

Multistakeholderism: a critical look

WORKSHOP REPORT
Amsterdam, March 2019

In March 2019, 30 practitioners, researchers, activists gathered in Amsterdam for an in-depth look and discussion on multistakeholder governance. The meeting, convened by Transnational Institute, critically examined the spread and normalisation of multistakeholder approaches to global governance.

There are now over 45 global standard-setting multistakeholder initiatives (MSIs) establishing guidelines and rules for a wide range of products and processes. These standard-setting groups involve many different states, government departments, companies and civil society organisations. There are even more so-called public-private partnerships, each of which includes a dominant corporate voice. With the advent of such donor-led multistakeholder groups as the Gates Foundation-supported Alliance for Vaccines and Immunisations (GAVI), the UN system is now moving into a multistakeholder form of international governance. At the same time, core human rights mechanisms established since World War II are being underfinanced and weakened.

Some attention is being given to the efficacy and impact of multistakeholderism. However far less attention is given to the accountability of these groups and the democratic implications of this growing form of global governance. What is the driving force behind these initiatives? Who are they accountable to? What are the implications for social movements seeking to challenge unjust power relations within states and globally?

TNI co-convened the meeting with Harris Gleckman, a leading researcher on multistakeholderism and author of *Multistakeholder Governance and Democracy: A Global Challenge* (Routledge 2018), and MSI Integrity, a non-profit organisation researching the human rights impact of voluntary MSIs that address business and human rights

The gathering included people actively involved in a range of different types of multistakeholder initiatives as well as those engaging with and confronting them from varying perspectives and experiences. Many who attended were deeply concerned about the way multistakeholderism has legitimated increased corporate involvement in global governance and directly oppose MSIs; some were concerned that the issues of governance had not been given sufficient attention and that multistakeholderism needed to be improved rather than discarded. A critical approach dominated, but perspectives ranged from abolition to reform.

This report hopes to reflect the discussion well and provide a narrative and analysis from the organisers that is interesting and useful for the reader. It does not pretend to represent every single person's views in the room nor to detail every contribution made in the meeting.

Defining multistakeholderism

Multistakeholderism is a slippery term as most of the definitions are too vague and general and because it is applied to many different forms of governance. It is also an evolving form of governance. The focus of the meeting was on global governance. So as a starting point, the meeting used the definition of Harris Gleckman who argues that multistakeholderism is a new emerging global governance system that seeks to 'bring together global actors that have a potential "stake" in an issue and ask them to collaboratively sort out a solution.' It diverges from the international governance system, multilateralism, established at the end of World War I or World War II in

which 'governments, as representative of their citizens¹, take the final decisions on global issues and direct international organizations to implement these decisions'.

In multistakeholderism, 'stakeholders' become the central actors without any clear procedure to designate 'stakeholders'. As presented at the meeting, there are countless possible stakeholder categories and each of these categories can be disaggregated or aggregated, depending on decisions by the specific multistakeholder convenor.

Multistakeholderism has emerged as a significant new form of governance in part because it has been used by a diversity of governance institutions. These include **Standard setting** multistakeholder groups such as the Forest Stewardship Council or ICANN (the internet governance organization) that focus on products or processes, **policy-oriented** multistakeholder groups such as the Task Force on Climate-Related Financial Disclosures and Scaling Up Nutrition (SUN) that seek to set global policy goals, and **project-oriented** multistakeholder groups such as the Global Alliance on Vaccines or the Public Private Partnerships for Sustainable Development to implement specific projects, such as the Sustainable Development Goals (SDGs).

They are different from public consultative arrangements focused on influencing governments and intergovernmental bodies because, in multistakeholderism participating business and civil society are treated as equal actors and can make decisions on standards and develop policies and programmes as if they had governmental authority. The focus of analysis of the Amsterdam workshop was on global multistakeholder arrangements, but many of the same models are applied at local and national levels through Public-Private Partnerships.

