

The London School of Economics and Political Science

The World Economic Forum:

An Anatomy of Multi-Stakeholder Global Policy-Making

A dissertation submitted to the Department of Government at the London School of Economics and Political Science in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

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London

September 2010

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Word count: 79,586

UMI Number: U615338

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ABSTRACT

A growing literature speaks to how non-state actors (both corporations and civil society) increasingly play roles in global governance such as lobbying inter-state deliberations or filling governance gaps in the provision of public goods. Far less analysis, however, has been devoted to how such actors attempt to supply new and original global policy processes altogether. How does a non-state actor acquire sufficient authority to become an anchor of global governance? Over the past forty years, the World Economic Forum (WEF), a business-funded and business membership non-profit foundation, has also gradually emerged as a standing site of multi-stakeholder interactions and negotiations. It convenes diverse actors through its various summits, facilitates joint initiatives among them, and attempts to shape procedural and substantive norms at the global level. Does the WEF's role as a bridge among state and non-state actors make it a legitimate site of multi-stakeholder global policy-making? What does the WEF story tell us about the conditions under which organizations can serve to anchor global policy processes within a multi-actor world society?

This dissertation provides an anatomy of the WEF and account of how its functions have evolved in its first four decades. It argues that as the WEF has transitioned from a primarily business-driven management forum into a fuller multi-stakeholder vehicle, it has acquired sufficient recognition and authority to become a unique non-state hub of global policy processes. It attempts to demonstrate this through a detailed analysis of how the WEF's roles have expanded to encompass various convening, facilitation, and norm entrepreneurship activities. It also examines whether the WEF's evolving mission statements and business models have empowered it to adapt to its multiple constituents' priorities while affording it increasing neutrality among them and independence from any one of them. Can the WEF (and similar multi-stakeholder bodies) move beyond being considered supplements to the existing inter-governmental organizations which anchor the international society of states towards being the main legitimate sites for world society interactions? This analysis contributes to the empirical literature on new global governance instruments as well as pluralist accounts of the evolving global policy architecture.

Word count: 79,586

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ACKNOWLEDGMENTS

This dissertation would not have been possible without the willingness of the managing directors, staff, and other associates of the World Economic Forum to share their time, experiences, and insights with me. I am grateful for their accommodation and hope that this dissertation can contribute to a broader understanding of their constructive activities.

My early graduate faculty mentors at Georgetown University, Tom Banchoff and Daniel Nexon, were instrumental in teaching sociological institutionalism and other qualitative methodologies for evaluating changing patterns in world politics. From Georgetown I am also grateful for the support of Michael Brown, Dean Robert Gallucci, and President John DeGioia. My close colleague from the Brookings Institution, Ann Florini, has been a supportive mentor and sounding board for ideas for close to a decade.

The London School of Economics has provided an innovative and challenging environment to research and produce this dissertation. In the International Relations department I am grateful to Barry Buzan, whose early supervision of this dissertation provided much needed rigor and theoretical clarity. Robert Falkner and George Lawson in the IR department were also very helpful advisors, providing important comments that helped shape this project. I owe the most thanks to David Held of the Government department, who served as the main supervisor for this dissertation. His coaching on the theoretical, methodological, and empirical levels all substantially improved my scholarship.

My parents Sushil and Manjula Khanna have encouraged and nudged my academic aspirations since my undergraduate days, and I hope they are pleased with the ultimate outcome. My brother Gaurav, the first in our family to attain a doctorate, has been a constant role model for his hard work and ambition. I dedicate this dissertation to my wife Ayesha and daughter Zara who have been highly supportive of my transatlantic trips and long stretches of intense research and writing.

CHAPTER 1

INTRODUCTION

1.1. OVERVIEW

A growing literature speaks to how non-state actors (both corporations and civil society) increasingly play roles in global governance such as lobbying inter-state deliberations or filling governance gaps in the provision of public goods. Far less analysis, however, has been devoted to how such actors attempt to supply new and original global policy processes altogether. How does a non-state actor acquire sufficient authority to become an anchor of global governance? Over the past forty years, the World Economic Forum (WEF), a business-funded and business membership non-profit foundation, has also gradually emerged as a standing site of multi-stakeholder interactions and negotiations. It convenes diverse actors through its various summits, facilitates joint initiatives among them, and attempts to shape procedural and substantive norms at the global level. Does the WEF's role as a bridge among state and non-state actors make it a legitimate site of multi-stakeholder global policy-making? What does the WEF story tell us about the conditions under which organizations can serve to anchor global policy processes within a multi-actor world society?

This dissertation provides an anatomy of the WEF and account of how its functions have evolved in its first four decades. It argues that as the WEF has transitioned from a primarily business-driven management forum into a fuller multi-stakeholder vehicle, it has acquired sufficient recognition and authority to become a unique non-state hub of global policy processes. It attempts to demonstrate this through a detailed analysis of how the WEF's roles have expanded to encompass various convening, facilitation, and norm entrepreneurship activities. It also examines whether the WEF's evolving mission statements and business models have empowered it to adapt to its multiple constituents' priorities while affording it increasing neutrality among them and independence from any one of them. Can the WEF (and similar multi-stakeholder bodies) move beyond being considered supplements to the existing inter-governmental organizations which anchor the international society of states towards being the main legitimate sites for world society interactions?

Much of the literature on transnational relations emphasizes how non-state actors influence official international institutions and norms. But the WEF is unique in that it is a *non-state* body that seeks to incubate and drive its own norm-setting processes as much as to influence official ones. It therefore deserves more rigorous independent investigation. Some of the key questions which must be asked of such an innovative organization are: How does it acquire sufficient authority to be considered a hub of global governance? How does it establish neutrality among diverse stakeholders?

This dissertation attempts to provide a framework to answer these questions, and in doing so, seeks to contribute to the empirical literature on new global governance instruments as well as pluralist accounts of evolving global policy processes and architecture. There is growing theoretical interest in formulating a neutral meta-framework or approach to global policy-making that is not anchored in the state or inter-state institutions but rather encompasses and synthesizes the inter-governmental arena, regionalism, public-private networks, private authorities, multi-stakeholder dialogues, and other forms of global governance.

This study of the WEF can support these objectives in three ways. First, it can shed light on the prerequisites for actors to establish themselves as authorities in global governance beyond traditional criteria such as state sovereignty. Second, it can outline the key functions within global policy in which actors such as the WEF partake: convening, facilitation, and norm entrepreneurship. Focusing on such a typology of activities rather than the nature of specific actors helps us clarify the deeper roles which comprise global policy processes today. Third, it can deepen our understanding of multi-stakeholder processes which bridge diverse global governance modes. Rather than squeeze non-traditional organizations such as the WEF into narrow categories, a multi-stakeholder approach can show how the heterarchy of world society can co-exist within the sphere of a real-world organization.

The remainder of this introduction chapter proceeds as follows. The next section sets forth the methodology used to undertake this study. It is followed by a review of the existing literature on the WEF. The fourth section discusses the intended contributions of this study to the field of world politics, and the final section provides an overview of the remaining chapters of this dissertation.

1.2. METHODOLOGY

This dissertation analyzes how the WEF has sought to position itself as a neutral player in multi-stakeholder contexts across a range of issues in world politics. It must necessarily confront several theoretical, methodological, and empirical challenges:

- How can the claim that an organization is a microcosm the multi-actor world society be supported? Can any single entity serve the role for world society that the United Nations plays for international society, namely a universal convener? In international relations theory, world society is a somewhat vague concept with differing opinions as to whether it reflects only the sum-total or non-state interactions, or whether a corresponding “world political system” can exist which captures the totality of state and non-state interactions. Factors which must be considered include the diversity of constituencies represented within WEF structure and activities as well as the quantitative balance of representation among them.
- What constitutes legitimate authority in world politics? As the traditional criterion of state sovereignty is relaxed in explaining the participation of non-state, transnational actors in international relations, it remains unclear how such actors establish authority and what types of authorities they are or become. Various metrics can be used such as the extent of recognition they receive, the specific knowledge they generate, or the moral and legal claims they may make. In the case of the WEF, the type of authority the WEF claims varies with the nature of its activity, which both broadens the scope for understanding authority while requiring that the context of authority claims be specifically explained.
- How is neutrality established in a multi-stakeholder context? Much as the United Nations is funded by its member-states, the WEF is funded by member companies, and is thus said to represent the interests of the international private sector. Yet one of the WEF’s slogans is to stimulate “entrepreneurship in the global public interest.” To assess whether the WEF has moved towards a less business-driven and more neutral orientation among stakeholders we must evaluate not only its shifting mission

statements but also its broadening funding base, diversified participation in events and initiatives, and evaluate initiative outcomes against predicted results.

- How do we measure influence in the diffuse, heterarchical world society domain?

Because bodies such as the WEF seek not only to influence existing inter-state diplomacy but also to supply new, parallel multi-stakeholder processes altogether, it is more difficult to point to shifts in legislative outcomes or official declarations as indications of impact. We might still compare the outcomes of WEF processes to official diplomatic mechanisms on similar issues. However, the WEF increasingly seeks to create hybrid public-private processes which augment the “official” track, thereby blending away some part of the dichotomy between official and non-official processes. Indeed, the promotion of multi-stakeholderism itself is now a primary WEF objective. Furthermore, WEF initiatives are often spun-off soon after creation, thus credit for successes and failures is often difficult to trace and ascribe.

These are among the puzzles confronting research into new global policy mechanisms and instruments. It is important to remain mindful of these dilemmas in the course of analyzing bodies such as the WEF.

Evaluating the WEF’s evolving efforts to mediate among the diverse actors of world society lends itself to a qualitative methodology for several reasons. First, there is no definitive data-set of transnational non-state actors or quantitative study of their influence in the global policy domain. Indeed, the universe of non-state actors in this regard has likely grown too large for such an effort to be undertaken. As such, case studies and structured comparisons are most prominent in this field.

This dissertation therefore takes the form of a detailed case study with a structured, focused analysis (George and Bennett 2005). It employs a process-tracing approach to answer questions such as: Under what conditions did the WEF emerge? What drove the changes to its organizational structure and mission over time? What impact have its activities and programs had? What role does it play among other institutional arrangements?

A variety of cases have been selected in order to adequately explore these questions. These cases are subdivided according to their reflection of the WEF's convening, facilitation, and norm entrepreneurship functions.

With respect to convening, the WEF's flagship Annual Meeting at Davos, the original and oldest WEF activity, will be considered. The Annual Meeting presents an opportunity to examine to what extent WEF participation has broadened beyond the corporate sphere, whether the WEF has successfully fostered a multi-actor epistemic community of leaders, whether it has been able to shape the content and direction of the "global agenda" among those leaders, and whether it has influenced official international political and institutional outcomes.¹

In examining the WEF's role as a facilitator of public-private partnerships and other multi-stakeholder projects, cases have been selected which speak to the WEF's efforts to (a) shape policy frameworks and (b) stimulate action in global public goods areas. These are the Partnering Against Corruption Initiative (PACI), Global Health Initiative (GHI) and the Climate Change Initiative (CCI). Each of these has existed for over five years and thus generated a track-record of activity on a worldwide scale whose effectiveness can be measured and compared to other efforts. The key test of such efforts is whether they have shifted legal or other norms in their functional areas, and what tangible results they have themselves achieved versus other comparable processes. The cases chosen represent not narrow fields where the WEF is a first-mover, but rather fairly dense areas of activity across the public and private sectors, thus effecting substantial change can be said to be more difficult and require substantial innovation and influence.

In the arena of norm entrepreneurship, this study focuses on the WEF's "Global Redesign Initiative" (GRI). While GRI is not the first internally conceived and self-directed initiative (the *Global Competitiveness Report* series launched in 1979 came three decades earlier), in terms of scope of issues, number of individual experts involved, and expenditure of resources, the GRI ranks as the most ambitious global governance reform effort ever undertaken. It is therefore an ideal proxy for whether the WEF is able to shape both process

¹ Though the WEF has created a parallel roster of frequent regional summits, the convening dynamics within them are simply a smaller scale version of the Davos Annual Meeting, hence regional summits will not be thoroughly analyzed.

norms through its promotion of multistakeholderism but also substantive norms across the several dozen issue areas covered by the initiative.

What are the main sources which will be used to conduct this study of various aspects of the WEF?

The first set of sources is comprised by primary and secondary literatures. Primary documents include WEF annual reports, WEF project publications and white papers, and WEF surveys of its member companies and meeting participants. These sources provide an official record of WEF history, membership, and revenues. Surveys in particular also reveal to what extent the WEF has undertaken activities in response to the demands of its member companies versus other constituents. Secondary documents include academic books and analysis papers about the WEF, as well as journalistic articles and commentaries published about the WEF. These help to place the WEF in historical and comparative context and provide an external analysis of the WEF's successes and failures with respect to specific meetings, agendas, and initiatives.

The second set of sources is qualitative but structured interviews with WEF management and staff, representatives of member companies, and participants in WEF programs and projects. Interviewees were selected on the basis of their relevance to aspects of the WEF central to this dissertation, specifically: WEF leadership and governance, WEF relations with national governments and inter-governmental organizations, member company representation to the WEF, and partners/participants in WEF projects and initiatives.

The structure of interviews was flexible as required by the subject, whether an administrative or management figure within WEF, substantive project manager at the WEF, or non-WEF participant in WEF events/activities. Interviews were conducted at the WEF's headquarters in Geneva and largest satellite office in New York, as well as at WEF events such as its Annual Meeting and regional meetings.

Interviews with WEF leadership will focus on:

- How institutional policies and priorities are determined;
- Whether the WEF increasingly shapes its own agenda or whether it remains externally directed by its members; and

- The evolution of its relations with principal global actors such as governments.

Interviews with WEF project managers will specifically investigate:

- Whether initiatives are driven by internal priority setting and expertise or by member and constituent priorities;
- If the WEF is more a hub of multi-stakeholder initiatives or also a driver and participant in them; and
- Whether the outcomes of initiatives match the expectations set by members and constituents.

Interviews with WEF corporate members and non-business participants will assess:

- Whether the WEF is seen as a vehicle for promoting corporate branding and internal programs or a partner in shaping corporate citizenship policies;
- To what extent the WEF is perceived as a driver of norm and behavioral change among other stakeholder groups;
- Whether it increasingly serves as a venue of choice for forming cross-stakeholder partnerships; and
- If the outcomes of WEF initiatives are deemed successful and influential.

In qualitative research, the case study is important in its own right in addition to revealing broader trends pertinent to theory-building (King, Keohane, Verba 1994: 5). While the usage of a single case study can limit the generalizability of findings, this research design is intended to generate descriptive inferences which can be applicable to and shed light on other entities (George and Bennett 2005, Reus-Smit and Snidal 2008: 53). While the WEF is a sui generis organization, the findings of this investigation can reveal the conditions under which other organizations might serve to anchor global policy processes within world society.

1.3. LITERATURE REVIEW

There exists a prominent literature on transnational actors which discusses social movements, non-governmental organizations, and private corporations and their impact on international norms and institutions (Keck and Sikkink 1998; Khagram, Riker and Sikkink 2002; Florini 2003; Avant et al 2010). Additionally, some scholars have examined how private authorities

operating on a transnational scale can establish authoritative functional zones of self-governance and regulation (Haufler et al 1999, Rosenau 1999, Beck 2005). To a large degree, however, this literature focuses on the how transnational actors relate to existing normative structures and processes rather than their role in creating new ones, even on a global scale.

Yet over the past four decades, the WEF has expanded from convening public and private leaders to facilitating networks and partnerships among them to promoting new norms for global policy-making processes. It sees itself an anchor for global multi-stakeholder diplomacy. Existing accounts of the WEF have neither been unable to keep up with these evolving roles nor provide an adequate framework for understanding how the WEF relates to global policy processes.

To date, only three substantial texts center on the WEF. Lundberg's (2004) Harvard Kennedy School case study was the first lengthy treatment of the WEF. Titled "Convener or Player?" it provides an overview of the organization's first thirty years, including biographical insights on its founder Klaus Schwab, the WEF corporate membership structure, and a review of its role in important diplomatic events of the 1970s and 1980s. In terms of WEF activities, Lundberg focuses only on the Annual Meeting at Davos and the *Global Competitiveness Report* series, neglecting its ever-widening scope of multi-stakeholder projects and initiatives. The study's title thus raises but does not resolve fundamental questions about the WEF which are central to this dissertation: Is the WEF's role as a convener itself a form of agency? Does the WEF only mirror the "global agenda" or does it shape it? Lundberg neglects the founding multi-stakeholder principle which is central to understanding the WEF's potential role within global policy processes. Empirically, this also means the study does not address the issue of the WEF's relations with other actors such as international organizations, governments, and civil society groups. In sum, Lundberg brings the WEF to the broader attention of the public policy research community, but does not provide insights necessary to contextualize the WEF in the evolving literature on global governance.

