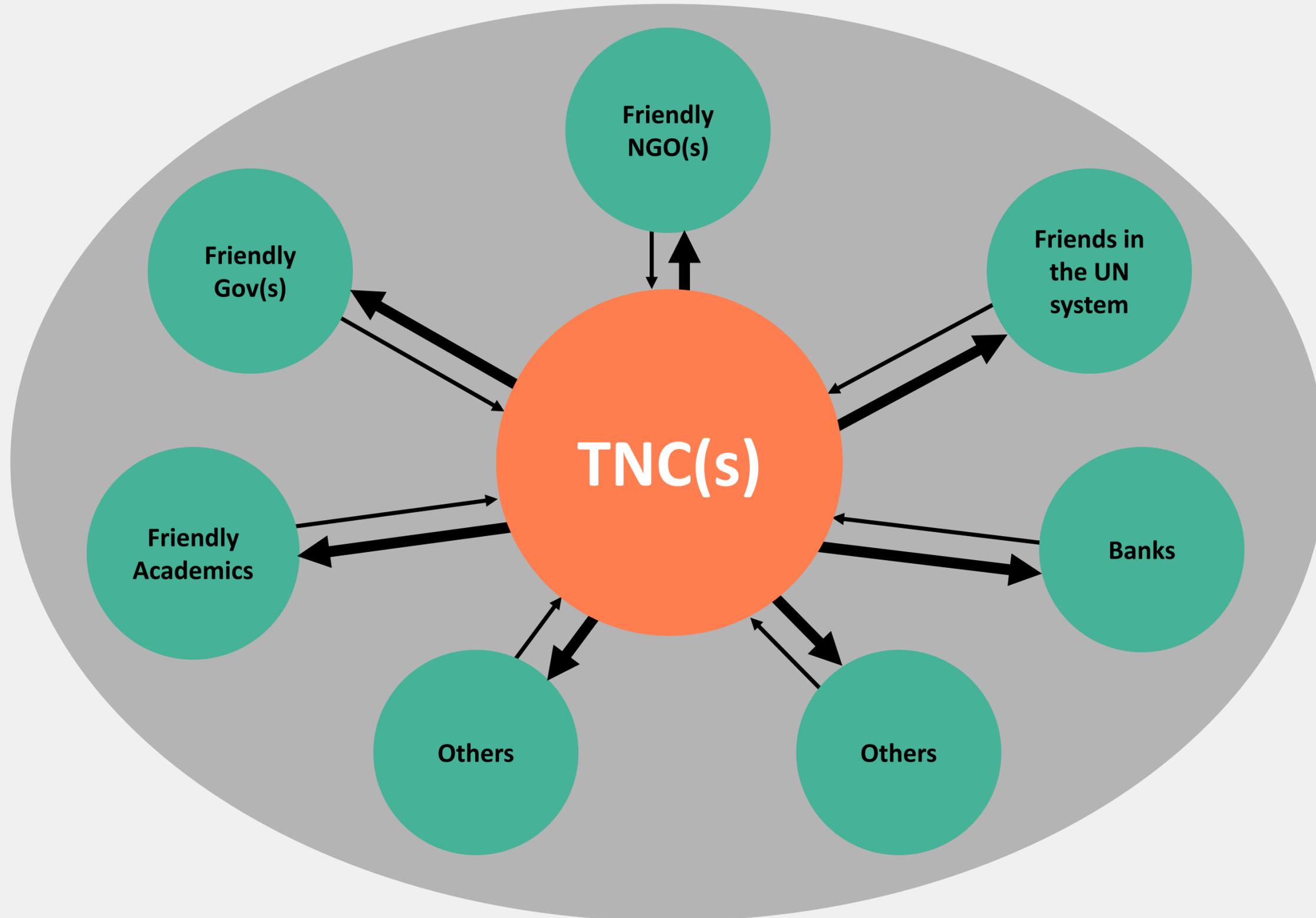
The neo-liberal segment minimizes environmental and social problems, denies that there is a TNC specific impact, and is committed to externalizing the cost and damages onto governments and local populations

The nationalist authoritarian segment takes a sharply different approach. This faction largely denies that there are social and environmental problems and seeks to hide the risks and costs from the population

In contrast, **MSism** is willing to acknowledge a range of global and local problems, accept that TNCs have contributed to the creation of these problems and then assert that TNCs and their friends should be engaged in 'solving the problems'

A footnote: there is a lot of money and power involved in this particular ideological dispute.

What this MS form of governance looks like



A QUICK HISTORY: Changes in the way TNCs relate to global governance

(a) TNCs (quietly lobbied) Governments. Governments listening to TNCs and other constituencies ran global governance via the multilateral system.