One of the principal reasons for the difficulty in defining multistakeholderism is there is no agreed definition for a stakeholder. Theoretically, it means anyone with a 'stake' in the issue has a right to be involved, but that doesn't explain how they are chosen or why someone is legitimately considered to have a 'stake' and someone else is not. Consequently, groups employ many different and diverging definitions of stakeholder even though the legitimacy of this governance depends on it. In the case of the Internet for example, every user is a stakeholder, yet how are we represented in internet governance? In other cases, one person can be said to represent many categories eg geographic, issue, gender, identity, yet at the same time does any of those identities mean that they represent all in that category? Does a woman involved in a multistakeholder arrangement really mean that gender is represented? Does a civil society representative signify that civil society in all its complexity is fully represented?

The treatment of diverse stakeholders as equals is also problematic as it does not recognise the power imbalances or legitimacy on any given issue. Parliaments, civil society organizations, businesses may all be stakeholders, but their authority, legitimacy and power vary. In terms of legitimacy, for example, while governments and civil society organizations are usually guided by mandates to work for the common good, the aim of business actors is to work for profit for their specific company. It is not a coincidence that the term 'stakeholder' emerged from business and management strategies which sought to downplay power differentials in order to advocate an increased role for business in decision-making. Yet the decisions about stakeholders – who is chosen, who is excluded, whose voice is heard, whose isn't – is ultimately a deeply political choice with ramifications for everyone.

History and trajectory

Throughout the 20th century, and particularly following World War II, the solution for resolving global problems was multilateralism. The norm for governance and expectation was for governments, as people's representatives, to cooperate to resolve political, economic and social issues and advance progress on international concerns within global organisations such as the United Nations (and its many agencies) and the Bretton Woods Institutions (IMF and World Bank). The multilateral system faced constant challenges to developing just and sustainable solutions to crises for many reasons, but most of all because the superpowers that dominated the UN Security Council would undermine it when it didn't serve their interests.

However it was the rising power of transnational corporations, particularly as a result of neoliberal economic policies, that posed the major long-term challenge to multilateralism. In the 1970s, there was an attempt to introduce a code of conduct for corporations under a UN commission and centre on transnational corporations. But these efforts failed and by the 1980s many powerful governments were seeking to empower corporations rather than rein them in. Governments' goal of enacting binding standards for corporations was softened to voluntary norms and social corporate responsibility. Neoliberal policies and globalisation allowed corporations to expand enormously, developing global supply chains that profited from cheap labour, externalised costs and favourable tax regimes.

By the early 1990s, more and more transnational corporations were eclipsing states in terms of economic weight and able with their economic leverage to shape politics, economics, society and culture at national and global levels. Their global power was evident in arenas of global governance with the establishment of the World Trade Organization which prioritised corporate interests, in the launch of the Global Compact at the UN that allowed corporations to wrap themselves in the blue flag and in the increasingly open door to corporations at global summits on environment, poverty, development and so on. At a national level, it could be seen among other things in the adoption of Public-Private Partnerships (PPPs) for financing and delivering ever more public services.

In the same period, civil society also was gaining political strength and pushing for increased participation in arenas of global governance, playing key roles in major UN summits such as the 1992 Rio Earth Summit and the Fourth World Conference on Women in Beijing in 2000. Globalisation offered new opportunities for civil society, linking movements like never before and providing new global platforms for advocacy, but it also posed new challenges and dilemmas such as how to deal with the increased power of global businesses. This led to a range of strategies including confronting corporations with consumer boycotts, attempted partnerships with businesses, and an effort to establish new ethical supply chains (such as the Fair Trade movement). Yet while civil society became more prominent and vocal, their political power never matched that of business due to the profound imbalance of available resources.