Pigman (2007) presents a monograph-length treatment of the WEF. In the volume's foreword, two leading political scientists² describe the WEF as one of only a few institutions that "can obviously claim to have a significant hand in global affairs," placing it alongside the

² Thomas G. Weiss and Rorden Wilkinson.

UN, NATO, International Monetary Fund, World Bank, World Trade Organization, and G7. They further claim that the WEF “has consistently influenced both global security [the Arab-Israeli peace process] *and* economic [the GATT Uruguay Round] matters.” Interestingly, they observe that: “What makes the Forum’s performance so startling is that it has done so by seemingly little more than facilitating dialogue among political, corporate, academic, and civil society elites. Moreover, the Forum has been able to retain its relevance through a continual process of reform and regeneration that has kept it at the forefront of world affairs for the past thirty years” (Pigman 2007: xi-xii). Building on Lundberg, these scholars seem to imply that the WEF is a player because of its success in convening, and that it is an organization which is itself in constant evolution.

Pigman’s own purpose, however, is to use the WEF as a proxy for juxtaposing two narratives of the international political economy: That of a vehicle for shifting corporate priorities to include the global public interest versus that of a “cabal of wealthy elites in business and government that has been meeting for several decades to facilitate an agenda of integration of the global economy intended to benefit large transnational firms and governments of industrialized nation-states at the expense of consumers, the environment, the poor, and local or non-global culture” (2007: 3). Though he attempts to present sufficient evidence to sustain both narratives, he does not consider the WEF as an increasingly neutral platform among corporate interests, governments, and non-governmental organizations capable of shifting corporate priorities rather than just reflecting them.

At the same time, Pigman (2007) is the first volume to explicitly mention the WEF as a new site of global governance. He calls the WEF a “self-conscious diplomatic actor,” and considers it a postmodern institution that is “part of a broader project of mapping the topography of contemporary global institutions and emerging instrumentalities of global governance in a post-Westphalian age” (2007: 2). However, he only implies but does not spell out how the WEF’s convening of elites to “think, talk and make a few deals” translates into “shaping both the norms and decisions among elites” (2007: 2). Ultimately, the strength of Pigman’s work is the recognition of the broadening of diplomacy to include non-state actors and highlighting multi-stakeholder dialogue as a mode of global governance, yet his treatment of the WEF’s actual role, like Lundberg (2004), remains largely focused on the Annual Meeting at Davos.

Behrendt (2008), the third text devoted explicitly to the WEF, presents a range of first-hand reflections from leading international figures from the private sector, intergovernmental institutions, national statesmen, and academic communities on their experiences with the WEF over its first three decades. The volume is an important archival source in terms of providing explicit claims about the WEF as an institutional change agent, its specific role in important diplomatic-historical milestones, and its relations with important states such as China and India. While these contributions are important because they are written by authoritative figures across global leadership, they do not provide a framework for understanding the WEF's structural significance.

Other scholars have increasingly made explicit mention of the WEF. Cooper (2007: 75) highlights the WEF as evidence of "diplomatic adjustment" and a "multi-faceted site of diplomatic theater" because of the new mix of state ministers, private sector networks, NGOs and celebrities it captures. Langhorne (2008: 58) cites the WEF as evidence that, "Once again there is beginning to be little or no restriction on entities taking part in diplomatic activities, whether very formally as additions to the traditional state-based system or with the least possible formality," adding that the WEF is a "new kind of platform on which diplomacy is increasingly required to speak." Scholte (2005: 99) sees the WEF as a private body which has sufficient resources to generate greater accountability over public actors. Barnett and Duvall (2005: 20) depict it as an international forum which adds legitimacy to the process of economic globalization. Rupert (2005: 224) argues that the WEF is self-contradictory in that it portrays itself as "at once a private club and also a kind of global public sphere." Saner and Yiu (2008: 89) refer to the WEF as a "business-related NGO" that is part of global economic governance because it "organizes dialogue space" between governments, businesses, and NGOs.

These and other examples begin to make the case that the WEF is a relevant component of the complex landscape of global governance. However, none of these authors deliver substantial clarity as to how and why the WEF has become a prominent and authoritative actor within the emerging landscape of global policy processes. This study therefore aims to add to the very limited literature on the WEF as a non-traditional actor by locating its activities and roles within a typology of global policy functions and carefully tracing its channels of influence in the increasingly complex context of a multi-actor world society.

1.4. THEORETICAL CONTRIBUTIONS

Khagram (2006: 97) laments the lack of “creative scholarship on broad, future global governance architectures.” What can this study of the WEF contribute to the development of theories of world politics and global governance?

First, what are the weaknesses of existing paradigms and approaches in the field?

When it comes to non-state actors’ role in global governance, Avant (2007: 2) claims that, “International relations scholars are poorly equipped to investigate or understand this kaleidoscope of activity by such a wide range of agents.” Furthermore, the ways in which the public, private, and public-private regimes intersect and overlap also has little grounding in conventional international relations scholarship.

The tenets of classical realism include an assumption of anarchy and emphasis on power and the security dilemma. E.H. Carr (1946), for example, derided the utopian diplomacy of the League of Nations and its futile attempt to curb power politics. Morgenthau, however, stressed that although the balance of power was the most dominant process shaping international relations, there also existed a “silent compact” within the “complex system” that facilitates international society to emerge and mitigate anarchy (1973: 219). From a realist perspective, what global governance exist outside of the balance of power would emerge from this self-interested compact to establish rules for mitigating anarchy. In neorealism, however, the logic of anarchy and material distribution of capabilities are the principle drivers of system structure, leaving no room for classical realism’s concern for human agency, structurally differentiated actors, or for a constitutive role for institutions like diplomacy or international law (Ruggie 1983: 263). Gilpin (1981, 2002) insists that only governments have legitimate power and alternative approaches provide no answer to the “problem of power.” Yet he also notes that the emergence of the world market economy complicates the neorealist model and predictability of hegemonic stability, and thus called on late 20th century statesmen to capitalize on forces of interdependence to create a new and more stable world order (1981: 244).

Regime theory and neoliberal institutionalism differ from neorealism in their conceptions of the nature and consequences of anarchy, and the role of international institutions in world politics (Krasner 1983, Keohane 1986, Baldwin 1993, Ruggie 1998). By emphasizing norms, institutions, and the emergence of collective decision-making in international relations, this school opens the door to institutional processes capable of shaping international structure (Ruggie 1998: 2). Specifically, a number of scholars in this tradition have focused on international organizations which serve to reproduce procedural and substantive norms and practices of cooperation (Kratochwil and Ruggie 1986, Barnett and Finnemore 2004). An important lesson from this literature is that instruments of global governance such as multilateral institutions can develop increasingly autonomous momentum and influence.

With its roots in sociology, constructivism emphasizes the role of identity preferences, values and norms, which through the socialization process among agents are spread through the system while also modifying it (Giddens 1984, Onuf 1998, Wendt 1999). For constructivists, agents and structures are co-constituted on material and ideational levels forming a malleable social arrangement (Onuf 1998: 62, Wendt 1987). Constructivist theory opens avenues for change agents such as epistemic communities of knowledge-sharing professionals who collectively alter the preferences of the states/actors they represent (Haas 1992). Furthermore, in a manner more open than neoliberal institutionalism, constructivism's emphasis on inter-subjectivity allows for consideration of instruments of socialization in shaping the culture of international society.

Still, these dominant theoretical traditions in international relations continue to take states as the primary actors and assume that states act in a unitary fashion in response to material conditions in the international system. Constructivism takes ideas, culture and values more seriously, but has difficulty explaining under what conditions they matter. Even though social networks and norm entrepreneurs are active areas of constructivist analysis, constructivism still does not provide an over-arching theory that systematically addresses non-state, transnational actors and the diverse contexts in which they operate to shape world politics.

In the global governance field, several major approaches can be discerned which address transnational, non-state actors. A functionalist literature derived from Rosenau and Czempiel (1992) argues that various public and private modes of global governance are possible but only arise in response to the need to provide "public goods." Even the foremost scholars of

public-private network theory such as Reinicke (2000) sees such networks as “filling gaps” between territorial states and trans-border problems, between the need for efficient action versus the reality of slow bureaucracies, between complex inter-related issues and the limited knowledge capacity and silo structure of inter-governmental organizations, and between growing social expectations and global market expansion. An instrumentalist literature focuses on means-ends calculations, environmental constraints, and bounded rationality in institutional decision-making (March and Olson 1998). Finally, a normative literature assumes that all global governance is about cooperation and is therefore “a good thing” without considering the unintended consequences and externalities of particular global governance arrangements (Commission on Global Governance 1995). O’Brien (et al 2000) speaks of a “complex multilateralism” which emerges from the interactions of multilateral economic institutions and global social movements. This too reflects an expansion of the formal interstate diplomatic process to include non-state actors, but not the ability of such actors to themselves anchor global policy processes. With their biases towards official, state-based inter-governmental organizations or “filling gaps” in the provision of public goods by such actors, this scholarship misses an opportunity to address and explain standing, non-state bodies such as the WEF which serve to supply new or parallel processes altogether.

Another prominent lens within the global governance field is that of private authority, private regimes and corporate/industry self-regulation. (This is often the sole category in which the WEF is located.) This literature speaks to how companies generate codes among themselves, or form transnational elite groupings that form regulations outside the scope of democratic politics. Private actors do not substitute for state authority, but offer alternatives to it. Their rule-making and standard-setting activities aren’t anomalous or illegitimate or temporary, but speak to broader shifts in the acquisition of capacity by non-state actors (Cutler, Haufler, and Porter 1999). Cutler et al (1999: 5, 18) argue that “authority exists when an individual or organization has decision-making power over a particular issue area and is regarded as exercising that power legitimately.” Government involvement is not a pre-requisite for such authority, since an actor can *be* an authority without being *in* authority. Private authority can thus emerge even where actors don’t have coercive “power” as such. Instead, authority is seen as a social relationship of deference created by recognition (even if tacit or informal) (Barnett and Finnemore 2004). NGOs, for example, are increasingly involved in later stages of diplomatic agreements because their expertise is required to determine the feasibility of issues such as implementation (Betsill and Corell 2007: 196). Types of authority can

therefore include institutional, delegated, expert, moral, and efficacious (based on competence) (Avant et al 2007: 13). Such private regimes act as self-contained and self-legitimized spheres of authority that operate within but also form new nodes of global governance (Rosenau 1999).

Yet the private authority approach alone falls short in explaining the WEF in several respects. Most fundamentally, the WEF's multi-stakeholder dialogue activities are not captured by the emphasis on corporate self-regulation rather than broad deliberation. Furthermore, the sphere of WEF activities is not limited to the domain of corporate citizenship initiatives; there are many non-corporate endeavors such as government/ministerial and inter-faith dialogues which fall outside of symmetry with its member companies' interests. Lastly, the utility of private authority can be to assemble coalitions of non-state actors for purposes other than lobbying official inter-governmental processes. The case of the WEF thus demonstrates that global policy is more than a typology of distinct governance modes, but rather is a space in which these approaches can overlap, intersect, and merge.

Perhaps the greatest weakness of the traditional global governance focus on inter-governmental processes, even those involving non-state actors, is the failure to capture private-private interactions as a new type of dyad among agents, one that does not depend or refer to the inter-governmental system (Risse 2004: 7, Khagram and Ali 2008: 213-4). These sets of relations represent a growing array of activities such as corporate-NGO partnerships aimed at improving corporate reporting and accounting. The International Standards Organization (ISO) and Global Reporting Initiative (GRI), Forestry Stewardship Council (FSC), and Marine Stewardship Council (MSC) are examples of such voluntary/non-binding private-private mechanisms which have emerged in recent year. Saner and Yiu (2008: 89) locate the WEF in this space as well, calling it a "business-related NGO" that "organizes dialogue space" in a multi-stakeholder format. This set of actors and activities must be part of any typology and synthesis of global governance processes in order to adequately capture organizations such as the WEF.

Cooper et al (2002) refer to the "new diplomacy" as the increasing linkage of NGOs to the UN multilateral system, but the WEF's approach goes beyond this to link NGOs, companies, UN agencies, government ministries, and academic experts all to each other in a common diplomatic context. While some scholars argue that such networks are really just a

manifestation of underlying power asymmetries and structural realities (Simmons and de Jonge Oudraat 2001), this criticism does not address the fact that many such networks do not include states at all and thus generate processes and policies outside the purely inter-state structure with their own internal power dynamics (Hafner-Burton et al 2009).

By contrast, Rittberger (1995) makes an important case that inter-governmental organizations need to be treated as part of a deeper fabric of institutional arrangements that comprise a broader world society/system as well. Not only IGOs, but also the notion of regimes—or “sets of implicit and explicit principles, norms, rules and decision-making procedures around which actor-expectations converge in a given issue area”³—which takes governmental actors as the only ones that count, needs to be embedded in global governance networks that include such regimes but also “novel transnational social fields” which constitute a partially structured world society (Khagram and Ali 2008: 211).

It is the co-existence of networks which aim to “fill gaps” in the inter-state order and those which operate in parallel which demands that a meta-framework be generated which encompasses them both. Avant (et al, 2010: 2) emphasize the range of actors who have acquired the requisite authority to act as governance agents. They define “global governors” as “authorities who exercise power across borders for purposes of affecting policy. Governors thus create issues, set agendas, establish and implement rules or programs, and evaluate and/or adjudicate outcomes.” What is significant about this approach, beyond the relaxation of the assumption of state-centricity, is that authority is defined not merely in regulatory terms, but rather as the ability to induce deference in others on the basis of a variety of factors such as moral standing, financial power, and other types of recognition. It creates room for “generative agents” to demonstrate leadership and creativity in asserting themselves as authorities and thus in the role of governors (Avant et al 2010: 9). The weakness of the “governors” approach, however, is that it does not provide a sufficient account of the means by which agents pursue and acquire authoritative roles in global governance architectures.

With these shortcomings of existing approaches and scholarly work to date in mind, the WEF case can help us develop generalizations about the emerging global policy domain in several respects.

³ Krasner 1983: 3-4. Some examples include the non-proliferation regime, world trade order, climate change control mechanisms, and human rights treaties.

First, it can clarify and add to our understanding of convening, facilitation and norm entrepreneurship functions and how these translate into global governance outcomes. In the existing academic literature, each of these functions is widely grounded in the inter-state diplomatic and institutional arena. Where non-state actors' roles are addressed, they are most frequently linked to impact on inter-state/multilateral deliberations. Particularly the role of convening is neglected in academic literature outside of the role played by multilateral institutions that convene nation-states. But a neutral meta-framework would clearly delineate roles which any such "governor" can assume among other agents. While recently some scholars have contributed to an overall typology of global policy modes (Khagram 2008, Waddell 2006), none have comprehensively linked the functions such as convening, facilitation, and norm entrepreneurship to new "governors." The WEF's ability to adopt these functions in the context of a multi-actor world society has enabled it to plausibly claim an independent global policy role. As this study will seek to demonstrate, the WEF's purpose in adapting to these global policy functions is not inherently or primarily to shape multilateral policy-making. The stakeholder principle which it espouses derives from corporate strategy insights and was primarily applied to its member companies before expanding to regularly include ministers from G-20 countries with direct dialogue on official inter-governmental agendas.

Second, the WEF offers a potential anchor point for the notion of a multi-actor world system. Within the English School tradition, "world society" denotes the sphere of individuals and non-state, transnational actors. Though Bull (1977: 276-81) wrote of a "world political system" comprising the totality of state and non-state interactions, he did not pursue this to the extent of reconstituting global political structure without a bias towards the state. This task was taken up by Vincent (1987) and Brown (2001), who innovated on Bull by asking whether world society interactions must take place inside the international society of states instead of the reverse. In other words, the state system has become one part of the global political system (Neumann 2008: 23). Still, the main criticism of the world society approach within the English School tradition of international relations has been that it lacks a concrete "world system" counterpart (Buzan 2004: 27-30). Yet because of its standing nature and role in generating continuous interactions between international and world societies, the WEF potentially provides a fruitful venue within which to study dynamics within an emergent multi-actor world system. Much as international organizations do for states (Keohane 1989),

the WEF can play an important informational role and lower transaction costs among the plurality of agents in a multi-actor world society.

