

**Multistakeholder Governance and Democracy:
A Global Challenge: A Global Challenge, 1st Edition**

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CHAPTER SUMMARIES

1 Multilateralism and multistakeholderism

Global governance gaps

Multistakeholderism introduces a whole new set of governance actors and a new process for making global “laws and regulations.” International multistakeholder bodies often have limited or adversarial connections to governments and intergovernmental bodies, yet they function as if they are global governors. Multistakeholderism has also gained a degree of public acceptance as a new paradigm for global governance without the international community examining properly its legitimacy as an institution of democratic governance.

In setting out the background this chapter argues (a) that there are fundamental challenges to multilateralism as it operates today; (b) that multi-constituency consultations hosted by governments and the UN system are not the same as multistakeholder groups; (c) that the four-hundred-year evolution of international public law is being upended by multistakeholderism; (d) that multistakeholder governance groups tend to fall into three different categories dependent on the locus of their activity and the governance gaps they are designed to address; and (e) that any new system of global governance should embody not only long-standing democratic principles but also contemporary democratic values and practices.

2 How did we get here?

A convergence of multiple trends

*The nation-state governments and public authorities have been moved – and have moved themselves – out of the driver seat when it comes to making global governance decisions. The leaders in this new form of global governance are an amalgamation of designated “stakeholders,” collectively known as “multistakeholders.” This terminology was not previously part of the lexicon of international relations but it has been powerfully elevated to a new status. The proliferation of multistakeholder governance arrangements, each with its own *raison d’être*, have created experimental platforms for testing different modes of multistakeholder governance. However, there*

has been no governance evaluation of multistakeholderism or even a clear functional definition of this form of global governance.

This chapter explores twelve political and economic developments that have created the international political space for these experiments. The first four of these political realities are derived from institutional failures – or the perception about institutional failures – to manage current macro-economic, social, and ecological global realities. The next four reflect the fundamental transition over the past fifty years in the relationship between the UN system, TNCs and CSOs, respectively. This includes changes in how certain TNCs and CSOs perceive members of the other camp and how TNCs and globally powerful elites have come to recognize the need for some new quasi-state function at the international level. The last four tracks exemplify how different international forces have come to accept that multistakeholder governance has the potential to be the next phase of global governance.

3 Global actors from multilateralism to multistakeholderism

For over four hundred years the centrality of the nation-state was the guiding principle of international relations. All other institutional forces formally recognized that governments were the exclusive official actor in global governance. In marked change from the multilateral world, in the multistakeholder world the basic governing unit is a “stakeholder,” which may or may not include nation-states and international organizations. Phrased in a different way, multistakeholderism is seeking to displace the nation-state and by implication the UN system as the central actors in international relations.

In a national context, the status of TNCs and CSOs is derivative and dependent on the nation-state which registers them and grants them their legal status. In multistakeholderism, these actors and other non-state actors are asserting that in certain circumstances they should have a similar status – or an even greater status – as nation-states in global governance. In other cases, non-state actors assert that they have not taken on governmental authority but act as if they were state authorities.

The advent of multistakeholderism as a potential next form of global governance invites the study of a number of unresolved – and maybe unresolvable – democratic challenges. As reviewed in this chapter, these democratic challenges include: (a) the foundational concept of “stakeholders;” (b) boundaries around each stakeholder category; (c) the role of the convener; (d) the selection of global governance participants; (e) the global governance roles of TNCs and CSOs; (f) the asymmetries of

power between stakeholder categories; and (g) the potential shift in national obligations, responsibilities, and liabilities.

4 Principles and practices of multistakeholderism

Organizational beliefs about multistakeholderism in general and the specific institutional structures of individual multistakeholder groups have a significant impact on the democratic governance possibilities of a given multistakeholder organization.

The first part of the chapter identifies organizational beliefs commonly held by those active in multistakeholderism. The nine organizational beliefs involve the perception of the state of global affairs, the role of the new governance unit, the need for an inclusive structure, the connection between the sponsoring organization and its representative, the expectation that governance should be done by volunteers, that conflicts of interest can be internally managed, that decision-making is not autocratic, that the enterprise is robust, and that disclosure will be managed well.

The second part of the chapter looks at the structural characteristics of multistakeholder groups, alongside the governance consequences of particular institutional forms. This section provides introductory observations on four different organizational forms of self-standing multistakeholder projects; two forms of multistakeholder relationships involving the UN system; and one proposed structure involving the political management of zones of conflict. The self-standing multistakeholder models include a one-big-table model, a multi-chamber system that elects a governing body, a multi-chamber system that advises a governing body, and a system of weighted stakeholder voting. The UN system structure includes multistakeholder groups as an adjunct of an international secretariat, and a multistakeholder body meeting in parallel with multilateral governing bodies. These are not exclusive forms; some multistakeholder groups are a hybrid of different forms. All these organizational forms present different opportunities and challenges for democratic governance.

5 A detailed guide to decision-making about a multistakeholder group

Multistakeholderism poses a different set of management and governance challenges than the conventional international governance system. This chapter looks at multistakeholder groups (MSGs) at the micro and practical level. The chapter has a series of rhetorical questions that can be used to appraise an MSG at the micro and practical level. It has three different potential uses. In the first instance, it is intended to

contribute from a bottom-up perspective to the overall assessment of the democratic characteristics of multistakeholderism. Second, it is intended to provide a tool to appraise the currently operating experimental MSGs to evaluate their democratic integrity. And third, it offers a series of questions to help organizational leaders, public policy researchers, students of global institutions, and citizens assess if they should accept an invitation to join a specific MSG or to endorse an MSG as the preferred way to deliver a specific public good.

The rhetorical questions in this chapter are organized around four democratic aspects of the governance of a multistakeholder project: (a) the composition of the multistakeholder group; (b) the standards used for internal governance; (c) the accountability outreach to external communities; and (d) financial matters. The commentary on each question reviews how that topic is usually handled in democratic nations and in multilateralism. After the commentary on each question, there is a section on basic democratic practices that should reasonably be expected from a multistakeholder group in regard to each of the decision-making points.

6 Where can we go from here?

Anthropomorphic impacts on the world's ecology are not being managed; the global governance of military power is dysfunctional; and the massive imbalance in control of wealth is not even on the global agenda. After the military-economic-ethnic catastrophes of World War I and World War II, a plan was put in place to address the governance failures of the day. Today's governance failures invite a similar response.

Contemporary multistakeholderism, no matter how it is practiced, rests on some highly risky non-democratic features. In addition to the challenges to democracy from multistakeholderism, multistakeholderism has sidestepped a number of crucial governance issues: peace and security matters, global financing, and the instability of a volunteer-based governance system.

The chapter concludes with three possible recommendations for the next phase of democratic global governance: a revamped system of multilateralism, a system based around the four sources of power today, and a system that returns the individual and citizen to the central place in governance.