This dynamic of an increasingly pro-corporate state, corporations seeking to expand their markets and a civil society keen to curtail the harmful impacts of globalisation set the stage for multistakeholderism. Civil society initiatives led the way for many of the standard setting MSIs we see today, raising awareness of the social and environmental costs of distinct products as well as helping establish some of the labels and certificates ethical consumers could buy into, thus

normalising a form of governance that integrates corporations. The Fair Trade label in the UK was driven by many development aid organisations that used their supporters to pressure supermarkets into embracing fair trade. The Extractive Industry Transparency Initiative came about because of a Europe-wide 'Publish What you Pay' movement. Many governments were happy to embrace the increased role of business and civil society, with the German government for example leading on the financing of green labels. And businesses too were happy to embrace civil society – and in effect treat them as legitimating partners if the required social and environmental improvements did not fundamentally challenge their business model.

Multilateralism meanwhile faced increasing challenges to its effectiveness as it proved unable to address governance gaps caused by globalisation – whether it was civil conflicts associated with natural resource extraction or the challenges of sustainable governance of seas under pressure from commercial fisheries and oil extraction. Frustration grew at the stasis within the UN to which the more informal and less bureaucratic route of multistakeholderism seemed to offer advantages of efficacy and efficiency. The UN also found itself ever more hobbled by the consistent efforts of its Security Council members, most of all the US, to undermine any multilateral efforts that might constrain its powerful members.

The 2007-2009 financial crisis - which also coincided with a food crisis, surges in inequality and growing awareness of an environmental crisis – marked a crossroads for global multilateralism as it posed the question of whether it had the capacity to solve global problems or not. The failure of the G20 and the UN to fundamentally address any of the crises put its legitimacy in contest. Of course some adjustments were made, some agreements signed, but the idea of binding international agreements seemed to be ever more a relic of the 20th century past.

The acclaimed UN Paris Agreement on Climate Change in 2015, for example, is ultimately based on voluntary unenforceable commitments. Similarly following the pattern set by the UN Global Compact, UN also adopted the voluntary Guiding Principles (UNGP) on Business and Human Rights in 2011. This was further solidified in the UN's 2015 Sustainable Development Goals that made partnership with businesses a central element in its implementation strategy. Confidence in the new approach was also exemplified by the business-led World Economic Forum in 2011 advocating for a Global Redesign Initiative in which multistakeholderism would effectively supplant multilateralism as the go-to-place to address tough new global issues.

Underlying this historical trajectory, throughout, has been the power of corporations and their consistent efforts to block regulation and to advance their influence within national global governance forums to serve their ends. The normalisation of a multistakeholder system of governance that combines some form of legitimisation with a vague undefined form of accountability has proved very advantageous to corporations.

Case-studies: From RSPO to ICANN

The workshop explored five examples of multistakeholderism, three standard-setting MSIs and two policy-oriented MSIs.

The standard-setting MSIs were the Roundtable on Sustainable Palm Oil (RSPO), the Extractive Industries Transparency Initiative (EITI) and the Kimberley Process (KP), all of which were set up in the early 2000s and have a 15+ year track record. In all three cases, the driving force for establishing the initiative emerged from popular campaigns that highlighted the social and environmental costs of extraction of these resources. The MSIs were initially seen by participating NGOs as a way of holding corporations accountable, improving the human rights situation for communities and preventing environmental degradation. In the case of the Kimberley Process, for example, the publication of a Global Witness report on the role of diamonds in fuelling the conflict in Sierra Leone caused public outrage and created the momentum towards the Kimberley Process.

Each of the MSIs was distinct and had different trajectories but nevertheless there were a few noticeable common dynamics for each of the standard-setting case studies:

- The promise of and expectations of the MSIs was often bigger than the actual focus of their mission. And frequently as civil society engaged with corporations, its understanding of the core reasons for certain environmental and social problems changed. For example, in the early days of EITI the belief was that transparency around revenues and taxes would prevent the corruption and resource-curse behind extractive industries. But in practice, better transparency over revenue and tax failed to deliver the anticipated results. It also overlooked the fact that contracts between firms and governments were often the nub of the problem. Yet it has proved very difficult to adapt and adjust the original scope of the EITI, particularly now as prices have fallen and extractive industries are willing to forgo the social legitimacy promised by EITI.
- The standard-setting MSIs are frequently dominated by companies and large Northern NGOs, with little or no representation of workers or impacted communities. Of the 4000 members of RSPO, only 41 are environmental NGOs and 12 social development NGOs, which together elect 2 out of 16 members of the Board of Governors, and there are no labour union or almost no indigenous community representation. It has proved very hard for any civil society organisation to have the resources and capacity to effectively scrutinise and challenge corporations. In the Kimberley Process, the domination of governments with CSOs just as observers had made reform even harder.
- Founding organisations of the MSIs have often remained as leading partners even while other supporting organisations fell away, a dynamic that limited necessary reform.
- MSIs that allowed all parties a veto provided some means of counteracting power imbalances as it allowed the weakest party, CSOs, to stop being steam-rolled and to advance reforms, but it also slowed down decision-making and progress.

There is a strong reluctance by some MSIs to expel members for non-compliance, whether corporations or governments. In the Kimberley Process, consensus is required to expel members and there is no clear procedure on how to discipline non-conforming members, which often leads to slow or no discipline.

In terms of policy-oriented MSIs, the workshop looked at Scaling up Nutrition (SUN) and ICANN.

The establishment of SUN allowed unprecedented corporate involvement in discussions around nutrition. Established by the IMF and World Bank with funding from the Gates Foundation, SUN has the appearance of a UN body yet without the approval of states. In fact, in India SUN bypassed the national government by approaching and working with state-level governance bodies. The corporate domination of SUN is demonstrated by its emphasis on new nutritional products rather than structural changes in food systems. Studies of SUN operations in Guatemala and Uganda reveal that 8/10 interventions are product-based and have led to short-term solutions and fragmented policies. The governing by consensus has led to incremental changes that benefit corporations and a failure to exclude even bad-faith actors, while critical NGOs are excluded and stigmatised.

Multistakeholder governance is also being used to circumvent national regulations, particularly in newer technology-based industries. In the case of ICANN, its establishment was a deliberate strategy by the US to ensure internet governance was controlled by the private sector and not by governments. This was a deliberate departure from the International Telecommunications Union, an interstate agency set up in 1865 that coordinates telecommunications (radio, telephones). This body involves the private sector but is accountable to governments. In ICANN, however, governments are relegated to an advisory role. Some civil society organisations even encouraged this, because of CSO distrust of governments and some of their authoritarian tendencies to control information. The results, however, have been the takeover of the internet by massive private monopolies, increased US political domination, high levels of abuse of data and privacy and a surge in fake news that have tilted elections.

Accountable to whom?

The question of lack of accountability keeps re-emerging under the different MSIs. It would appear for most MSIs that the presence of different stakeholders in a room was considered as sufficient evidence of accountability. Yet what power do CSOs really have - and does their presence mean those most affected by a corporation's activities are truly represented?

In many MSIs, civil society representation is limited in weight and involvement. Frequently certain constituencies are excluded altogether, at least initially, such as artisanal miners in Kimberley and small-scale palm oil producers in RSPO.

And then the question is who should be represented, particularly when faced with giant global companies and extensive supply chains. Wilmar, a palm oil company, for example is involved in 45% of the world's palm oil trade. So when a company has such power and global presence, it is a serious challenge to bring all the affected communities to the table and hold Wilmer accountable.

Moreover, the mere presence of international or local NGOs does not mean that those most affected by the issue at stake are represented. Without any clear criteria, most NGOs that participate in MSIs are hand-picked or self-selecting and do not even need to prove accountability to impacted communities. In DRC, a study showed that most national NGO observers in the Kimberley Process had no social base whatsoever and were mainly involved for the per diems they received. The New Alliance for Nutrition initially secured legitimacy through the involvement of Oxfam America even though it was boycotted by everyone else before peer pressure forced them to withdraw too.