Third, the WEF helps us to construct a multi-stakeholder approach to global policy. Research in the field of multi-stakeholder processes is quite limited and largely focuses on epiphenomenal dialogues on specific issues. Furthermore, the majority of such studies emphasize those dialogues tied to United Nations bodies such as UNAIDS (Altman 1999) or the World Bank (Asmal 2000). Efforts to situate the locus of multi-stakeholder processes outside the official inter-governmental architecture are rare. Indeed, while there are many studies of non-state norm entrepreneurs shaping inter-governmental policies (Khagram, Riker and Sikkink 2002), there remains a gap in the literature on organizations such as the WEF which seek to regularly incubate new multi-stakeholder policy processes across a range of issues.

The WEF is a revealing case because rather than an epiphenomenal multi-stakeholder dialogue or single-issue coalition or policy network, it is permanent, standing multi-stakeholder body. It attempts to do for world society what inter-governmental bodies such as the United Nations do for international society: convene a representative (if not universal) set of polities and/or authorities to deliberate, formulate, and implement policies on the global or transnational levels. In a related vein, this study can contribute to the literature on the spread of process norms. If the norm of multi-stakeholder deliberation in global policy is in the phase of emergence or even cascading but not yet internalization (Finnemore and Sikkink 1998: 256), what has been the WEF's contribution to the spread of that norm?

Taken together, these propositions add up to a potentially important addition to the nascent literature on global policy which seeks to develop a meta-concept for global governance which is neutral among diverse agents. By investigating the WEF's evolving structure, mandate, and functions, we can understand how a neutral, standing multi-stakeholder body can potentially hold a place among the official inter-governmental organizations which have historically defined the global governance landscape.

1.5. CHAPTER SUMMARIES

After this introduction chapter, this dissertation contains six substantive chapters followed by a conclusion.

Chapter 2 formulates a multi-stakeholder approach to global policy. It draws and builds on existing paradigms and typologies to synthesize an approach that captures the heterarchical world society context within which multi-stakeholder processes operate. It further clarifies the meaning and role of the global policy functions of convening, facilitation and norm entrepreneurship, and how these allow non-traditional actors such as the WEF to claim independent authority. Finally, it discusses means of theorizing and measuring the WEF's efforts at neutrality among stakeholders, its representativeness of world society, and its power and influence.

Chapter 3 provides an overview of the WEF's origins and founding. What were its original motivations and how did it position itself with respect to existing multilateral institutions? The WEF's organizational structure, governance, and funding are then explained. How has its mission evolved over the past four decades? Is there a tension between its roles as a forum/venue and an actor in its own right? The chapter concludes by placing the WEF's evolution in the context of outstanding debates about its nature and role.

Chapter 4 focuses on the WEF Annual Meeting at Davos and its panoply of similar regional summits as examples of its *convening* role. What are the unique aspects of this multi-stakeholder gathering? Do they live up to the claim of shaping the "global agenda"? In what ways are WEF summits an "active venue," that is, making the WEF both a forum and an actor? This chapter also explores ways in which the WEF's convening has overlapped and/or competed with official inter-state diplomatic activities.

Chapter 5 highlights a little known but growing set of activities within the WEF portfolio, namely the *facilitation* of public-private partnerships in a range of areas of global policy. The initiatives which will be investigated include ones intended both to shape policy frameworks and stimulate action on global public goods issues: The Partnering Against Corruption Initiative (PACI), the Global Health Initiative (GHI), and the Climate Change Initiative (CCI). These will be examined in terms of their membership structure, operating model, comparison and value-added to other similar processes, and outcomes/impact. What determines whether the WEF acts as an agent within initiatives versus simply serving as a

hub? Do these initiatives demonstrate any clear advantages to multi-stakeholder global policy processes?

Chapter 6 examines the WEF's efforts to become a *norm entrepreneur* in the global policy space. It focuses on the Global Redesign Initiative (GRI), the WEF's major self-directed effort to shape process norms towards multistakeholderism and substantive norms across a range of thematic issues addressed within the GRI. Does the existence of GRI demonstrate that the WEF is gaining autonomy from its main constituents in a manner similar to the relationship between international organizations and their member-states? Has the WEF succeeded in shifting procedural and substantive norms and structures at the global level? What indications does the GRI exercise give about the future orientation of the WEF?

Chapter 7 evaluates the extent to which the WEF is representative of the broader shifts in global policy processes underway today. It discusses factors contributing to the rise of plurilateralism such as the co-dependence of IGOs and NGOs, the growing volume of non-state/private sector coalitions, and the blurring of boundaries between public and private sector representatives. It then examines major cases of specific stakeholder groups serving as hubs of multi-stakeholder policy instruments, specifically the G-20, the UN Global Compact, the International Chamber of Commerce, the Clinton Global Initiative, and the Global Reporting Initiative. The chapter concludes with a discussion of multiple equilibria in a complex global policy environment.

Chapter 8 presents concluding discussions about the WEF. It begins by summarizing the key findings of the dissertation, and assessing future scenarios for the WEF. It then provides a set of counter-arguments regarding the WEF's role and relevance, including potential rebuttals based on this study. This chapter then discusses the extent to which the WEF is symptomatic of systems evolution and the widening and deepening multi-stakeholder global policy arena. Lastly, it offers recommendations for further academic research into the WEF and multi-stakeholder global governance mechanisms.

CHAPTER 2

MULTI-STAKEHOLDER GLOBAL POLICY

2.1. INTRODUCTION

How does this study of the WEF fit into existing IR theory paradigms, serve as a bridge among diverse approaches, and deepen new theoretical avenues? The previous chapter began to make the case that an analysis of the WEF can advance global policy theory in the following ways: By demonstrating how non-state actors claim authority in global governance, by offering a potential anchor point for the notion of a multi-actor world system, by developing a multi-stakeholder approach to global policy, and by clarifying our understanding of convening, facilitation and norm entrepreneurship functions and how these translate into global governance outcomes.

This chapter attempts to construct this multi-stakeholder approach to global policy. The first section seeks to identify the right context for theory-building. It differentiates the dominant IR theory traditions from the more recent emergence of global governance and the newer, more open-ended notion of global policy which synthesizes diverse typologies into a heterarchical framework within which to locate the WEF. The second section then focuses on the theory and practice of multi-stakeholder processes as a mode of that goes beyond juxtaposing diverse global governance approaches into creating venues for their intersection. It compares the experience of the United Nations and newer multi-stakeholder initiatives. The third section clarifies the convening, facilitation, and norm entrepreneurship functions within global policy, discussing their purposes and complementarities, and emphasizing how these functions allow these allow non-traditional actors such as the WEF to claim independent roles. Finally, it discusses means of theorizing and measuring the WEF's efforts at neutrality among stakeholders, its representativeness of world society, and its power and influence.

2.2. GLOBAL POLICY: GLOBAL GOVERNANCE AS PROCESS

This section unpacks the notion of “global policy” as a theoretical frame within which to locate the WEF. Global governance has been described as a “practice in search of a theory”. This means that there is not one definitive entry point into the scholarship but rather a plurality of approaches. Indeed, the panoply of governance modalities operating on a transnational scale now includes: inter-state regimes, inter-governmental organizations, private authorities and self-regulation bodies and networks, public-private partnerships, global action networks, and “soft law” or “global administrative law” codes. What theoretical approach is best able to capture these distinct modes under the common umbrella and provide the appropriate context for understanding the WEF?

In substantial yet under-appreciated ways, the global governance field builds on the “society” approach to IR theory represented by the English School. Bull (1977: 279) makes an early approach to insert a role for the human realm into macro-sociology of international relations by looking beyond the “international society” of states to also define “world society” as a domain “linking all parts of the human community.” The combined “world political system” (Bull 1977: 276-81) comprising the totality of state and non-state interactions paves the way for a reconstituting global political structure without a bias towards the state. As Neumann argues, the state system should be seen as part of the global political system (Neumann 2008: 23). This strand of English School thinking therefore provides a theoretical context for subsequent writing on plurilateral or poly-centric conditions in the world system. Indeed, the English School notion of an international society of states and a world society of individuals and transnational actors provides an important contextual foundation for multi-actor approaches to global governance while serving as a bridge between traditional IR theory and the emergent field of global policy. One can see traces of English School influence in the selection of terminology to refer to the present multi-actor eco-system, which Keohane (2002: 28) calls the “world system” and Higgott and Ougaard (2002: 1) call the “world polity.”

It is not coincidental that Bull and other scholars in the English School tradition, particularly Watson (1984), advanced the study of the co-existing and over-lapping roles of non-state actors during the onset of the present globalization wave. The shifting background conditions engendered by globalization which became the contextual foundations for the global governance field include:

- The advance of information and communications technologies and global capitalism and the resulting deterritorialized international political economy (Keohane and Nye 1977, Stopford and Strange 1991);
- The trans-territorial governance regimes created in response to it (Held and McGrew 1999, Risse 1995);
- The weakening of the unitary state model through processes of privatization (Cerny 1995)
- The growing salience of supra-territorial issues and agendas such as the environment and human rights (Held 1999, Scholte 2000);
- The impact of the end of the Cold War on changing notions of sovereignty and authority (Gilpin 1987, Kahler and Lake 2003, Ruggie 1983, Cerny 1993);
- The de-privileging state sovereignty in favor of a “post-international politics” which includes “sovereignty-free” actors in a poly-centric universe of potentially hundreds of thousands of autonomous actors whose individual orientations and actions can shape collective outcomes (Rosenau 1990); and
- The need for a relational understanding of power in order to accurately assess dynamics in these new contexts (Ankersen 2002, Lake 2004).

Globalization’s advance has enabled the creation of a permanent transnational global governance space that is multi-layered, multi-dimensional and multi-actor in nature (Held 2004: 79). As Ruggie (2004: 2) elaborates, “The very system of states is becoming embedded within an increasingly mobilized and institutionalized ‘global public domain’ that includes not only states but also non-state actors involved in the promotion and production of global public goods.” But this system is a complex and “unstructured plurality” featuring new forms of organization and the increasing involvement of non-state actors in decision-making (Beck and Lau 2004).

It was two decades after Bull’s discussion of the multi-actor “world political system” that global governance took on its most prominent early definition, namely “the sum of the many ways individuals and institutions, public and private, manage their common affairs” (Commission on Global Governance 1995: 2).⁴ The Commission’s definition clearly allows

⁴ More academic definitions of global governance appearing after the Commission’s report include “the process and institutions, both formal and informal, that guide and restrain the collective activities of a group” (Keohane 2002: 15), and “all the ways in which groups of people collectively make choices” (Florini 2003: 5).

for informal inclusivity and pluralism rather than formal exclusivity among states alone, and the inclusion of non-state actors and informal (i.e. non-legal or non-official) relations are crucial reasons for the emergence of global governance as a field of research distinct from traditional international relations theory.

The global governance literature has since become a distinct approach to world politics which disputes mainstream IR theory on matters such as the role of the state, importance of norms, and constitution of world order (Cooper et al 2008: 1-3) Among existing IR approaches, the postmodern school comes closest to global governance in its emphasis on neo-medievalism and a hetero-polar matrix of actors, agendas, and interactive formats (Der Derian 2007). However, it is within the global governance tradition that a crucial distinction has emerged: between process and outcome.

The term global governance implies the existence of certain outcomes, whether of one particular mode (e.g. multilateralism) or the sum of diverse modes. The Commission, for example, speaks of the “management of common affairs” through a variety of “structures.” What it fails to clarify, however, is the process by which global governance outcomes are achieved. As such, it is the more nascent field of “global policy” which has emerged to emphasize global governance as a process or set of processes.

Global policy, then, is about *how* global governance created amidst a diverse array of actors and issues. Unlike global governance, global policy is open-ended and implies no end state. It appreciates the constantly shifting dynamics of collective action efforts and new policy regimes, the complex and indeterminate role of rising powers and regional organizations, and the geopolitical transition underway towards multipolarity. It does not sub-divide among these efforts the way global governance typologies do, but attempts to integrate them in a common framework. Rather than make general claims about the role of sovereignty and power, it views these as operating differentially in a perpetual negotiation space.⁵

In global policy terms, global governance is generated through *inter-authority interactions* whose dynamics are functional and situational, varying according to arena and context. The relationships among the authorities themselves, and between each and its constituents, are the

⁵ Editorial Statement, *Global Policy*, London School of Economics, 2009.

key variables that determine governance processes and outcomes. The type of actor thus matters less than the character of inter-authority relations. Rather than presume any teleological equilibrium to global governance, this approach assumes a constantly unfolding political process shaped by power, leadership, mobilization, and other factors (Avant et al 2010: 4-5, 8).

The global policy view concurrently addresses and seeks to contain and balance within it traditionally distinct approaches ranging from multilateralism to private authority to public-private policy networks—a holistic approach essential to understanding the WEF. Each of the leading perspectives on global governance as presently articulated captures at best only part of the WEF’s activities and functionality. Keohane and Nye (2003) provided an early sketch of a five-part typology of potential global governance architectures: (1) a state-centric model (2) an intergovernmental organization model (3) a transnational private actors model (4) a global governance networks model (5) a world state model. Khagram (2006: 98-101) incorporates this typology into his own framework containing six distinct “normative-analytic images” of world order, all of which he notes are “competing for institutional dominance and even ideological hegemony”: (1) inter-state multilateralism⁶ (2) grassroots globalism⁷ (3) multiple regionalisms (4) world statism (5) networked governance⁸ (6) and institutional heterarchy. Together, these possible architectures and futures represent the “forest” rather than individual “trees,” and enable us to make choices among normative-analytic models in pursuit of a world preferable to the current world (dis)order (Khagram 2006: 112-3).

Note Khagram’s addition of: “grassroots globalism,” which falls within the new sphere of private-private or intra-civil society relations identified by Risse (2004); “multiple regionalisms,” which remains state-centric yet allows for diverse architectures of varying degrees of hierarchy and coherence as well as inter-regional cooperation; and “institutional heterarchy,” which involves a world of multiple types, forms, and levels of authoritative political organizations and units (e.g. communities, religions, interest associations, epistemic communities, companies, states, inter-state organizations, social movements, regional bodies,

⁶ Multilateralism, the most long-standing model beyond inter-state anarchy, includes regimes (Krasner 1983) as well as an understanding of international institutions as bureaucratic bargaining systems.

⁷ Grassroots globalism implies radical decentralization towards self-governing local communities, with systemic dynamism achieved through social movements.

⁸ Networked governance can be *trans-governmental*, meaning vertical and horizontal networks of disaggregated states and ministries such as courts and central banks (Slaughter 2004), or *multi-stakeholder*, which assumes a mix of public, private, and civil society actors (Waddell 2003, Benner, Reinicke, and Witte 2000).

and transnational or global networks of various kinds) and various types and levels of governance among them. Institutional heterarchy emphasizes a multi-layered and poly-centric eco-system and allows for a diversity of functional and territorial governance arrangements. Equally importantly, it allows for shifting boundaries and actors, making it perpetually incomplete as a reality and thus better understood as a process in the context of the constantly unfolding global policy. The institutional heterarchy approach is evidence that these various modes need not be mutually exclusive, but operate simultaneously within a common meta-framework.⁹

Just as with the private authority approach, the WEF is often mis-identified as a network falling within Khagram's fifth category in the typology above. But the WEF is not a network, epiphenomenal or otherwise. It has a legal, independent, and permanent status. It is best thought of as a *site* of institutional heterarchical interactions, especially as:

- its membership roster grows beyond private corporations to include state ministries and para-statal bodies;
- the range and scope of its stakeholder and community groups broadens and formalizes;
- the number of diverse initiatives which embody multi-actor interactions under WEF auspices multiplies.

Khagram and Ali (2008: 251) capture the milieu in which actors such as the WEF thrive: "Rather complex processes of conflict and negotiation among wider set of (usually) trans-territorial actors, growing cognitive and normative beliefs in cross-sectoral and multi-level multi-stakeholder models as appropriate organizational forms, broader contextual political and economic factors contributed to their genesis and even idiosyncratic events. Contested meanings of globalization, development, sustainability, and even governance (for example voluntary versus mandatory approaches) are part of the genesis and constitution of these arrangements, as well as their evolving dynamics and effects." This passage provides an accurate technical description of the WEF—cross-sectoral and multi-level multi-stakeholder.

⁹ Furthermore, an emerging literature on "soft law" or "global administrative law" discusses how multi-actor and multi-level processes, described as "deliberative polyarchy," generate expectations and in many cases set the future course of international law through pre-regulatory public-private deliberations. See Abbot and Snidal 2000, Cohen and Sabel 2005.