(b) TNCs were no longer quiet about their power; they began influencing the multilateral process directly

(c) Governments announced that TNCs and national firms should be left alone to make rules

(d) TNCs created public-private partnerships at the local level for profit and got effective local governance power

(e) a continuation of (b) and (c)

(f) a modification of (d) with TNCs now managing the delivery of global projects and gaining effective global governance power;

(g) internet-related TNCs establish a model for a sector-specific global governance mechanism outside of state control; and

(h) TNCs working with their friends (multistakeholder groups) seek to replace key functions of the multilateral system

End of WWII

Reagan and Thatcher (1980s)

Rio Conference (1992)
and Global Compact (1998)

Current situation

A QUICK HISTORY: Multistakeholderism

- (a) public-private partnerships evolve around crucial infrastructure needs (1970s onward)
- (b) The World Economic Forum convened annual and regional meeting of TNCs and invited friendly government and civil society participants to join them (1970s onward)

- (c) The Rio Environment and Development Conference welcomed active participation by TNCs (1992)
- (d) On the margins of the World Economic Forum, the Secretary-General Kofi Annan creates the Global Compact with a multistakeholder structured board (1998)
- (e) The global internet governance system becomes a multistakeholder structure at the insistence of the US Department of Commerce
- (f) Multistakeholder product standard bodies begin to operate

- (g) In response to public challenges to the 2008/2009 financial crisis, the World Economic Forum convenes 700 people over a year-and-a-half to propose a Global Redesign Initiative (a [reader guide](#) is here)
- (h) Governments call on TNCs and MS bodies to implement the Paris climate agreement and the Sustainable Development Goals
- (i) MS groups by themselves assert global leadership on key issues (e.g. [blood diamonds](#), internet governance)
- (j) World Economic Forum and the UN Secretary-General's office sign a strategic partnership
- (k) The number and diversity of standard setting MS groups continue to expand

The build up, starting in 1970s

1990s – 2000s

Rio Conference (1992)
and Global Compact (1998)

Current situation

Three Types of Multistakeholder Governance



**Developing Global
Policies and
Frameworks**



**Setting Product, Process,
and Technology
Standards**



**Delivering
Projects**

Common Features

- All outcomes are voluntary
- All lack a public review or appeal system
- All marginalize governments
- All enhance the political and economic power of TNCs



Policy Making

Making global policies where friendly governments, TNCs, and their friends effectively keep the multilateral system quiet

Area of governance	Example	UN agency / program that could or should be central to this work
Health crisis in developing countries	<u>Gavi</u> , the Vaccine Initiative	World Health Organization
Conflict diamonds	<u>Kimberley Process</u>	Security Council, Economic and Social Council (ECOSOC)
New and emerging global issues	World Economic Forum <u>Platforms</u>	UN system, particularly the General Assembly
Agriculture and food	World Economic Forum –UN Secretary-General organized <u>Food Systems Summit</u>	Committee for Food Security, Food and Agricultural Organization, World Food Program, International Fund for Agricultural Development
Nutrition policy	UN <u>SUN network</u>	UN Nutrition



Product and Process Standard Setting (VERSION 1)

Addressing ethical, social, and environmental concerns via MS groups which, in order to impact the international market, engage in inter-corporate battles which in turn limits their ethical, social, and environmental impact.

Often called multistakeholder standards initiatives (or MSIs)

Area of Governance	Example of multistakeholder body	UN agency / program that could or should be central to this work
Forests and forest residents	<u>Forest Stewardship Council</u>	United Nations Environment Programme, International Timber and Trade Organization, Food and Agricultural Organization
Fishing and marine biodiversity	<u>Marine Stewardship Council</u>	United Nations Environment Programme, International Law of the Sea, Convention on Biological Diversity



Product and Process Standard Setting (VERSION 2)

In new high technology global markets MS provide a platform for TNCs to settle standard disputes between themselves while allowing ethical, social, and other concerns to be 'heard'.

Often called technology governance initiatives

Area of Governance	Example of multistakeholder body	UN agency / program that should or could be central to this work
Internet	<u>ICANN</u> and <u>Internet Governance Forum</u>	International Telecommunication Union or a sub-body under the General Assembly
Nanotechnologies	(formal organizational platform still under development)	World Health Organization/ Food and Agricultural Organization/ United Nations Conference on Trade and Development / United Nations Industrial Development Organization
Genetic technologies	(formal organizational platform still under development)	World Health Organization/ Food and Agricultural Organization/



Project-based MSs (VERSION 1)

Delivering projects that gain political leverage over a national geographic area
or over a national policy area

