Where we are now with the emergence of multistakeholderism

A VISUAL PRESENTATION

Part two of three
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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In spite of all this assistance, I take responsibility for all errors and omissions.

The packet was designed by Evan Clayburg.

Harris Gleckman
The governing arc is moving again

Governing Globalization

- Multistakeholder governance
- Multilateralism
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, and 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’
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 contract, 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

Friendly Gov(s)
Friendly NGO(s)
Friends in the UN system
Banks
TNC(s)
Others
Friendly Academics
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.

A QUICK HISTORY: 
Multistakeholderism

(a) Public-private partnerships evolve around crucial infrastructure needs (1970s onward)
(b) The World Economic Forum convened annual and regional meetings 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

1. Developing Global Policies and Frameworks
2. Setting Product, Process, and Technology Standards
3. 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 polices where friendly governments, TNCs, and their friends effectively keep the multilateral system quiet

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

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<th>Area of Governance</th>
<th>Example of multistakeholder body</th>
<th>UN agency / program that could or should be central to this work</th>
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<tbody>
<tr>
<td>Forests and forest residents</td>
<td>Forest Stewardship Council</td>
<td>United Nations Environment Programme, International Timber and Trade Organization, Food and Agricultural Organization</td>
</tr>
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</table>
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*

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<tr>
<td>Internet</td>
<td>ICANN and Internet Governance Forum</td>
<td>International Telecommunication Union or a sub-body under the General Assembly</td>
</tr>
<tr>
<td>Genetic technologies</td>
<td>(formal organizational platform still under development)</td>
<td>World Health Organization/ Food and Agricultural Organization/</td>
</tr>
</tbody>
</table>
Delivering projects that gain political leverage over a national geographic area or over a national policy area

*Often called public-private partnerships*

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

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<th>Example</th>
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</tr>
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<tbody>
<tr>
<td>Mitigating climate change</td>
<td>Paris climate agreement</td>
<td>United Nations Framework Convention on Climate Change</td>
</tr>
<tr>
<td>Introducing sustainability into daily life</td>
<td>implementation of the Sustainable Development Goals</td>
<td>multiple UN agencies and programs</td>
</tr>
</tbody>
</table>
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*

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<tr>
<td>Agricultural research</td>
<td>CGIAR</td>
<td>International Fund for Agricultural Development, Committee for Food Security</td>
</tr>
<tr>
<td>Access to COVID treatments in developing countries</td>
<td>COVEX</td>
<td>World Health Organization</td>
</tr>
</tbody>
</table>
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.
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
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.
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 disclose its finances or financial transactions between its members
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

<table>
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<tr>
<th>Area of governance</th>
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<tbody>
<tr>
<td>Food, hunger, and agriculture</td>
<td>Campaigns opposing the 2021 Food Systems Summit</td>
</tr>
<tr>
<td>Human rights</td>
<td>Lobbying for a Binding Treaty on TNCs and Human Rights</td>
</tr>
<tr>
<td>Reform of the multilateral system</td>
<td>Civil society and academic proposals to build-back-better</td>
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</tbody>
</table>
Examples of civil society organization, social movements, labor, and developing country opposition to MSism

**at the standard setting level**

<table>
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<th>Area of governance</th>
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<tr>
<td>Internet governance</td>
<td>Civil society campaigns at the internet governance meetings for human rights, privacy, and equal economic, social, and gender access</td>
</tr>
<tr>
<td>Biodiversity governance</td>
<td>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</td>
</tr>
</tbody>
</table>
Examples of civil society organization, social movements, labor, and developing country opposition to MSism

at the *project* level

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<td>Public services</td>
<td>Campaigns to de-privatize public services</td>
</tr>
<tr>
<td>Health</td>
<td>Campaigns to de-commercialize health services</td>
</tr>
<tr>
<td>Climate</td>
<td>Campaigns to oppose state subsidies to fossil fuel industries and providing greater access to lands and waters for fossil fuel exploration</td>
</tr>
</tbody>
</table>
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
Governining 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