In its present form as a multi-sector, multi-level, multi-stakeholder organization, the WEF can be seen as a microcosm of the confluence of the varied global policy processes underway. As each of these modalities can be partially witnessed operating under the WEF's auspices, it is a unique vehicle for examining the mediation among authorities in the global policy space today. What is needed then is an approach which appreciates non-state actors' (both corporations and civil society groups) authority but embeds notions of divided authority in a broader multi-actor framework of collective action (Underhill et al 2002).

Cerny (2010) presents a comprehensive underpinning to the realm of global policy which he calls "transnational neopluralism." Under conditions of neopluralism, outcomes are not determined by the a priori existence of cohesive, vertically unified nation-states but rather involve a range of individual and collective (group) actors below, outside, surrounding, and populating states. These actors are defined by constraints and opportunities, not by political geography alone. Functional differentiation thus becomes the key variable in determining which actors are involved in collective action (40). A neoplural system features a multi-nodal structure with diverse interaction effects among the international, transnational, and local levels; these levels make for a three-level game of domestic, international and transnational flows rather than the two-level model in mainstream IR scholarship (85). Neopluralism is the pattern of politics that emerged from such changes not only in the constellation of actors (transnational public sector, transnational private sector, and transnational civic sector) but also from growing complexity in the structured field of action (112). Cerny's mapping of that field of action includes an ideational matrix (goals, interests values), a political-sociological matrix (networks, coalitions), and an institutional matrix (coordination and organization of strategic action).

The neopluralist paradigm particularly challenges prevailing conceptions of power. Traditional views on power locate it as deriving from a vacuum of international authority, assert a de facto legitimacy of state power, assume unitary organization of power under the state, and measure power as a quantifiable stock of resources (Cerny 2010: 67-72). Such approaches overlook economic and ideational factors such as transnational interest groups and their impact on preferences. Yet if power is defined as the ability to achieve interests, then it is affected by changing perceptions of what interests are, even among powerful actors. Rather than view power, therefore, as residing in static entities such as the state, Cerny shifts the locus of power arbitration to the "issue area." Power dynamics among actors are more

accurately viewed through the horizontally stratified lens of issue areas rather than the de facto acceptance of “control and centralization through the state” (79, 105).

Keohane and Victor (2010: 2) take a similarly functionalist approach in sketching a “regime complex” model in which there is not one single, universal, authoritative, integrated governance regime but rather a “loosely coupled set of specific regimes.” Within this regime complex, there is a continuum ranging from comprehensive international regulatory institutions to highly fragmented arrangements. They argue that such a diverse landscape of regimes will likely persist in arenas such as climate change precisely because a single, comprehensive adaptable and legitimate global framework is unlikely to appear. Whether or not a regime complex is superior to a single institutional focal point depends on whether it meets the tests of coherence (mutually reinforcing), effectiveness (compliance and measurable benefits), determinacy (clear long-term normative content), sustainability (reduces uncertainty and can withstand shocks), accountability (to multiple relevant audiences), and epistemic quality (consistency between rules and knowledge) (18-19). As no single existing policy architecture today can claim universal adherence or authority, the fragmented regime complex model is likely to continue to characterize world politics, opening the door to actors such as the WEF to lead the construction of or participate in new and potentially competitive regimes.

With these neopluralist assumptions about the global system in mind, global policy aspires to neutrality among actor-types in theory much as the WEF aspires to such neutrality in practice. While much literature on global governance implicitly hinges on state or inter-state actors, global policy thus moves furthest away from “seeing like a state,” i.e. privileging the script of states and governments (Scott 1998).

The global policy approach increasingly influences global governance scholarship. Avant (et al 2007: 2) recently defined global governance as the “management of global processes in the absence of global government.” This emphasis on process also suggests a global policy approach rather than viewing global governance as a particular end-state that favors one outcome over another. The poly-centric scope of global policy is also increasingly prominent as an analytic lens. By this logic, the world polity consists of inter-connected authorities (Ferguson and Mansbach 2004), and these authorities can cleave across state borders in the

form of sub-state networks, private actors, or multi-sector coalitions (Koenig-Archibugi 2010: 21-22).

How do these interactions yield macro shifts towards one or the other of Khagram's "normative-analytic images"? With a renewed focus on agents as autonomous governors rather than formal structures, global policy opens the door wider to understanding how "leadership and creativity" can alter global governance dynamics beyond coercive explanations (Avant et al 2010: 9) Yet while both Avant (et al 2010) and Khagram (2006) focus on agents, leadership, and particular functions which can shape the very architecture of global governance, there is insufficient attention to how one particular model expands as a *meme* of global policy-making. Khagram (2006: 112) claims that multi-stakeholder groups in particular "wield enormous power *and* authority often invisible to most." Transnationally allied forces that "strongly espouse and promote these images may be quite important in determining the directions of global governance toward one of the other more likely candidates" because they are "the most creative producers of novel governance architectures in recent times, even if their models might not become instantiated in total." As a standing multi-stakeholder body, the WEF can be an instrumental case in assessing how this particular governance mode spreads through the world system. Unlike single-issue coalitions/networks, its aim is to change global policy processes by promoting multi-stakeholderism itself.

2.3. MULTI-STAKEHOLDER PROCESSES: THEORY AND HISTORY

A global policy process can only claim to be neutral among actor-types if it is inclusive of them. The particular type of process of interest here, therefore, is multi-stakeholder processes (MSPs), which are defined trans-territorial, tri-sectoral initiatives that bring together actors from the public, private and non-for-profit sectors in the form of loose issue-based inter-organizational networks (Reinicke 2000, Waddell 2003). MSPs are mechanisms for bringing together stakeholders in a new form of communication, decision-making, and structure (Hemmati 2002: 19). They transcend traditional governance based on hierarchies of wealth and enforcement power and instead shift towards the right to be engaged based on each stakeholder's unique perspective and expertise (Hemmati 2002: 7, Rukato and Osborn 2001).

Stakeholder theory itself originates with Freeman's (1984) management treatise which urges corporations to take into account groups or individuals who can affect or are affected by an organization's plans, objectives, or operations. It is appropriate then that the subject of this study, the WEF, has its origins as a business organization with a multi-stakeholder orientation.

One advantage of the multi-stakeholder frame is that it allows for the particular modalities of global governance identified with the broader global policy framework not only to co-exist but to directly intersect. MSPs also close the gap identified by Risse (2004), namely the inadequacy of mainstream global governance approaches in accounting for "private-private" relations among corporate and civil society actors. Examples of these relationships and alliances abound such as the Gates Foundation's partnership with pharmaceutical company Merck, the World Business Council for Sustainable Development's (WBCSD) relations with Greenpeace, and the WEF's joint production of its Competitiveness Report series with Harvard University.

Whether in international or multi-stakeholder relations, dialogue is the foundation for finding consensus (Risse 2000). Scholars in the multi-stakeholder field emphasize not only the participation of and mutual recognition among diverse types of actors but also that MSPs enhance the legitimacy of decisions and outcomes. Why would MSPs be considered more legitimate than other approaches to global governance? Adler and Bernstein (2004: 294) argue that the genuine authority of global governance as a whole rests on institutions being devised in a legitimate manner, with broad participation being a major criterion. Inclusive decision-making thus results in more legitimate global governance (Khagram, Riker and Sikkink 2002; Smith and Brassett 2008: 72-4). Legitimacy is less about self-perception than membership, acceptance, and compliance with the rules of a given social system (Hurrell 2007: 77-8). Once actors' claims to authority are recognized by others, they become legitimate members of a collective discourse (Clark 2005, 2007). Mutual legal recognition among sovereign states is just one variant of recognizing actors' legitimacy, as is the notion of formal or legal equality. But a process of social agreement can generate many codes of legitimacy among un-equal, un-like, and non-sovereign actors. This social process entails actors engaging in "endless strategies of *legitimation* in order to present certain activities or actions as *legitimate*" (Clark 2005: 2). Legitimacy is thus not static, but indeterminate, and multi-stakeholder environments become the sites where "practices of legitimacy" are

exhibited among by diverse authorities engaged in a common dialogue (Clark 2005: 3). Without this inclusive participation by which legitimacy can be co-determined, global policy processes and global governance outcomes would be less legitimate. According to Hemmati (2002: 19), MSPs should also involve equitable representation of stakeholders, equity and accountability among stakeholders, and reflect democratic principles of transparency.

The empirical record on MSPs is shallow and under-developed. Owing to factors such as the lack of funding for NGOs and unwillingness of many governments and corporations to participate in a binding fashion, most MSPs are ad hoc rather than systematic (Hemmati 2002: 4, Reinicke 2000). The United Nations' experience with MSPs has evolved in a sporadic and ad hoc manner. The International Labor Organization (ILO), which was founded in 1919 and made a specialized agency of the UN in 1946, was the first multi-stakeholder international organization. Its 28 member board was comprised of 14 countries representing employers and 14 countries representing workers, while each national delegation has four members: two from the government, and one each representing employers and labor. The UN's current phase of experience with MSPs began with the 1992 "Earth Summit" in Rio de Janeiro, after which the Commission on Sustainable Development (CSD) held annual multi-stakeholder dialogues as part of its follow-up process (Hemmati 2002: 4). At the time, only 900 NGOs were accredited to the UN's Economic and Social Council (ECOSOC), a number which grew to 1900 by 2000 (Willems 1999: 250). The CSD then launched a new MSP devoted to monitoring the voluntary sustainability initiatives undertaken by industry. Within the UN system, however, NGOs have "consultative status": though they have the right to address the Council, they do not meet Hemmati's criterion of equality. The United Nations remains very much an organization of, by, and for states.

Yet it was at the WEF Annual Meeting at Davos in 1999 that UN Secretary-General Kofi Annan formally launched the Global Compact to advance business respect for norms on human rights, labor rights, environmental sustainability, and anti-corruption. The WEF was chosen both as a business venue but also as a multi-stakeholder venue.¹⁰ Annan declared: "The United Nations once dealt only with governments. By now we know that peace and prosperity cannot be achieved without partners involving governments, international organizations, the business community, and civil society. In today's world, we depend on

¹⁰ Interview with Georg Kell, Executive Director, United Nations Global Compact, New York, May 17, 2009.

each other.” The UN’s 2000 Millennium report further claims that, “The international public domain – including the United Nations – must be opened up further to the participation of the many actors whose contributions are essential to managing the path of globalization.” And paragraph 29 of the UN Secretary-General’s 2001 report to the General Assembly highlights the need for a regular process which incorporates “Major Groups” in “governance structures at multiple levels.” To this end, proposals have been floated within the UN system such as the notion of a People’s Assembly created as an advisory body to the General Assembly, something the Assembly can itself create using Article 22 of the UN charter which allows it to create auxiliary bodies to itself. However, this has never come to fruition due to concerns about the selection of individuals or groups and lack of accountability of some NGOs (Hemmati 2002: 30).

In the past decade, the UN has become a site for negotiation of new multi-stakeholder entities such as the Global Compact and Global Fund Against HIV/AIDS, Tuberculosis and Malaria. While the Global Compact retains the UN as its hub, the Global Fund is a completely independent agency with a special legal status (in Switzerland), and as of 2009 has severed its administrative services agreement with the World Health Organization (WHO). UN agencies hold only two of over two dozen seats on the Global Fund board alongside national health ministries, donor agencies, NGOs, private foundations, and multinational corporations. At the same time, the creation of UNAIDS marked the first time that NGOs took seats on the governing board of a UN agency (Altman 1999: 20-2). The Global Fund and UNAIDS, then, are reflective of the growing trend towards multi-stakeholder organizations partially or fully located outside the inter-governmental arena.

As with the UN, the World Bank increasingly looks to what it calls “collaborative models of governance” as platforms for multi-stakeholder participation in policy- and decision-making processes. Its own literature contrasts these with “top-down institutions based primarily on formal mechanisms that impose rules, legislative mandates, and punitive restraints on agent behavior.”¹¹ Kadar Asmal (2000), a World Bank official and chair of the World Commission on Dams, described MSPs as “never a neat, tidy, organized concerto. More often, the process becomes a messy, loose-knit, exasperating cacophony. Like pluralist democracy, it is the absolute worst form of consensus-building except for all the others.”

¹¹ “Global Multistakeholder Engagement,” Public Sector & Governance Division, World Bank; www.worldbank.org.

The Internet has become a major subject of research on multi-stakeholderism. One study (Antonova 2008) centers on the Internet Corporation for Assigned Names and Numbers (ICANN), arguing that it has developed into a powerful site of private authority despite its multi-stakeholder origins. She argues that ICANN, despite the pretensions of “shared power” among relevant stakeholders, has become a lightning-rod for criticism by both civil society and governments who claim it has become too powerful. The main lesson from this analysis is that even within a multi-stakeholder framework, power asymmetries and competitive strategies are at play whose outcomes affect all stakeholders. A related study on the Internet Governance Forum (IGF) (Malcolm 2008) argues that the UN-hosted, non-binding IGF can only be legitimate and effective if all stakeholders are assured full participation on equal footing with governments. In this regard, the decision to mandate that reviews of the IGF be conducted by the Commission on Science and Technology for Development (CSTD) within the Economic and Social Council (ECOSOC), where NGOs have accreditation, as opposed to the UN General Assembly (where they do not), is a crucial step in maintaining the multi-stakeholder nature of the IGF itself. Bringing together the various deliberations over Internet governance since the creation of ICANN and the first World Summit on the Information Society, Levinson and Smith (2009) take an “eco-system” approach to multi-stakeholderism, tracing specific proposals through the manifold linkages among people and organizations to show how they ultimately shaped contemporary Internet governance.

Khagram and Ali (2008: 214) identify four current multi-stakeholder networks with substantial track records: World Commission on Dams (WCD); Minerals, Mining and Sustainable Development Initiative (MMSDI); Global Reporting Initiative (GRI); and Global Compact. But even these four must be sub-divided in order for their internal dynamics to be usefully compared. The WCD, for example, serves as a very strong example of a multi-stakeholder enterprise, but it was convened at the invitation of the World Bank. Though its twelve commissioners came from NGOs such as the International Union for the Conservation of Nature (IUCN), the construction firm ABB, national water ministries, and representatives of indigenous people’s movements, its mandate was strictly limited and it had no independent existence outside of the World Bank-IUCN agreement that created it. Similarly, the Global Compact has its hub within the United Nations system and its mandate is limited to serving as a learning network among business and NGO members. The MMSDI is quite different. Lacking a single institutional hub, it is more of a consultative forum or network among

actors. It is an important venue for norm diffusion among participating members of the network, but does not have any independent capacity of its own. The GRI is quite unique from the above. Like the WEF, it is a standing non-governmental body funded by a mix of corporations and foundations, but it retains a tight focus on the accounting of supply chain standards for firms rather than generating new global governance processes.

Khagram and Ali (2008) do not sufficiently distinguish the structural differences among these various multi-stakeholder bodies. At a minimum, we should differentiate between multi-stakeholder entities which are attached to formal inter-governmental organizations and thus have tightly controlled mandates, those that are loose networks without capacity for independent agency, and those which are standing/permanent bodies. The WEF and GRI fall into this latter category. Without appreciating the internal freedom to set its own agenda that a free-standing legal status affords, we cannot explain how the WEF's activities have expanded in a self-directed fashion. The WEF was created independently of its members and then recruited those members, thus has always had a standing secretariat. This permanent status also allowed it to grow and change over time in ways not dictated or directed by its members, but rather by its own leadership, particularly its Managing Board (see Chapter 3).

Khagram and Ali (2008: 223) identify only two other global multi-sectoral business organizations involved in world politics: The International Chamber of Commerce (ICC) and the World Business Council for Sustainable Development (WBCSD). The ICC, while older than the WEF, remains a transnational private sector lobbying organization with an adjunct court of arbitration for the resolution of disputes among businesses. It is therefore more appropriately treated as a site of private authority than a multi-sectoral body. The WBCSD, by contrast, also has businesses and business associations as its members and convenes multi-stakeholder dialogues, but focuses exclusively on issues and policies related to ecological sustainability.¹² Neither the ICC nor the WBCSD has assumed a mandate as broad as the WEF or declared the ambition to be a permanent non-state anchor of global governance.