The nature of most MSIs is that they are highly technocratic, which makes them resource-intensive as a platform for engagement, so that it is only the very big NGOs who are able to do the work. Those 'stakeholders' with greater technical expertise, access to capital and time, and capacity to influence governments are able to exercise much more power and influence over the direction and decisions an MSI makes. Meanwhile the interests of the big NGOs cannot be considered the same as the affected communities. Their own internal institutional dynamics mean that donors and influential policy-makers frequently hold more influence than the impacted communities they often argue that they represent. There have been attempts to include affected communities, but these have often been tokenistic. A study of 45 MSIs show that only 14% have affected community representation in their governing bodies, with only 49% involving affected community members in some way outside of decision-making processes, such as by offering local implementation workshops or conducting interviews with community members during compliance monitoring or standards review.²

In one notably unique example in EITI, where considerable efforts were made to engage affected communities, the process involved a lot of resources in an intensive two-year process. Yet once these communities and their concerns were brought to the table, they still only represented a third of the vote. Some of those participating were left wondering whether the investment was worthwhile given how unrewarding it was for the communities involved.

In many MSIs, the trend moreover is towards less civil society involvement, as more and more CSOs leave either due to discontent in the progress on the issue of concern or because they are unable to keep up with the resource requirements. In the case of Kimberley, all international CSOs have withdrawn and many of the African NGOs remain only as a form of protection against authoritarian-minded governments.

The presence of government representatives in multistakeholder arrangements provides no guarantee that communities are represented either, given that many governments are intimidated by corporate power and frequently fail to comply with their duty to protect the public interest from industry.

Accountability ultimately is not something that can be invented or imposed at global level by self-selecting actors. It is an organic process that must be built from the ground up by autonomous actors and/or democratically accountable states, tied to communities and constantly monitored, challenged and renewed. Under international law, states remain the principal holders of the obligation to protect human rights which requires holding corporations legally liable, territorially and extraterritorially, along the value chain. For a number of reasons, governments have not adequately taken on this role. Yet critics argue that MSIs' marginalisation and exclusion of states weakens accountability further and replaces binding obligations on corporations with voluntary guidelines that fail to adequately protect human rights.

Corporate Agendas

Behind every MSI, there is a decision to engage by a corporation that at best is keen to improve its social and environmental record or at worse hopes to improve its reputation without much action or simply sees an opportunity for a growing market niche. In nearly all cases, corporations are much more favourable to these voluntary initiatives than other regulatory attempts by states.

Those civil society actors who have observed corporate tactics within MSIs note that corporations are largely defensive and tactical, embracing the PR value of being seen as 'sustainable' but seeking to slow down and delay reform as long as possible. In many cases, the staff allocated to MSI roundtables are not technical experts able to change the nature of supply chains, but public relations staff. They frequently expect civil society groups to act as the accountability mechanism and experts. And they milk the reputational benefits of an MSI to provide a cover for all their operations, whether related to the MSI or not. This tendency is made worse by the fact that corporations that join MSIs are sometimes the worst actors: Having been rightly targeted for their abuses, they turn to MSIs to improve their reputation and yet do not have a fundamental commitment to make root-and-branch changes to their operations.

States have similarly used MSIs to provide social legitimization when it is not necessarily warranted. Colombia, for example, has used the reputational benefits of EITI validation as a way of whitewashing its failure to protect human rights defenders. Absurdly, in Colombia's case, it scored a high score for CSO participation under EITI, even while people were being murdered for speaking up on the issues.

Possibilities and limits of reforms

Of course within each MSI, civil society actors have been on a constant mission to tighten standards, enforce compliance and end abuses. This has had some success – sustained pressure to include labour rights within the Marine Stewardship Council's standards for example led eventually to their inclusion in March 2019– but once an MSI is established there is also an innate tendency to ensure its perpetuation even when it is failing to live up to its purpose. This can be seen in the reluctance of MSIs to expel members even when they are clearly incompliant. Within RSPO, there was a long fight to expel IOI which was on the governing board. The fight first had to separate the complaints panel from the Board, and even then it was hard to expel the corporation. The admitted fear by some MSIs is that if they properly enforce the standards they sign up to, they would have to expel everyone. Others argue that a strategy of opening a big tent has the capacity to lead to incremental change over time.