Often called public-private partnerships

Area of governance	Example	Governmental unit that could or should be central
Distribution of municipal drinking water	public-private water partnerships	National, state/provincial or municipal government
Educational reform	Educational public-private partnerships	National, state/provincial or municipal government
Health care	Health care public-private partnerships	National or state/provincial government



Project-based MSs (VERSION 2)

Delivering projects that gain political leverage across the globe
or over a global policy space

Often called public-private partnerships

Area of governance	Example	UN or Government that could or should be central
Mitigating climate change	Paris climate agreement	United Nations Framework Convention on Climate Change
Introducing sustainability into daily life	implementation of the Sustainable Development Goals	multiple UN agencies and programs



Project-based MSs (VERSION 3)

Using the control of project finances to gain political leverage over sector policy spaces

Often called financing MSIs or financed-based public-private partnerships

Area of governance	Example	UN or Government that could or should be central
Agricultural research	<u>CGIAR</u>	International Fund for Agricultural Development, Committee for Food Security
Access to COVID treatments in developing countries	<u>COVEX</u>	World Health Organization

The MSism even has its new language

“ **stakeholder governance**

– World Economic Forum

“ **new multilateralism**

– Secretary-General

“ **participatory governance**

– Stakeholder Forum

“ **partnerships**

– Most UN system organizations

“ **public-private partnerships**

– World Bank, UNDP, UN system

“ **MSIs**

– non-state standards groups

“ **equal footing multistakeholder groups**

– advocates for current internet governance system

**So what is so wrong with
multistakeholder governance?**

MSism displaces governments and the multilateral system from global governance

**Preventing the
Governance of Globalization**

**Multistakeholder
governance**

Multilateralism

Governments



MSism thrives on a lack of internal democracy

- The decision-makers, the approved 'stakeholders', are selected principally by the founders and other powerful participants
- MS groups tend to lack an agreed rule book, clear procedures for selecting chairs, or explicit standards for deciding contested issues
- MS groups tend not to publish detailed budgets or accounts nor to disclose payments between more powerful 'stakeholders' and other participants

**Multistakeholder
governance**

Multilateralism

Governments

MSism allows TNCs and the private market to be at the center of global governance

- Policy responses to global crisis are framed to avoid undermining the global market
- New environmental and social standards are designed to open market niches
- Standard setting is designed to bypass government and international oversight

**Multistakeholder
governance**

Multilateralism

Governments

MSism governance aims to co-opt social, gender, ecological, and community movements while maintaining a dominate role for TNCs

Preventing the Governance of Globalization

- At the international level, the co-opted groups are made to feel as if they have 'extra' power from the presence of TNCs in the room
- In the developing countries, the UN Resident Coordinators are now 'assisting' civil society organizations to dialogue with TNCs and local businesses

Governments

**Multistakeholder
governance**

Multilateralism

MSism governance disregards key democratic protections

Preventing the Governance of Globalization

- has no appeal or accountability system
- has no conflicts of interest standards
- has no formal recognition of human rights principles
- has no public approval process for its governors
- has no obligation to disclosure its finances or financial transactions between its members

**Multistakeholder
governance**

Multilateralism

Governments

**Multistakeholder governance
is facing rising public opposition**

Examples of civil society organization, social movements, labor, and developing country opposition to MSism



at the **policy** level

Area of governance	Examples
Food, hunger, and agriculture	Campaigns opposing the 2021 Food Systems Summit
Human rights	Lobbying for a Binding Treaty on TNCs and Human Rights
Reform of the multilateral system	Civil society and academic proposals to build-back-better

Examples of civil society organization, social movements, labor, and developing country opposition to MSism



at the **standard setting** level

Area of governance	Examples
Internet governance	Civil society campaigns at the internet governance meetings for human rights, privacy, and equal economic, social, and gender access
Biodiversity governance	Civil society campaigns against the Forest Stewardship Council and Marine Stewardship Council for their weak effort of biodiversity and for their minimum standards of economic justice for workers in that sector

Examples of civil society organization, social movements, labor, and developing country opposition to MSism



at the **project** level

Area of governance	Examples
Public services	Campaigns to de-privatize public services
Health	Campaigns to de-commercialize health services
Climate	Campaigns to oppose state subsidies to fossil fuel industries and providing greater access to lands and waters for fossil fuel exploration

**Multistakeholder governance
is facing opposition from key parts
of the business community**

**Neither the neo-liberal segment of
the international business community**

or

**the nationalist authoritarian segment
wants to see multistakeholderism
gain public support**

The governing arc is moving again

Governing Globalization

Governments

**Multistakeholder
governance**

Multilateralism

Governing Globalization

It is possible to have a governance framework
that is fundamentally equitable

SEE PART THREE

how the multilateral system could (and should)
control transnational corporations

SEE PART ONE