Risse (2004: 7-17) identifies problems with MSPs such as the uneven process of determining participants, the difficulty in instigating a reflexive process among them, and the uncertain

¹² Supported by the WBCSD, sector and industry specific multi-stakeholder networks have emerged such as the Forestry Stewardship Council (FSC) and Marine Stewardship Council (MSC) which are active in corporate monitoring and certification.

trade-offs between transparency and achieving reasoned consensus (which might be easier outside of public sphere and in secret). Still, he argues that non-hierarchical governance modes such as MSPs better allow for communicative action to play a role in their steering. The degree of openness to argument allowed in MSPs relates directly to the legitimacy of the process itself. But Risse fails to specify a particular threshold required to achieve such legitimacy, rather claiming that a sense of moral persuasion arises when sufficient legitimacy of process and participation has been achieved. Despite these obstacles, Khagram and Ali (2008: 252) argue that MSPs are likely to be the main source of new “organizational scripts” for the reconstruction of global governance, specifically “the possibility that multi-stakeholder networks as opposed to multilateralism will or could be the future of world affairs.”

2.4. CORE FUNCTIONS OF GLOBAL POLICY: CONVENING, FACILITATION, AND NORM ENTREPRENEURSHIP

A theory of multi-stakeholder processes must be built around elemental functions which any participating agent can fulfill. Global governance scholarship often presumes a continuum of activities in which agents participate including agenda-setting, negotiation, policy-formulation, implementation, compliance and verification/monitoring (Simmons and Oudraat 2001: 11-14). The existing multilateral order, particularly the United Nations, provides useful guidance in discerning key functions which carry over into the broader global policy domain. Formally, the UN has been a convener of the world’s states, a facilitator (and repository) of agreements and treaties among them, a norm entrepreneur advancing agendas of human rights, over-population, and food supply, and a monitor of compliance with agreements (Emmerij et al 2001, Rajagopal 2003). Three particular functions help us to understand how global policy emerges: convening, facilitation, and norm entrepreneurship. This section describes and analyzes these functions, how they relate to each other, and how they contribute to global policy-making. What has been the relationship between these global policy functions and multi-stakeholderism?

The convening aspect of global policy processes has not received as much attention as other global policy functions such as norm entrepreneurship. This is likely because it has been taken for granted that state or inter-state institutions were the only actors legitimate and

capable to convene relevant stakeholders. As is argued here, however, this is no longer the case, hence both new conveners and the significance of convening itself merit closer attention in a heterarchical context.

With the assumption that convening takes place for a certain purpose, it relates directly to the notion of agenda-setting. Keck and Sikkink (1998) highlight the role of issue-based networks in setting inter-governmental diplomatic agendas, and Florini (2000) writes of “framers” who shape views about causes of issues and problems, their consequences, the roles of affected parties, and potential solutions. Gatekeepers are also an important role within the context of convening and agenda-setting. Carpenter (2007: 3-6) claims that gate-keeping is itself a powerful form of global governance in that it reflects an agent’s ability to determine which issues are discussed across relevant transnational/global networks: “Issue adoption by gatekeepers is a defining moment for new issues on the global stage...the prerequisite for a development of a campaign that might result in new international norms.” Epistemic communities are also related to convening in that convened groups have the potential to be socialized in a manner that “creates collective interpretation and choice” (Adler and Haas 1992: 368; see also: Finnemore 1996, Finnemore and Sikkink 1998). These epistemic communities are instrumental in shaping the interests of those within them and creating space for policy coordination across actors and issues (Rochester 1986, Stone 2002). Thus while there is no specific theory of convening and global governance, the convening function relates to these existing roles of agenda-setting, gate-keeping, and forming epistemic communities. The WEF’s role as a convener and how this role relates to agenda-setting, gate-keeping, and epistemic communities is discussed in Chapter 4.

The facilitation function in global policy is more fully developed in scholarly literature. “Global governance networks” are considered the most neutral operational category to analyze multi-sectoral collaborative alliances which pull diverse groups and resources together to address problems that no one group can solve alone (Reinicke 2000). A broad range of actors, both state and non-state, can play a facilitation role in the establishment of such networks. Multi-stakeholder networks are often called “Global Action Networks” (GANs) (Waddell 2003) or Global Policy Networks (GPNs) (Benner, Reinicke and Witte 2000). Such networks do not require that states or inter-governmental institutions serve as hubs of these arrangements in order to be legitimate, but instead can consist of arrangements among any set of actors and at different levels of governance (Khagram and Ali 2008: 207).

But what are the specific dynamics within these multi-stakeholder initiatives? Do they feature relationships of delegation and contracting (Avant 2007) or dialogue and network formation (Reinicke 2000) or both? Chapter 5 examines the WEF's facilitation of such multi-level, multi-stakeholder networks.

Management scholars have also attempted to generate a theory of "constructive partnerships" to explain when multi-stakeholder alliances might arise. Using the example of Merck's call for a public-private partnership with DeBeers, other extractive companies, and the government of Botswana to address the country's HIV/AIDS crisis, Rangan et al (2002) argue that "constructive partnerships" arise when "the realization of economic opportunity (i) is shrouded by high market uncertainty (on the demand or supply side); (ii) calls for the creation of industry-specific public goods; and (iii) necessitates high governance costs for coordination and enforcement, then public-private alliances—constructive partnerships—will be necessary for realizing the economic potential." While this theory addresses issues of uncertainty, public goods, resource costs, and governance gaps, it does not utilize the literature on norm entrepreneurship which can help to explain how and when such partnerships are initiated.

There exists a robust literature on norm entrepreneurship. Florini (1996: 375) defines a norm entrepreneur as "an individual or organization that sets out to change the behavior of others." Norm entrepreneurs have of the past century include Henri Dunant, founder of the Red Cross, Jody Williams, head of the International Campaign to Ban Landmines (ICBL) which was awarded the Nobel Peace Prize in 1997, and the Canadian government, which has pushed the "human security" agenda amongst the world's governments (Florini 2000). Using the examples of environmental and women's rights movements, Kick and Sikkink (1998) highlight how values-motivated transnational advocacy networks (TANs) can impact on inter-governmental treaties and national-level policy-making. Their typology of actors which have been involved in TANs includes labor unions, the scientific community, local governments, media, and foundations. "Political entrepreneurs" are crucial to the success of TANs as they can use information, symbolic, leverage, and accountability forms of politics to have de facto influence over agenda-setting and institutional procedures even where they lack de jure authority. This was the case with the coalition that successfully urged passage of the Ottawa Convention banning the use of anti-personnel land mines (Price 1998) and the Jubilee 2000 movement urging debt relief for the world's poorest nations (Busby 2007).

Legro (2005) argues that the abandonment of dysfunctional ideas creates space for new ideas for restructuring international interactions to be introduced. Two types of norms are of direct relevance to this study: substantive norms and procedural norms. The ICBL and “human security” cases are examples of shifts in substantive norms, often implying a shift in international law. Such norms are often advanced by entrepreneurs who “call attention to issues or even ‘create’ issues by using language that names, interprets and dramaticizes them” (Sikkink and Finnemore 1998: 897). The WEF’s Global Redesign Initiative (GRI) represents precisely this type of effort to dramatically frame a crisis state which requires its multi-stakeholder “redesign” process to address.

By the same token, GRI is also an example of an attempted shift of process norms because it aspires to change the manner in which global policy is made, specifically by promoting multi-stakeholderism as a mode of deliberation. Indeed, the WEF provides a venue for TANs, sub-state bodies, and other actors Keck and Sikkink (1998) identify to form new networks. The WEF is thus not an ad hoc multi-stakeholder dialogue or network, but rather what Finnemore and Sikkink (1998) refer to as an “organizational platform” from and through which norm entrepreneurs (including the WEF itself) promote behavioral change. Goddard (2009) further argues that agents who act as “brokers” of relations (as the WEF does) are best placed to promote new norms which can alter the “rules of the game.” Taken together, this means that as the WEF’s own network expands, so too does its ability to reorient global policy structures by promoting its own preferred multi-stakeholderism.

As the subsequent chapters will seek to demonstrate, understanding the WEF’s evolving role as a convener, facilitator, and norm entrepreneur are essential to understanding how it has gradually established itself as an authoritative anchor of global policy processes in the multi-actor world system. The growing recognition of its knowledge authority, growing participation in its events and initiatives, broadening perception of its neutrality among stakeholders, and expanding agenda to encompass the “global public interest” have all been important ingredients in this process. At the same time, there remain pertinent questions (which should be applied to any authority) as to how the WEF’s neutrality, representativeness, and power are assessed.

2.5. NEUTRALITY, REPRESENTATIVENESS AND POWER

This chapter has claimed that existing accounts of global governance fail to capture entities like the WEF because they create strict typologies which the WEF bridges, and do not account for global policy anchors falling outside the inter-governmental domain. Instead, a multi-stakeholder approach to global policy best captures the ways in which the WEF enables interaction among diverse “global governors” in a heterarchical context. Additionally, this chapter has assembled a functional understanding of multi-stakeholder processes which allows for non-traditional actors can claim independent authority in global policy-making.

A number of questions remain in understanding the WEF’s position and role in global policy. First, how can the multi-stakeholder neutrality to which it aspires be demonstrated and proven? Some of the means by which the degree of neutrality can be judged are: financial autonomy, independent decision-making capacity, diversity of participant share, and whether statements or policies are made which seem to contradict the interests of the core business constituency. Has its agenda broadened sufficiently away from core business themes to claim external balance, and has the non-business share of its management structures and allocation of funds to support non-business programming expanded sufficiently to claim internal balance? Chapters 4-6 will explore the notion that though the WEF began as a niche actor centered exclusively on enhancing the interests of its business membership, it has expanded its agenda and re-invented its identity towards claiming neutrality among its own stakeholders and a vast range of global stakeholders more broadly.

Related to this, the question must be raised as to whether strong multi-stakeholder processes rooted in a particular institution can achieve the criteria of equality without some bias towards their own main constituency: governments in the case of the United Nations and businesses in the case of the WEF. UNAIDS represents an important success in that it has NGOs on its managing board. Is the same true of the WEF? Has it achieved a relatively equal balance of stakeholder representation as measured by participation in its activities? Importantly, just as the reform of such bodies as the UNSC or IMF can allow for the appearance of greater democracy even if such reforms do not reflect underlying changes (or lack thereof) in the distribution of power, the WEF’s evolution in multiple directions may appear to reflect a more democratic “equilibrium” among stakeholder groups, yet determining the power relations among them might be better viewed as internal to their specific contextual

interactions (such as through initiatives) rather than external as an overall property of the WEF. Another way to approach the question of equality is through the criterion of mutual accountability (Avant et al 2007: 21). If stakeholders within an MSP can be equally held to account by each other along the metrics of performance, transparency, and value of participation, and meeting promises of funding, then an adequate degree of equality has been achieved. Chapters 4-5 will explore whether WEF meeting and initiatives achieve this level of balance and equality.

There is also the issue of power relationships between public and private actors in WEF processes. How can we measure the influence of the outcomes of multi-stakeholder processes? Because the attribution of power within multi-stakeholder activities is difficult, it necessitates a relational approach to power in which influence is assessed in situational contexts (Lake 2004: 2, Ankerson 2002: 16, Barnett and Duval 2005). In the fast-moving and dense environment of WEF multi-stakeholder activities, tracing proposals through the range of deliberative formats the WEF offers towards decisions and outcomes is the only way to determine relations of power and influence. External to the multi-stakeholder initiatives, one way is to examine whether the standards created by a particular process have been adopted by other entities and mechanisms in that issue area. These questions are taken up further in Chapters 6-7.

This chapter has sought to lay out the key ingredients for formulating an actor-neutral, functional account of global policy dynamics, focused particularly on how multi-stakeholder processes allow for the intersection of diverse global governance modes. The understanding of multi-stakeholderism as an eco-system of various actors interacting at various levels is useful in understanding the WEF, which seeks to position itself as a neutral site of such processes as well as a promoter of them. The next four chapters will, in turn, provide an account of the WEF's history, structure, management and funding; its role as a convener focused on its Annual Meeting at Davos; its role as a facilitator of multi-stakeholder initiatives; and its role as a norm entrepreneur in advancing multi-stakeholder global policy processes.

CHAPTER 3

THE WEF'S FOUNDING AND EARLY YEARS

3.1. INTRODUCTION

This chapter provides a chronological description of the WEF's founding and early years. It gives an account of its management structure, financing, and principal activities. It asks critical questions about the WEF: Is the WEF merely a venue, or does it have actor qualities of its own? Does its membership model confer upon it the status of a knowledge authority, or is it mainly a tool of corporate interests? Is the WEF's definition and understanding of stakeholders and constituents original and do they make a contribution towards understanding relations within a multi-actor world society? How can we assess the claimed neutrality of the WEF?

The main sources for this chapter are primary documents such as WEF annual reports, its unofficial narrated historical book (Behrendt 2008), existing secondary analyses of the WEF (Lundberg 2004, Pigman 2007), and interviews with WEF Founder and Executive Chairman Klaus Schwab and senior members of the managing board who have served with the WEF for at least a decade each. Together, these sources provide an accurate context for understanding the WEF's early evolution and subsequent orientation.

3.2. BIRTH OF AN IDEA

In 1969, Klaus Schwab, the Swiss-German son of a wealthy industrialist, was appointed to the junior faculty of the *Centre d'Etudes Industrielles* (CEI) in Geneva, at the time one of Europe's four major management training centers. Schwab held a doctorate in economics from the University of Freiburg, a doctorate in engineering from the Swiss Federal Institute of Technology, and had completed a master's degree in public administration from the John F. Kennedy School of Government at Harvard University. Schwab had co-authored a book titled *Modern Enterprise Management in the Machine-Building Industry* which laid out a strategy for corporate leaders by which successful business management required executives to take into account all parties

(*die Interessenten*) relevant to or affected by their activities: not just shareholders, but also clients, employees, customers, suppliers, government, society, other collaborators, and the broader communities in which firms are situated. The WEF's official history claims that this "Stakeholder Theory" anticipated (1) distributed power systems, (2) rising complexity of issues and time compression, (3) the co-existence of hard and soft forms of power, and (4) the emergence of multiple identities—all of which created the need for network forms of management.¹³ While this thinking emerged from the field of corporate strategy, it dovetailed with the logic that solving domestic and transnational governance problems required public and private dialogue and cooperation. Though enterprises, trade unions, environmental activists, local municipalities, and universities are all different kinds of entities, they may have common stakes in certain issues, hence they need some common space to talk and listen to each other. Schwab's goal was to devise such a venue to make such communication both possible and productive (Pigman 2007: 9-10).

There is substantial significance in the time period during which the WEF was founded. The late 1960s were the turning point at which capitalism transitioned from an international to a global economy, opening up space for consideration of new structural approaches (Cox 1996: 524-36). Western multinational corporations increasingly took advantage of cross-border investment and production opportunities, disintermediating the traditional inter-state diplomatic order as companies increasingly exercised power and represented their own interests directly (Stopford and Strange 1991: 2). The changing agendas and purposes of diplomacy towards a greater emphasis on economic affairs helps explain how new actors became included in global processes. In other words, the *why* of diplomacy affected the *who* of diplomacy. Secondly, the Club of Rome's forecasts concerning global natural resource limitations thrust businesses into the spotlight through demands for conservation and regulatory compliance. This later came to be seen as the first of several waves in the evolution of corporate citizenship.¹⁴ Together, the combination of the multi-actor international political economy, European agitation to counter American financial hegemony, and emergence of corporate citizenship pressures formed the backdrop for the founding of the WEF and explain how it could intuitively see itself as an organization devoted to facilitating relations among public and private authorities.

¹³ http://www.weforum.org/site/homepublic.nsf/Content/Our_History.

¹⁴ SustainAbility and The Global Compact, *Gearing Up: From Corporate Responsibility to Good Governance and Scalable Solutions*. London: SustainAbility, 2004.

CEI placed Schwab in charge of organizing its 25th anniversary celebrations scheduled for 1971. Seeking a base from which to launch a multi-stakeholder venue, he convinced CEI to hold its anniversary event not in Geneva, but in the Alpine village of Davos in eastern Switzerland. Furthermore, the event would be organized as a strategic retreat, and Klaus Schwab would manage all planning and logistics through a non-profit entity he had created called International Educational Services (IES) (Graz 2003: 329). Given its association with and mandate from CEI, the first meeting of the European Management Forum (EMF), as the WEF was known at its founding, had as its main purpose to help European business leaders adopt American management techniques.¹⁵ Indeed, the timing of the Forum, late January, was selected to coincide with Harvard University's mid-winter holiday in order to secure the attendance of faculty with whom Schwab had become acquainted during his studies there.