Limiting the debate

What MSIs certainly do is narrow the debate and discussion in ideological terms, from one of tackling the full environmental and social impacts of corporations to one of seeking to improve standards within a supply chain. Or for a policy-focused MSI, limiting discussions to encouraging corporate engagement in resolving a solution. This means that laws or regulations banning certain practices or operations or introducing liability and enforcement mechanisms may not be considered and attempts in that direction actively rejected.

It also means narrowing the scope of each MSI to a particular set of criteria. This of course has the advantage of making it more doable and measurable but it doesn't necessarily tackle the larger problem. The result is a fragmented response to issues of human rights and sustainability. It also can be misleading. For example, if a product is labelled with RSPO's Palm Trace label, the public perception is that this means it is 'good palm oil' (with implications that no deforestation happened, that it is produced organically, with good labour conditions and fair prices etc etc) whereas in reality it is merely evidence of refiners, manufacturers and retailers signing up to a much more limited set of criteria, only some of which is properly audited and evaluated. In RSPO, for example, the complaint system is not easily accessible and the Rainforest Action Network (RAN) has documented cases where workers face reprisal for telling the truth during an audit.

Most of all, MSIs exclude the voices of communities with more radical proposals of dealing with the crises that might curtail the power of powerful actors. Communities who do not want soy or palm oil or plantations at all in their territories, for example, will never be at the table of MSIs with corporations. And frequently, if civil society partners, decide more radical measures are needed they are excluded or forced to resign. RSPO for example requires its members to use internal processes before taking public actions. It can also mean that other issues that need prioritising are ignored or sidelined even while progress seems to be made. Participants in the Global Alliance for Vaccines and Immunization (GAVI), for example, reported that their engagement had helped improve both the goals and the governance of the scheme. But it had also shifted the terrain of discussion away from the most important foundation for vaccinations, which is a strengthened public health system. It had also strengthened initiatives that were moving governance of health from the more democratically accountable World Health Organisation to less accountable new partnerships. In other words, engagement in MSIs can have unintended side-effects that are damaging in the long term.

At a very fundamental level, the involvement of corporations as joint decision makers in arenas from which they will profit makes them guilty of conflicts of interest and reinforces a process of "corporate capture" of states and democracy. Corporate self-interest is built into the multistakeholder approach. It also encourages states towards positions that favour corporate interests and allow them to evade their obligation to protect the affected communities.

That is why some civil society movements refuse to engage in MSIs, and instead call for the removal of businesses from discussions and most of all decisions from which they can profit. They argue that private actors should not be determining public interest, since they do not have representative mandates and therefore are undermining democracy.

Working from the inside (and outside)

Those that continue to be involved in MSIs or support them accept some of the critiques, but argue that they are the only governance structures currently making any progress on critical social and environmental concerns, compared to largely stalled multilateral efforts. They also point to the many countries that are pushing for these standards and agreements, arguing that if you got rid of them you would still have communities affected by corporations and supply chains. Choosing not to engage with MSIs also cedes the space to them.

Advocates of a reform agenda propose among others:

- Building MSIs from the ground-up by centering the role of rights-holders and communities, or their local representatives and ensuring that they are engaged in the design and operation of initiatives
- Those most affected to be represented at highest governance levels with more voting weight given to them than more powerful groups
- Developing enforceable and binding standards that allow rights-holders and communities to legally hold corporations to account
- Integrating communities' free, prior and informed consent into implementation and focusing MSIs on ensuring that this is complied with
- Grievance mechanisms that are transparent, consistent, culturally-specific. Complaint mechanisms could also involve UN to provide a neutral non-conflicted arena for accountability
- Inclusion of remedy funds as part of certification processes
- Rule book of best practices to provide more transparency and improved accountability and a minimum threshold that blacklists MSIs that don't meet it
- Outside civil society alliances to put pressure on MSIs

Those focused on challenging MSIs proposed:

- Analysing, documenting and exposing conflicts of interest as well as driving forces, interests and power relations embedded within many MSIs
- Highlighting the unintended risks and side-effects of investment of resources and time in MSIs
- Staying out of MSIs and pushing for alternatives for policy-development and standard-setting
- Limiting MSIs to technical tasks and consultation carried out transparently within legal frameworks determined by public interest

Soft law and hard law

One of the questions that frequently arises in this debate is the role of soft and hard law in creating changes in corporate behavior towards compliance with human rights. The other question is the relationship between soft and hard law, and whether soft law is an important staging post in a transition towards hard law. Soft law refers to instruments and decisions which do not have any legally binding force or that reflect general legal practices at a national level not formalized by explicit government actions. Most MSIs are engaged in setting soft-law standards. Hard law refers to actual binding legal instruments and laws.

Advocates of MSIs argue that soft law is often the basis for hard law and can normalise certain concepts and model certain practices that can be turned into new laws and regulations at domestic or international levels. EITI for example normalised some concepts around transparency that led to some new laws.

More work needs to be done to explore the dynamics between soft and hard law, but it is noticeable that many of the corporations involved in the soft law of MSIs are also lobbying against any hard laws. BP, a member of EITI, has consistently lobbied hard against regulations or binding laws on the industry. This is particularly the case when the hard law involves any redistribution of power. Accepting transparency is one thing; accepting any challenges to ownership or profit-making is quite another. ICANN is another example of where corporations have used the structure to advocate against any hard-law regulations of the internet infrastructure, except in the narrow arena of Intellectual Property Rights from which it can profit.

Future of multistakeholderism

In the space of less than two decades, multistakeholderism has emerged as an ever more present form of governance. Not only are there more and more standard-setting MSIs, many elements of multistakeholderism (corporate partnerships, voluntarism) are becoming the default mode for decision-making on difficult subjects.

Striking evidence for this can be seen in the way partnerships have become one of UN Sustainable Development Goals as well as the expectation that multistakeholder groups will aid in implementing the Paris climate agreement. The UN increasingly seems happy to set goals and allow multistakeholder partnerships to carry them out - most recently evident in the UN Secretary General's July 2019 partnership agreement with the corporate-dominated World Economic Forum that commits to accelerating the implementation of the 2030 Agenda for Sustainable Development. Multistakeholderism is also strongly supported by development aid of prominent western donor governments such as the Netherlands and the UK.

Finance in particular is emerging as a key vehicle for expansion of multistakeholderism and the systematic undermining of the human rights system. The narrative that private investment is necessary has led to many initiatives from G20 and other forums for blended public-private finance and accompanying governance models. Many of these don't even have any mechanisms for social participation.

There is still an open question on how the rise of nations like China will affect this dynamic. Multistakeholderism is still very much driven by transnational private actors and China puts more emphasis on state-owned companies and considers the state as the only legitimate stakeholder. At the same time, corporate giants such as Ali Baba in China are keen to expand further on the global stage and will need forms of social legitimacy to do so – which multistakeholderism offers with a much lower bar than regulations and laws. So multistakeholderism could still end up being an attractive option for Chinese capital.

There is also a question as to how the rise of reactionary nationalist governments will shape the future of multistakeholderism. On the one hand, governments such as Trump's are in favour of weak, non-regulatory approaches for the private sector. Yet they are also opposed to any form (even soft-law) forms of international cooperation and regulation so are unlikely to be actively promoting multistakeholderism either. So far the evidence seems to be that if they are private-led, corporate-dominated partnerships then the US leaves them alone; if they have government involvement they are undermined.

In other words, the trend is towards even less accountable multistakeholder processes. With corporate power unchecked no matter the nationalist or globalist tendencies of many governments, multistakeholderism is unlikely to disappear even if it may not make a revival until there is an electoral swing back towards more classic neoliberal governments.

Are there alternatives?