Schwab also appealed to then president of the EU Commission Jean Rey to send delegates to the meeting, pledge public support for the nascent organization, and recognize its status as a non-profit institution. According to Peter Sutherland, the first director-general of the WTO, Schwab's note to Rey convinced him that the EMF would provide a non-institutionalized location for "the kind of dialogue, intellectual input and generalized debate amongst a broad series of constituencies that could not be provided by any Council of Ministers in the EEC or at any other inter-governmental gathering" (Behrendt 2008: 37-8). Even as a non-state, non-profit entity that did not enjoy legal equality in the prevailing inter-state order, the WEF designed a value proposition to attract figures as diverse as state and intergovernmental officials, noted academics, and CEO-level businessmen. The invitation to first European Management Symposium (EMS) announced the theme of "Developing a European Corporate Strategy" and that the symposium was being held "Under the patronage of" Mr. Altiero Spinelli, Member of the European Commission, and was to be chaired by Dr. Hermann J. Abs, Chairman of Deutsche Bank (WEF 2009a: 13). As the EMF was certainly not held under the official auspices of the Commission, this might have meant that the gathering had the Commission's "blessing."

Schwab's intended constituency was diversely conceived as being representatives of not only corporations, but also governments, academia, and other actors. Without this inclusive

¹⁵ http://www.weforum.org/site/homepublic.nsf/Content/Our_History.

presence, multi-stakeholder dialogue could not take place, and the EMF would be unable to deliver value-added above and beyond industry associations. He also sought to tie political, security, social and business concerns into the gathering as well. Schwab's approach to stakeholder theory is reminiscent of the understanding of global governance employed here, namely that diverse types of authorities are contributors to global governance, and that legitimacy derives from inclusion of these actors. His intention, however, was not to devise a new global governance architecture. Indeed, Schwab asserts that the earliest WEF statute refers to its 'complementarity' with international organizations. As he elaborates: "We never saw ourselves as even as the harbinger of an order that would replace the existing one. There simply was no standing mechanism for creating public-private partnerships. The original goal of Davos was to be such a multi-stakeholder platform under the broader WEF agenda to create dialogue among communities in ways that had not taken place."¹⁶

The WEF's main function was indeed different from formal international organizations. While non-state actor inclusion in diplomacy became increasingly widespread over the course of the 20th century and with respect to the United Nations system, the WEF became a prominent instance of a non-state actor *itself* being the anchor of multi-stakeholder diplomatic interactions. As such it represented a break from the modern era's assumed dependency of diplomacy on states/governments, enabling diplomatic dialogue among any set of mutually recognized authorities. As Langhorne (2008: 58) observes, non-state actors are entering diplomacy both through formal relationships to the state-based system as well as through their own informal activities. Given that diplomacy is rooted in practices of recognition rather than being dependent on one actor type, the WEF represents an important instance of diplomacy convened by non-state (and in this case non-profit) actors, and taking place in non-state/non-official sites such as the WEF Annual Meeting in Davos. WEF meetings thus provide a space manifesting the English School notion of a non-exclusive world society or world political system encompassing non-state actors, and embodied the transcendence of the traditional/modern state-centric diplomatic paradigm in favor of a postmodern, multi-actor milieu. At the same time, much as international organizations do for states (Keohane 1989), the WEF lowers transaction costs and plays an informational role with respect to this broader set of actors who see common interest its sustenance.

¹⁶ Interview with Klaus Schwab, Executive Chairman, WEF, Washington, October 7, 2009.

What principles govern interactions among such unlike actors in the context of the WEF? Are they placed on equal footing in terms of their rights and roles? Historically, legal treaties such as the Vienna Convention set binding reciprocal obligations on states in matters of recognition as embodied in ranks of diplomats exchanged and protocols of recording and codifying their agreements. Amongst actors in WEF events, however, mutual recognition is not formal, nor equal in a legal sense, but rather informal and related to shared participation in the process created by the WEF. The preservation of rank is maintained only in that top-level executives and officials interacted on a peer-to-peer level, but no legal formality underpins this dialogue. The preservation of rank is maintained only in that top-level executives and officials interacted on a peer-to-peer level, but no legal formality underpinned this dialogue. The informality of this arrangement is not unique in that, for example, the G-8/20 is not a legally founded body but rather an informal network with shifting membership as countries are invited to join various summits based on the individual relationships of the host nation. By serving as a multi-actor platform, the WEF thus increased the opportunities for both informal diplomacy and informal recognition practices.

Does the presence of public and private authorities at the WEF's meetings legitimize the WEF itself? As discussed in Chapter 2, late 20th century globalization enabled private actors to challenge the state's strict jurisdiction over diplomacy (Saner and Michalun 2009). Recall Clark's (2005: 2-3) claim that legitimacy is indeterminate and emerges through constantly shifting practices of legitimation that bring authorities into dialogue and mutual recognition of one another. Whereas inter-governmental processes are legitimate on the basis of their legal underpinnings, the WEF's claim to legitimacy lies in establishing the first standing multi-stakeholder diplomatic process inclusive of diverse actor-types.

Consistent with the WEF's multi-stakeholder vision and the broadening scope of the business agenda at the time, the first EMF of 1971 concluded with Schwab's pronouncement to the 444 participants that the managers of the future must be '*social architects*,' meaning they should shape their environment rather than merely responding to it.¹⁷ The EMF continued its Annual Meetings under Schwab's auspices, who negotiated its complete legal independence from CEI. The second Davos symposium in 1972 was attended by a sitting head of state, Pierre Werner of Luxembourg, who presented a proposal which became known as the

¹⁷ "Erstes Europaeisches Management Symposium," *Neue Berner Zeitung*, 17 February 1971 (emphasis in original).

“Werner Plan” for a European Monetary Union (EMU) and a single currency. The EMF’s initial endowment was only CHF 25,000, but the first EMS profited CHF 25,000 as well, which was used to further endow the EMF (WEF 2009a: 5).

The 1973 symposium was unique in the WEF’s history in issuing a concluding declaration unanimously endorsed by participants. The “Davos Manifesto” was something of a code of ethics. Principle (A) reads: “The purpose of professional management is to serve clients, shareholders, workers and employees, as well as societies, and to harmonize the different interests of the stakeholders.” This represents the only instance of the WEF taking an official position; otherwise it has “adhered to the principle that it should neither act as an advocacy group nor express any opinions on behalf of members or participants” (WEF 2009a: 15-16). This episode is crucial in understanding the WEF’s approach to neutrality. To the extent that it took a position, its position was to assert (multi-)stakeholderism as the path to neutrality and the greater good. (The issue of neutrality will be discussed further later in this chapter.)

The seminal events of 1973—namely the collapse of the Bretton Woods fixed exchange rate mechanism and the Arab-Israeli War—sparked an expansion of the Davos agenda in 1974 to include both more political leaders and commensurately greater discussion of political and social issues at the Annual Meeting, making the EMF an ever stronger venue for multi-faceted diplomatic conversation. During its early years the WEF also began its non-Davos regional and country summits. By 1975, 14 country meetings had been held, each convening business executives with political leaders and heads of trade unions. In 1976, the WEF brought together 1000 Arab and 1000 European business and political leaders in a special Euro-Arab Summit held in Montreux, Switzerland, kicking off the WEF’s continuous engagement or insertion in EU relations with the Gulf Cooperation Council (GCC).

Despite its global expansion (including a U.S. country meeting in Washington), it was in 1977 that Schwab paradoxically opened the symposium with the acknowledgment that, “The term ‘Davos Club’ has become a very legitimate claim.” This club included 71 regular business leaders and an ever-growing number of additional participants. That same year, the inter-governmental OECD became an “official sponsor” of the WEF, a status similar to that arranged with the EU. The first years of the WEF therefore saw its rapid expansion as a venue for dialogue among a variety of participants, broadened relationship building with

existing governmental entities, a broadening of items on the agenda, and nascent efforts to promote the norm of multi-stakeholder thinking and strategy.

3.3. THE WEF EVOLVES: VENUE OR ACTOR?

In its first five years the WEF had established itself as a host of meetings where important figures from public and private sectors came together, but it had not yet established itself as an actor in its own right. Pigman (2007: 2) contends that the WEF has always been a self-conscious diplomatic actor, thinking not only about global problems, but also about itself: “what it is, what its purposes are, what it could be, and what it should be.” To that end, Schwab promulgated the EMF’s first mission statement in 1976, calling it: “An independent, self-supporting, non-profit foundation dedicated to the strategic needs of Europe’s leading business decision makers.”¹⁸ He thus retained the focus on catering to European corporate executives, but his method of addressing their needs also remained to “convene, strategize, and innovate” through dialogue with non-business actors.¹⁹

Issuing a mission statement coincided with the WEF’s conversion into a membership organization. As discussed above, Schwab’s Institute for Educational Services (IES) was registered as a non-profit under Swiss law in 1970. For its first five years, the primary activity was to convene the European Management Symposium in Davos each January. In 1976, however, it introduced a system of membership targeting the world’s top 1,000 companies as ranked according to four criteria: their place within industries, extent of global activities, regional leadership, and corporate health and reputation (Pigman 2007: 12). Membership dues could then sustain the foundation rather than only relying on participation expenses for the Davos Annual Meeting and other regional meetings. The WEF reached its target goal of 1000 members in 1994.

Over time, a third source of revenue emerged beyond meeting fees and membership dues, namely selecting a small subset of corporate members as “Strategic Partners” who would each provide up to ten times the standard membership dues as well as in-kind services on a

¹⁸ http://www.weforum.org/site/homepublic.nsf/Content/Our_History.

¹⁹ Interview with Klaus Schwab, Executive Chairman, WEF, New York, May 29, 2009.

pro bono basis.²⁰ Collectively, this tremendous boost in income enabled the WEF's expansion in ways most non-profit organizations could not undertake such as increasing the annual number of summits and country meetings held around the world, establishing offices in New York and Beijing, and hiring additional staff to run taskforces and initiatives at the WEF's own expense.²¹ The sizeable increase in revenues represents a turning point for the WEF in terms of its establishment as a self-directed actor. Its purpose became not only to host meetings, but to service and provided value-added for a standing set of members.

The issue of WEF financing is crucial to understanding whether additional revenues served to reinforce corporate influence over the WEF or whether the WEF used this additional capital to undertake self-directed initiatives. By 2008 the WEF reached its goal of 100 strategic partners, and its total income was CHF 135,000,000. Strategic partnership contributions accounted for CHF 60,000 million, or almost half of revenues, while membership dues and participation fees each accounted for about half of the rest.²² If the relative value of these income sources is taken as representative of influence over WEF operations, then it could be claimed that strategic partner firms were the main drivers of the WEF agenda from the late 1970s onwards, much as great powers dominate the funding and agenda of inter-governmental organizations. Indeed, it is tempting to assert that membership in an organization like the WEF is analogous to member-state relations with the United Nations. Buzan and Little (2000: 267) argue that international organizations largely lack independent agency; they facilitate rule-setting and communication among states but have very little autonomy beyond the minimal collective interests of their member-states. But the WEF is not a UN for business (which is a role claimed by the Paris-based International Chamber of Commerce, which has national chambers as its member organizations). It is much more a private foundation with flexible purposes and utility.

Instead, the gains in the WEF's endowment marked the WEF's transition towards undertaking self-directed activities. As discussed in Chapter 2, some international organizations have acquired the ability to self-manoeuvre within given "zones of discretion" (Barnett and Finnemore 2004: 4). Similarly, the WEF leadership quickly began to believe

²⁰ The membership fee in 2007 was Swiss Fr. 42,500 (\$37,710), and strategic partner fee Swiss Fr. 430,000.

²¹ The total income of the WEF more than doubled in the second half of the 1990s: it was 30 million Swiss francs in 1994–5 and reached 63 million in 2000/01, with meeting fees falling below 30 percent as a source of revenue. See World Economic Forum, *Annual Reports*, 1998–9, p. 3 and 2000–1, p. 3.

²² In 2007–8 alone there was a one-third increase in the number of strategic partners, boosting revenues by 20 percent. See World Economic Forum, *Annual Report 2007–8*, p. 9.

that the organization should not only be a platform for global business and government leadership but also an *active venue* that can catalyze policy change by serving as a behind the scenes broker.²³ According to a managing board member, “We began very early on to decide where we felt we could be a catalyst such as on enhancing competitiveness.”²⁴ As will be discussed in Chapter 4, this notion of the WEF as an active venue is manifest in its agenda-setting role for its Annual Meeting in Davos and the relationship between that and the so-called “global agenda,” as well as its efforts to catalyze and contribute to peace processes. Chapter 5 discusses how the WEF catalyzes public-private initiatives in public goods arenas. And a further example of the WEF taking on actor qualities was its norm entrepreneurship in launching the *Global Competitiveness Report* (GCR) series in 1979 which aimed at re-defining and quantifying national competitiveness (see Chapter 6).

In numerous cases, whether the WEF was pushed to adopt certain issues by its membership or whether its interventions directed by the organization’s leadership is difficult to conclusively ascertain, but the manner in which new initiatives and efforts (beyond merely hosting the Annual Meeting) came to be housed within the WEF and directed by its own staff underscores that it gradually took on functions and activities which it internalized and steered with ever greater autonomy from its funders.

3.4. AUTHORITY OR CONSPIRACY?

The distinction between corporations paying participation fees for meetings and membership dues to a standing organization is crucial to understanding the WEF’s evolution into an independent actor in its own right. Companies now supported the WEF as the repository and incubator of knowledge rather than such value being epiphenomenally generated only at WEF meetings. Indeed, the WEF did manage to gradually establish itself as an authority—specifically a knowledge authority—alongside its constituents. The particular authority of actors and institutions is difficult to locate in the nexus of local and global political economies (Cutler 1999). According to Strange (1998: 118), “knowledge structures” can be considered a medium of authority, and derive their power not from coercion but rather consent: “authority being conferred voluntarily on the basis of shared belief systems.”

²³ Interview with Robert Greenhill, Chief Business Officer, WEF, Geneva, October 15, 2009.

²⁴ Interview with Kevin Steinberg, Associate Member of Managing Board, WEF, New York, October 28, 2009.

The WEF actually seemed to derive its authority not from contesting the balance between public and private power, but rather in finding a *symbiosis* of public and private authorities and their respective knowledge. As (Pigman 2007: 2) argues, “The Forum is fundamentally a knowledge institution: it affects its field of operations by causing the thinking of its members and interlocutors on problems and solutions to change and develop. The Forum’s story is the story of the power of words, ideas and discourse.” Saner (2006) argues that a crucial element of the shift from a modern to a postmodern diplomatic paradigm is the importance of information exchange rather than representation. In this sense, the WEF’s role as a broker for public and private information exchange makes it a unique site or authority for such knowledge generation. Pigman (2002: 297) further distinguishes between the WEF’s “public information activities” and “private information functions,” which map on to its on-the-record Davos sessions versus its closed-door governors meetings for industry executives, respectively. The WEF leveraged this aggregate demand for new ideas and insights to attract participants to its meetings where knowledge is generated through public-private interactions in an exclusive context.

Another way to approach the question of whether the WEF is only a venue for other actors versus an actor in its own right is to explore how it relates to the notion of the global private sector. While corporate participation in WEF events is increasingly global, its leadership goes out of its way to point out that it does not speak for the private sectors, not even its own members.²⁵ And yet it is widely held to be a proxy for the growing phenomenon of transnational elite clubs which serve as a microcosm for debates on the significance of new agents in the global political economy (Van der Pijl 1998, Sklair 2001). The power and influence of clubs such as the WEF is a subject of perpetual debate because “the influence of an elite club on a particular issue of global politics hinges, by definition, on loose and informal channels of power” (Graz 2003: 322). The WEF has therefore been seen as powerful precisely because of its informality. Lundberg (2004) claims that the WEF’s informality sparked rumors and intrigue as to what deals might be made in such an unaccountable setting. Graz (2003: 321) perceptively notes that, “Those closely associated with the Forum are inclined to deny its power and those fiercely opposed are likely to emphasize its overarching influence.”

²⁵ Interview with Kevin Steinberg, Associate Member of Managing Board, WEF, New York, October 28, 2009.

Understanding power the global political economy requires a relational approach in which it is contingent on situational context and the ability to translate resources into outcomes (Rosenau 1990: 40, Lake 2004: 2, Ankerson 2002: 16). Power is thus not fixed in units, but in relationships, and changes as those relationships do (Agnew and Corbridge 1995: 115). This is consistent with typologies of power that look beyond the coercive to include structural, institutional, and productive power as well (Barnett and Duvall 2005). These forms of power operate through social relations to constitute and change other actors' interests and preferences. Social control, for example, need not require coercive capability as it can stem from an actor's perception that compliance with certain norms enhances legitimacy (Hurd 1999: 379).

By their very nature, elite clubs exercise influence in a fluid and intangible manner. Graz (2003: 330) asserts that the WEF became a leading embodiment of the "social myth of capitalist consciousness," while in reality it was synonymous with neo-liberalism and marketism. This view, however, holds the WEF to be synonymous with its business constituents—who certainly themselves exercised power and influence individually—and ignores the WEF's guiding stakeholder principle which sets it apart from widely existing industry associations of the time which did not include non-business actors. Schwab's intention was not to create simply another industry lobby to circumvent or pressure governments, but to create a multi-actor platform for them to come together: "The Forum has never been a business organization, nor a political one. It convenes leaders from all walks of life."²⁶ While "neo-liberal marketism" helped propel corporations to influence government regulations worldwide, the WEF itself was not necessary for this to take place. Its presence drew leading corporate and political figures, but its influence over them did not yet register with any significance. The WEF had become a unique public-private knowledge authority, but not yet a shaper of norms in such a way as to be considered an organ of global governance.

²⁶ Klaus Schwab, Speech on "The World Economic Forum and Global Challenges," Annual Summit of the New Champions, Dalian, China, September 12, 2009.

3.5. INSIDE THE WEF

Since its founding, the WEF has been plagued by the perception that it has no existence independent of its Davos Annual Meeting. This common myth holds the name of the village of Davos to be a synonymous with a nearly spontaneous gathering named the “World Economic Forum” without acknowledging that an actual organization with that name exists (headquartered in Geneva) and carries out year-round activity. Yet as Pigman (2007: 49) states, the WEF “can legitimately lay claim to being unique both for what it is and for what it does.” Indeed, understanding the unique character of the WEF itself, not just its Annual Meeting, is crucial to understanding the changing nature of relations among public and private actors that shape diplomacy and global governance. Indeed, while the WEF appears to be a purely business organization when judged by its funding base, its unique and complex governance structure differs from that of international organizations, its own member companies, and other non-profit entities.

At the highest level, the Foundation Board manages the WEF’s statutes, reviews applications of funds, and sets strategic goals. The Foundation Board consists of 22 political, business and intellectual leaders from around the world.²⁷ It is a self-appointed body; it has an executive committee of its own which nominates and invites new members to join for three years terms. It includes currently serving CEOs of companies such as Pepsi and Dell, former heads of state such as Britain’s Tony Blair and Mexico’s Ernesto Zedillo, former Secretary-General of the United Nations Kofi Annan and former head of the World Trade Organization (WTO) Peter Sutherland, MIT university president Susan Hockfield, Queen Rania of Jordan, and current French Minister of Economy and Industry Christine Lagarde. While it is not uncommon for former heads-of-state or ministers to serve on non-profit boards, the inclusion of actively serving officials such as Lagarde represents an important hybrid twist on public-private governance. Two other similar cases are Caio Koch-Weser, who served as German finance minister while serving on the WEF Foundation Board, and Nandan Nilekani, chairman of the information technology firm Infosys, who in 2009 became a member of the Indian cabinet. Neither Lagarde nor Koch-Weser nor Nilekani recused themselves from their roles on the Foundation Board or decisions taken therein. Furthermore, individuals such as

²⁷ <http://www.weforum.org/en/about/Our%20Organization/FoundationBoard/index.htm>.

Blair, Annan, and Zedillo continue to serve as heads of standing inter-governmental task forces on matters related to Mideast peace, environmental sustainability, and development finance, respectively, somewhat blurring the distinction between personal and professional capacities. While the WEF does not explicitly intend to increase the number of active public officials on its Foundation Board, it appears to be evolving towards accepting and leveraging a certain number of them.²⁸ Bringing in such public figures into the Foundation Board can be seen as a reinforcement of the WEF's public interest goals.

The second organ of WEF governance, the International Business Council (IBC), is comprised of 100 eminent corporate executives who meet twice a year to provide "intellectual stewardship" to the WEF.²⁹ Like the Foundation Board, the IBC has an internal nomination committee which proposes new members which are put to the broader IBC for acceptance. The IBC was only added to the WEF governance structure in 2001 on the recommendation of the Foundation Board, but has taken on a crucial role in determining concretely how the WEF will achieve the strategic goals set forth by the Foundation Board. According to one managing director, the semi-annual IBC meetings "have the air of the Spring and Fall meetings of the World Bank and IMF boards."³⁰ In other words, IBC members act somewhat like shareholders in dictating priorities to the WEF. In the midst of the financial crisis of the fall of 2008, for example, a heated IBC session resulted in what has described as an ultimatum to the WEF Managing Board to completely restructure the 2009 Davos Annual Meeting program along the banner of "Shaping the Post-Crisis World" from the planned theme of "Connecting the Dots."³¹ The implicit message to the WEF was that in such a dramatic climate the business sponsors and CEOs would not be able to justify their attendance at any high-profile gathering which did not address the crisis head-on.

The day-to-day affairs of the WEF are run by a Managing Board responsible for executive oversight and management of operations, activities, and resources. It is comprised of the founder and chairman, Klaus Schwab, and de facto populated by the directors of the main internal centers: Global Industries, Regional Strategies and the Global Agenda (see below). While the WEF's original Managing Board was comprised of a few individuals who were present at the organization's creation such as Maria Livanos Cattai, now chairwoman of the

²⁸ Interview with Kevin Steinberg, Associate Member of Managing Board, New York, October 28, 2009.

²⁹ <http://www.weforum.org/en/Communities/InternationalBusinessCouncil/InternationalBusinessCouncil>.

³⁰ Interview with Richard Samans, Managing Director, WEF, April 30, 2009; via telephone.

³¹ Interview with Lee Howell, Annual Meeting Director, WEF, Geneva, October 15, 2009.

International Chamber of Commerce in Paris, and Claude Smadja, now an independent businessman, its evolving composition reflects its insertion into the professional diplomatic landscape by way of human resource competition with traditional bodies (Saner 2006). For example, Jose-Maria Figueres, who upon leaving the presidency of Costa Rica, chose to join the WEF as a managing director rather than take the position of head of the UN Environment Program (UNEP), while Borge Brende, a former Norwegian foreign minister, left the WEF to return to Norway in order to run the national Red Cross. Importantly, as with the Foundation Board, the Managing Board includes former government officials and former executives from major corporations such as Royal Dutch/Shell, McKinsey & Company, Bombardier, and Roche.

The diverse backgrounds of the WEF's board-level figures hint at an internal structure designed to address various themes and issues from multiple perspectives rather being business driven per se. Specifically, three internal divisions—the Center for Global Industries, Center for Regional Strategies, and Center for the Global Agenda—were established in order to simultaneously provide a global, regional, and industry lens on any particular issue. Within the Global Industries cluster, member companies are organized by sector and convene in private “governors” sessions at each Annual Meeting in which key industry challenges are discussed and common responses developed. In this sense the WEF contributes to the growing arena of corporate self-regulation and informal regimes. The Regional Strategies cluster includes units which build political, business and other relations in all major world-regions for the purpose of organizing the “mini-Davos” regional summits which occur approximately annually in each region. The Center for the Global Agenda houses many of the public-private initiatives which have increasingly become the focus of WEF activity.

3.6. MISSIONS AND CONSTITUENTS

Even though the WEF is business-funded, it is a non-profit that has no guaranteed annual support in the way that many inter-governmental organizations enjoy. It thus requires a viable business model to survive. For the WEF this has meant constant adaptation, visible through its changing names, goals, and mission statements. In 1987, the European Management Forum was formally renamed the World Economic Forum to reflect the reality that it no

longer focused on developing strategies for European businesses alone. Instead it saw itself as an organizer of communities and convener across them on a global scale.

One can make a variety of assertions concerning where and how the WEF fits into the global governance landscape. It can be viewed as a new platform for diverse actors, but also a new site of private authority in global governance. The WEF's frequently changing internal narratives have perhaps not helped to clarify this confusion, or at least to mitigate the number of competing interpretations about its true essence. While its mottos have consistently remained "Entrepreneurship in the global public interest" and "committed to improving the state of the world," its mission statements have evolved considerably. While the 1976 mission statement focused on providing for European business decision-makers, by 1983 the WEF aspired to: "provide the world with a continuous, independent and informal forum, where those who exercise the highest responsibilities in economic affairs can meet to exchange information, opinion and experience, to propose actions and elaborate projects, and to advance their common efforts for worldwide economic progress and cooperation." By 1993 the mission statement declared that the WEF is "the world's foremost institution integrating leaders from business, government and the sciences into a global partnership for economic and social progress." By 2005 its self-description had evolved to read: "The World Economic Forum is an independent international organization committed to improving the state of the world. The Forum provides a collaborate framework for the world's leaders to address global issues, engaging particularly its corporate members in global citizenship...The Forum recognizes that the world's key challenges cannot be met by governments, business or society alone. Therefore, the goal of the Forum is to develop strategic insights by facilitating continuous interaction among these sectors." The WEF's original de facto function of bringing together diverse stakeholders had thus become its explicit mission, and with the added dimension of generating particular forms of knowledge related to advancing "global citizenship."

While each of these mission statements is consistent with the original multi-stakeholder vision elaborated by Schwab in the early 1970s, the explicit usage of the term "international organization," which is widely held to be synonymous with inter-governmental institution, was perhaps an intentional, over-ambitious effort to blur the lines between the WEF's unofficial nature and the official status of IGOs. Technically, the WEF is a transnational organization in that it has offices and activities outside of its headquarters location in

Switzerland, but not an international organization whose membership is comprised of nation-states. While the WEF has reached a size (both in terms of budget and staff size) greater than that of comparable official international organizations such as the UN Conference on Trade and Development (UNCTAD), its main conceit had always been to be a multi-actor convener rather than to be confused with multilateral organizations. Unlike the UN, whose membership includes all states, the WEF is not representative of all businesses and is not a legislative body. Furthermore, though the WEF is legally recognized as a non-profit entity, the interactions among authorities which it enables, while diplomatic in character, rest on no formal legal foundation. These activities are therefore additive to the inter-state system rather than substitutive.

Who are the stakeholders and communities among whom the WEF seeks to mediate? Here the distinction between stakeholders and communities becomes crucial. Freeman (1984) defines stakeholders as groups or individuals who can affect or are affected by an organization's plans, objectives, or operations. But whereas this definition reflected the standpoint of corporations with stakeholders accorded a secondary status, the WEF sought to be the "foremost and only multi-stakeholder platform for communities.... Building communities allows people to relate to one another on a peer-to-peer level on the basis of trust."³² Since the 1980s the WEF has aggregated over 25 different communities of stakeholders such as mayors, technology pioneers, young global leaders, scientists, labor union heads, civil society leaders, media figures, international organization heads, university presidents and more. Rather than a territorial or ethnic understanding of community, the WEF sought global representation in each of these groupings. In each case, the WEF's own staff researched and select the members for these communities, showing its growing capacity for self-directed decision-making and activity.

Interestingly, unlike inter-governmental organizations that cannot themselves choose their member-states, the WEF increasingly selected its own participants through its various boards who deliberated on new members, as well as determining which new types of communities to build and to develop relations with. By both aggregating individual authorities into community clusters and enabling interactions among them, the WEF demonstrated growing ability to contribute to the anchoring of a multi-actor world system.

³² Interview with Klaus Schwab, Executive Chairman, WEF, Dalian, China, September 9, 2009.

3.7. CAN THE WEF BE NEUTRAL?

Given its increasingly explicit mission statements in the direction of serving diverse stakeholders and the global community at large, it is important to address the issue of neutrality. Can an organization paid for primarily by business (and with an exclusively business membership) be a neutral platform? To the extent that the WEF's agenda is indeed to facilitate multi-stakeholder interactions, it would seek to be perceived as a neutral venue for them rather than having a particular, partisan agenda, analogous then to its home country Switzerland's neutral role in international diplomacy. Perhaps no actor can be completely neutral given particular underlying values of each, but in the case of the WEF's the underlying value is that of promoting an even playing field for deliberation among diverse stakeholders. The WEF's neutrality can thus be seen as in its effort to "serve as a crossroads and mediator among sectors."³³

One current managing board member who has been with the WEF almost since its founding claims that, "From the beginning the WEF has put itself forward as a neutral platform which tries consciously not to represent a constituency. It is business-sponsored but not business-run."³⁴ In arguing for the WEF's neutrality, its Chief Business Officer makes the strongly counter-intuitive argument that even though private corporations "pay the bills, the business community should not look to the WEF to advance their interests." The logic behind this position is that the WEF's credibility is enhanced by vigorously asserting its neutral, multi-stakeholder character and not allowing any constituency to be too dominant.

Furthermore, because no single member or funder provides more than two percent of the WEF's revenue, the WEF is insulated from individual member company pressure. It constantly consults with them, but has growing autonomy from them. (By contrast, the United States provides 25 percent of the UN's regular budget and 40 percent of its peacekeeping budget.) "Our financial independence affords us the opportunity to create equals out of unequals, and to be more neutral and objective."³⁵

³³ Interview with Richard Samans, Managing Director, WEF, Singapore, December 1, 2009.

³⁴ Interview with Kevin Steinberg, Executive Director, WEF New York, October 6, 2009.

³⁵ Interview with Robert Greenhill, Chief Business Officer, WEF, Geneva, October 15, 2009.

Taken together, preliminary indications of neutrality are that the WEF has not taken institutional positions on issues but rather serves as a convener of authorities to come to conclusions on them individually and collectively, and the WEF's providing equality of opportunity for all participants. The WEF does give similar status and access to non-business entities as to business ones, and widely subsidizes the participation of non-business actors by waiving any fees and paying for airfare and accommodation costs. The WEF also asserts neutrality by constantly calibrating the balance of actors present at its meetings, ensuring a threshold of representative companies, governments and NGOs. Furthermore, the shifting outcomes of WEF events over time which appear not to favor business interests as traditionally conceived is another indicator of neutrality.

Ultimately, the marketplace of opportunity for such public-private diplomacy could determine whether or not the WEF is perceived as sufficiently neutral to merit continued participation in its activities by individual authorities. On this score, participation in WEF events has grown steadily over time. The next chapter examines the WEF's flagship event: the Annual Meeting at Davos.

3.8. LOOKING AHEAD

This chapter has summarized the conditions and impetus behind the founding of the WEF and sketched its evolution over particularly its first three decades. The following observations and claims have been made about the WEF's role in global policy:

- The WEF is not simply a site of private authority or a lobbying group as is typically the case with industry associations. Instead, from the outset, the WEF sought to be a site of multi-stakeholder interactions among public and private authorities even if legally it was nothing more than a non-profit foundation.
- The WEF promotes the intersection of diverse global governance modes through its cooperation with national governments (e.g. India, China), regional organizations (e.g. GCC), and inter-governmental bodies (e.g. OECD). This supports the claim that it is a standing site for the integration of global policy processes.

- The WEF's role in assembling communities is an important contribution to making concrete the notion of "world society," and placing these communities alongside official/governmental leadership makes the WEF a standing supplement to the international society of states.
- The WEF's positioning as a knowledge authority rests of the knowledge created and disseminated through the public-private interactions it organizes. It is not a particular substantive expertise as such, but rather a unique process of knowledge generation.
- Even as it remains financially dependent on the private sector, the WEF nonetheless increasingly aspires to neutrality among diverse stakeholders as well as independent decision-making capacity from its corporate membership.

Numerous debates remain unresolved, however. First, there is a tension between perceptions of the WEF as an elite club of business leaders versus its ambition to serve as a neutral venue for multi-stakeholder interactions. To what extent can a membership-based model remain open and provide equal access to non-members? Second, the WEF's mission statements continue to exhibit a tension between privileging business interests and focusing on global public goods. While the WEF can frame the former as serving the latter, it has not been as explicit as could be the case, especially when compared with new corporate citizenship organizations and vehicles that have emerged in the past decade. Third, though the WEF's Foundation and Managing Board composition has diversified away from business dominance, and new communities have been created and brought under internal management through public goods oriented units within the WEF such as the Center for the Global Agenda, the principal WEF meetings continue to focus largely on business themes.

These outstanding debates cannot be resolved without a detailed analysis of the WEF's activities, particularly the dramatic increase in non-summit/meeting initiatives which strongly involve both governmental and civil society actors. As much of this activity has emerged in the past decade, existing studies of the WEF largely fail to acknowledge it. The following three chapters therefore focus on the WEF's main convening, facilitation, and norm entrepreneurship functions and the key activities within them which can shed light on the claims and debates raised thus far.