So what options are there for critics of multistakeholderism? Clearly a simple return to the past multilateral framework is not an option, given that its weaknesses created the vacuum in which multistakeholderism emerged. Are there new and better ways to do global governance? Could civil society set up its own accountable, non-corporate MSIs? Are there different models that can move beyond simple state-participation? What would be needed?

There is a strong argument that inventing a parallel process is not the answer given the difficult issues of accountability embedded in all forms of multistakeholder approaches. Rather what is needed is a reinvigoration of multilateralism and of democracy, one in which popular power is prioritised over the power of corporations. This not only will need changes in democratic processes, but also remaking the nature of the corporation so it is governed by criteria other than the primacy of shareholder value and is made legally accountable to the communities and environments in which it operates. There are different ways forward on this - states enforcing existing human rights standards, jointly or individually; transforming the legal basis of corporations so that they become accountable to those most affected by their operations rather than shareholders, or turning corporations into publicly owned and operated entities.

At an international level, there are some examples of multilateral processes that have been reinvigorated. The Committee on World Food Security at the Food and Agriculture Organization has been widely praised for its active consultation with civil society that has led to historic outcomes such as the Voluntary Guidelines on the Responsible Governance of Tenure. Many peasant movements are now using these guidelines to advocate for legislative change at national levels. Importantly, the CFS remains a multilateral body in which governments make the final decisions so it has not undermined multilateralism.

Another interesting model at the local level is a worker-driven multistakeholder process, namely the Immokalee Workers Association, which has led to the Worker-Driven Social Responsibility Network. This was an initiative designed by workers that put pressure on US tomato buyers in order to force tomato growers to the table to improve wage and labour conditions. The workers designed a process involving the different parties that would address problems and find solutions. It is not a multistakeholder process, but nevertheless shows what's possible when the power within decision-making structures is balanced away from corporations and towards affected communities.

Ongoing research and work

A lot more critical research still needs to be done on multistakeholderism. Participants identified three broad avenues for further investigation and work:

1. Systemic challenges

- Examine further the potential challenge of multistakeholderism to multilateralism and as a counter-weight to the expansion of authoritarianism
- Explore the international consequences of the de-construction of the regulatory state as a driver for new multistakeholder product and process standard setting efforts
- Ways multistakeholderism has entered national and local processes

2. Sector-specific challenges

- In-depth case studies on MSIs exploring history, trajectory, driving forces, power relationships accountability, conflicts of interest, and perceptions of impact versus actual on-the-ground impacts;
- Mapping and evaluating key policy-making MSIs using key HR criteria and collaborating with grassroots movements
- How do we measure success of MSIs and consider them alongside possible alternative approaches? What questions should be asked/considered?
- Stock-taking on who is doing what and where, using MSI-Integrity's database of transnational, standard-setting MSIs as a potential starting point
- Develop an assessment tool for social movements that helps unveil power dynamics, impacts on communities and public interest, alternatives
- Can we develop a set of minimum standards for MSIs, which draws a line beyond which civil society should not even consider participating?
- Role of civil society in MSIs. Are they effective in participating and influencing decisions? Do they make change or end up legitimating a process? Can they continue asking difficult questions?
- Re-assess the operational definitions of conflict-of-interest, responsibility and obligations for participants in multistakeholder groups

- How to assess and counter-balance the asymmetric power relations inside multistakeholder groups and between multistakeholder groups and affected communities.
- Further analysis of financial MSIs and Public-Private partnerships

3. Global democracy governance challenges

- Unintended risks and side effects of MSIs such as how they influence the public discourse
- Suggest criteria to be used to evaluate a better way to govern international markets
- How to provide affected communities a meaningful role in global governance

Notes

- 1 Of course this varies depending on the state of democracy within each country
- 2 The New Regulators? Assessing the landscape of multi-stakeholder initiatives, MSI Integrity and the Duke Human Rights Center at the Kenan Institute for Ethics (June 2017). Accessible at <http://www.msi-integrity.org/dev/wp-content/uploads/2017/05/The-New-Regulators-MSI-Database-Report.pdf>

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