CHAPTER 4

THE WEF AS CONVENER

4.1. INTRODUCTION

Langhorne (2008) makes the claim that the WEF is a new kind of platform on which diplomacy is increasingly required to speak. Why could this be the case? Is it that public sector diplomats must increasingly explain themselves to powerful private sector actors? Or that the WEF itself has achieved a certain authority whereby it now belongs to the mainstream circuit of diplomatic activity among both state and non-state actors? The answer to these questions lies in an analysis of the WEF's primary platform: the Annual Meeting at Davos.

The Annual Meeting is the key exemplar of the WEF's role as a *convener*. It presents an opportunity to examine to what extent WEF participation has broadened beyond the corporate sphere, whether the WEF has successfully fostered a multi-actor epistemic community of leaders, whether it has been able to shape the content and direction of the "global agenda" among those leaders, and whether it has influenced official international political and institutional outcomes. Pigman (2007: 2) implies but does not spell out how the WEF's convening of elites to "think, talk and make a few deals" translates into "shaping both the norms and decisions among elites." To what extent does the WEF's serving as a convener of diverse authorities for these activities fulfill its self-described mandate to "improve the state of the world"? How does it sort out or unify the growing diversity it has encouraged at the Annual Meeting, including public and private actors, Western and non-Western governments, public and private agendas?

This chapter portrays the Annual Meeting as an evolving vehicle by which the WEF has used its growing convening power to influence elites in their outlook and norms, shape the "global agenda," and insert itself into international political decision-making processes. It analyzes these three aspects of the Annual Meeting in turn. With respect to the claim that the WEF has generated a unique multi-actor epistemic community, it assesses primary and secondary sources to determine whether the organization has successfully been able to promote a Davos "point of view" shared by participants. Does this mean that the WEF has become an anchor

of a multi-actor world society? To evaluate whether the WEF has been able to shape the “global agenda,” this chapter traces the process of inclusion of corporate social responsibility themes into and beyond the Annual Meeting to establish whether or not the WEF was a driver of that particular issue on a global level. Lastly, in evaluating the WEF’s role in using its Annual Meeting to shape inter-state negotiations, it will look at whether the WEF’s interventions played any role in shaping ultimate official/political outcomes. In each case, the key question is whether the WEF Annual Meeting is just a venue, or whether it has evolved into an “active venue” through which the WEF is able to promote specific norms and ideas.

A variety of sources play a role in analyzing the WEF Annual Meeting. More so than other WEF activities, a very substantial amount of media reporting is generated at Davos, providing analysis from the time of each summit to shed light on perceptions of its agenda and impact each year. Additionally, interviews with key WEF managers and staff responsible for the Davos program and content provide important insights into how and by whom the agenda is determined and shaped, a crucial question is evaluating the WEF’s intellectual autonomy. Interviews with Davos participants from the public, private and non-profit sectors are useful in clarifying the diverse motivations and value-added various stakeholder groups see in attending the Annual Meeting. Finally, certain writings on the WEF (Behrendt 2008, Pigman 2007) alongside empirical analysis help to clarify whether the usage of Davos to intervene in “high politics” has been successful in various instances. Together, these sources generate an accurate picture of the variety of inputs into the WEF’s flagship summit as well as the outputs from it.

4.2. SOCIALIZING ELITES INTO AN EPISTEMIC COMMUNITY

As has commonly been the case throughout history, status and prestige are central to claims of authority in world politics. What startles many observers about the prestige the WEF has achieved through its Davos Annual Meeting is that it has done so merely by creating a dialogue space among political, corporate, academic, and civic elites: It built the venue, and people continue to come. From the early 1970s where participation was limited to several hundred individuals in a secluded retreat ambience, the Annual Meeting has since the 1990s been consistently well over-subscribed with a maximum logistically feasible number of participants capped at approximately 3,500; delegations from business and government

including thousands more people rent accommodation in all surrounding towns in order to be proximate to the Annual Meeting and its participants.

CEOs have had diverse motivations for attending the WEF Annual Meeting: industry dialogue, efficient networking, access to government officials from multiple countries, managerial learning and business trend-spotting. Sir Martin Sorrell, CEO of the WPP Group and a onetime WEF Foundation Board member, makes the case that “Davos is incredibly efficient because so many key people are there.”³⁶ One business participant echoes that at WEF summits, “You collect the 20 business cards you’d never otherwise get.”

The WEF has long claimed that its Annual Meeting gives it a unique convening power, particularly of a cross-section of government, business and civil society leaders, enhancing its authority in this regard. Beyond corporate executives, then, the WEF Annual Meeting has increasingly featured multi-stakeholder interaction. Importantly, the WEF’s multi-stakeholder convening is not to be confused with “track-II diplomacy” (Aggestam and Jerneck 2009: 37). While track-II diplomacy involves dialogues among civil society groups, the groups are selected to promote dialogue and reconciliation on a bilateral basis. Multi-stakeholder mechanisms, by contrast, need not align with or mirror official bilateral agendas and by definition involve some official representation. More important in comparing track-II diplomatic processes with multi-stakeholder dialogues is the recognition that such interactions among private/non-state actors qualify as dimensions of diplomacy and global governance (Risse 2004, Saner 2008).

The WEF’s role as a multi-actor venue thus challenges the minimal significance previously ascribed to official/non-official contacts. In defending the proposition that non-state actors merit inclusion in global governance processes in the manner that the WEF does, Pigman (2007: 52) argues that, “Although not functionally identical to nation-states, these actors engage in the core, generic diplomatic functions of representation and communication in ways that are similar enough to those of nation-state governments that it is more useful to understand the landscape of diplomatic interaction as including them than not.” By this logic, the WEF is no less a venue for diplomacy than traditional multilateral organizations. Indeed, its added value is that it integrates both official state actors and non-state, and thus more fully

³⁶ Quoted in Eric Pfanner, “Leaders in Davos Are Hoping for More Than Just a Talk Fest,” *International Herald Tribune*, January 21, 2004.

reflects this “landscape of diplomatic interaction.” Importantly, this includes the increasingly notable phenomenon of “corridor diplomacy” which refers to informal government-NGO interactions and lobbying which takes places at summits on climate change and other issues. Consistent with the definitions of global governance employed here which stress the co-existence of formal and informal interactions, one senior WEF program manager states that, “Diplomacy at Davos happens by way of walking around and mingling.”³⁷

As the Annual Meeting grew from being dominated by corporate CEOs to including an ever greater number of heads-of-state, ministers, non-profit and university presidents, and other social and cultural leaders, the WEF’s approach to maintaining an informal protocol of peer-to-peer equality took shape. Relatively few keynote speeches are allocated in total, but they are fairly divided between business and political leaders. Importantly, most sessions at the Annual Meeting are panels, roundtables, or workshops in which these figures are seated equally alongside others selected by the WEF. The impact of such formats on perceptions of prestige is two-fold. First, consistent with the growing power of business in the international political economy, this practice in a way sanctified the rising status of business vis-à-vis governments. At the same time, rather than emphasizing parity among stakeholders, the WEF promoted co-responsibility among stakeholders for (literally) speaking to global challenges. Indeed, the Annual Meeting is chaired each year by a combination of 2-3 public sector and 2-3 private sector figures.

These particular choices of formats—from the Annual Meetings chairmanship to its smaller roundtables—inform debates about the WEF’s legitimacy and neutrality. Concerning neutrality, the WEF clearly sought to re-balance the formal strictures of inter-state diplomacy with a more informal parity among diverse actor-types. In doing so, it attempted to turn what are unequal negotiations outside of the WEF into informally equal dialogues. These inclusive formats can also be said to have enhanced the WEF’s own legitimacy in that even a mere convener of dialogue must to some extent be recognized as legitimate in playing the role of convener of actors as they engage in their own practices of legitimation vis-à-vis each other.

In the previous chapter it was discussed how the WEF did not accrue demonstrable power in its early years in that there is little evidence of it clearly shaping the behavior of the actors

³⁷ Interview with Lisa Dreier, Director of Development Initiatives, Geneva, September 24, 2009.

it convened. Nonetheless, Pigman (2007) and Behrendt (2008) assert that over time, the Annual Meeting probably and likely shapes norms and decisions among elites as much as any other summit, official or unofficial. This might be because diplomats and delegates come to inter-governmental negotiations representing national positions which are difficult to compromise or reconcile, whereas individuals come to Davos to share and exchange information and insights through both planned/strategic networking as well as casual/incidental interactions. Bull (1977: 181, 316) argued that the task of creating a global society (beyond the formal international society of states) would fall to practical diplomats who are the elite repositories of a “common stock of ideas” and whose expertise is to continuously gather such information. Because of its multi-stakeholder nature and information sharing functions, the WEF Annual Meeting can be seen as the permissive diplomatic space for such an epistemic community to form.

Having established that the WEF convened public and private sector leaders on a peer level in an informal setting, the question becomes whether it has been able to socialize elites towards the creation of a unique epistemic community. What if any common point-of-view have WEF Annual Meeting participants adopted? Klaus Schwab first articulated such a goal in 1983 during his opening speech at the Annual Meeting (which at the time was still known as the European Management Symposium) where he defined the “Spirit of Davos” as a “spirit of dialogue and cooperation, not confrontation.” He claimed that the Annual Meeting had become “one of those increasingly rare international events where formality can be dispensed with, where personal contacts can be made, where new ideas can be tried out in complete freedom, where people are aware of the responsibilities involved in a belonging to an international community, where we have time to look at really important issues rather than everyday pressures. This is what we call the Spirit of Davos.”³⁸ This is an explicit reference to the mid-1920s “spirit of Locarno,” which after a series of treaties involving Western and Eastern European nations led to the gradual normalization of relations with Germany and its admission to the League of Nations. Like Locarno, Davos is not an institution but a place where diplomatic agreements can be made in the hope that their spirit influences subsequent decisions and events.

³⁸ *Highlights of the Symposium and Summary of the Programme*, Davos Symposium 1983, European Management Forum.

The only substantive takeaway from Schwab's speech is the notion that leaders should be aware of their global responsibilities. In its early years the WEF Annual Meeting was more about informal networking; commitments from business leaders were more personal than institutional. As of 1983 Schwab sought to add a normative dimension and expectation for Davos attendees. Pigman (2007: 53-4) argues that the WEF was from the start "never only a neutral venue in which diplomatic interactions could happen" but rather sought "specifically to encourage the types of diplomatic interactions that would result in the creation of a better global economic, political, social and thus indeed business climate." In the Davos context, then, Bull's "common stock of ideas" translated loosely into "awareness of global responsibilities."

The WEF has increasingly sought not only to educate business leaders but to engage them in its more formal mission—but in the case of the Annual Meeting was using the same instrument for both purposes. Yet it was not until 2005 (twenty years after the "Spirit of Davos" speech) that the WEF's mission statement explicitly spoke not only of promoting "interaction among sectors," but specifically of "engaging particularly its corporate members in global citizenship." Here, though, the transition from engaging individuals to member companies is crucial. "In the early years of Davos, CEOs came for 8 or 9 days to pursue personal growth," explains a managing board member. "Now they are always 'on': they cannot abandon their institutional identity because of the constant attention and transparency. Davos now has to be compelling from a personal and corporate perspective."³⁹ The subtle transition from representing oneself to the corporation places a greater burden of responsibility on the participant. As one WEF director points out, "We are aware that ultimately it is leaders who make decisions, not their institutions, so we have to cultivate them as individuals so that they make certain decisions on behalf of their companies or governments."⁴⁰

A contrasting view to Schwab's attempt to create an epistemic community of globally responsible public and private leaders was presented by political scientist Samuel Huntington, who in referring to "Davos Man" and "Davos culture" in his 1996 book *The Clash of Civilizations and Remaking of World Order* most notably captured this notion of the Annual Meeting as a gathering place for transnational elites stripped of national loyalties with little

³⁹ Interview with Kevin Steinberg, October 28, 2009.

⁴⁰ Interview with Alex Wong, Director, Center for Global Industries, WEF, Dalian, China, September 11, 2009.

regard for cultural differentiation—in other words, an all too narrow group divorced and out of touch with ground realities. By 1997, however, the *Economist* magazine published an editorial titled “In Praise of Davos Man”⁴¹ arguing that unlike traditional diplomats who generally confine themselves to a hermetically sealed world of protocols, Davos Man is not only comfortable with innovation, communications technology and trends—and speaks English as his lingua franca—but his thinking is reinforced by many outlets of print and online media.

“Davos culture” was then an elite and rarefied space, but in fact not as closed and secretive as formal inter-governmental diplomacy. Whereas Graz (2003) takes a conspiratorial view of the WEF as a opaque club, the manner in which the *Economist* praised Davos Man was to compare him to the secretive “Chatham House Man,” whose conversations are only off-the-record. In this sense, it welcomed Davos as a symbol of the “death of diplomacy.”⁴² Yet Davos represents not the death of diplomacy but its adjustment: it is a “multi-faceted site of diplomatic theater” which sustains itself through an “unanticipated but highly effective blending of voice and material capabilities, stylistic performances, and operational delivery” (Cooper 2007: 73). The Annual Meeting thus earned credibility as a place where influential players exposed themselves with greater transparency than is often the case with traditional diplomacy, potentially forcing them to match words with action.

The WEF’s goal to foster integration and interaction among stakeholders goes back at least to its 1993 annual report which speaks of the Davos annual meeting as a “summit of summits” in which participants are organized into distinct peer-groups (such as the “governors” of specific industries), which then are brought together with each other in broader contexts as well (WEF 2009a: 117). The growing diversity of constituencies represented at the Annual Meeting and the fact that Schwab sought to bind all participants (not just business leaders) into the broader code evoked by the “Spirit of Davos” serve to illustrate both that the WEF had become a convener of a pluralistic microcosm of world society and had undertaken nascent efforts to convert that diverse assembly into a meaningful epistemic community. In enabling the formation of collective elite views and their diffusion through informal

⁴¹ “In Praise of Davos Man: How Businessmen May Accidentally be Making the World Safer,” *The Economist*, February 1, 1997.

⁴² Two *Economist* correspondents, John Micklethwait and Adrian Woolridge, would three years later coin the term “Cosmocrat”—meaning “cosmopolitan bureaucrat”—to describe the phenomenon of “Davos Man” outside of Davos, meaning the standing collection of leaders and elites who hold similar ideas about the world. See *A Future Perfect* (2000).

networks, the WEF Annual Meeting can thus be seen as a pivot point in broadening perceptions about which actors constitute global leadership and their corresponding responsibilities.

While epistemic communities can form around particular ideas, one measure of the influence of such a community is the reproduction of its ideas. Joseph Nye, one of the Harvard professors with whom Schwab became acquainted in the 1960s, has written that in stark contrast to Morgenthau's realist power politics, which Nye taught at the time, Schwab had gone on to "practice a very different type of international relations and contribute to a very different type of global governance.... In the informal yet hard-working atmosphere [of Davos], governance became a matter of networks rather than mere balances of power among states. And the most impressive of such non-governmental networks is the World Economic Forum" (Behrendt 2008: 118). Nye thus gives some credit to the WEF for encouraging the trend more visible today towards network forms of governance among public and private actors. Related to this, in describing the WEF as a venue for shaping ideas, journalist Thomas Friedman of the *New York Times* has bluntly written, "If the Annual Meeting in Davos didn't exist, someone would have to invent it... It is the best one-stop shop for intellectual encounters" (Behrendt 2008: 29). And in keeping with the notion that "Davos diplomacy" often occurs through informal mingling, one CEO described how this can contribute to the reproduction of ideas: "People repeat ideas they heard in corridors as if they are their own, but the process still works in that ideas gain traction."

What are those ideas? And which have gained the most traction? This section has presented the WEF's initial and limited but unique and ongoing efforts to inculcate a culture of global citizenship among Annual Meeting participants. For its first decade and a half Davos was far more a venue than an "active venue" which re-shaped global norms and decisions. Before this goal could be measurably achieved, the growth of the meeting and increased transparency led to an externalization of this objective, merging it with the WEF's own ambition to shape the views and priorities not just of the microcosm of world society attending the Annual Meeting but rather of world society writ large. The next section thus traces the linkage between the main Davos "global agenda" themes and the WEF's role in advancing them.

4.3. DAVOS AND THE “GLOBAL AGENDA”

In addition to asserting its unique convening power among global elites, the WEF also claims that this gives it a particularly important role in setting “the global agenda” each year. How does the WEF Annual Meeting relate to the notion of a “global agenda”? By whom and by what process is the “global agenda”—the priorities of the international community—determined? Exploring the ways in which the WEF Annual Meeting sought to shape the “global agenda” gives us better insight into its influence than the previous discussion about its ability to convene multi-stakeholder elites into an epistemic community because presumably the “global agenda” entails a more specific set of goals and objectives than the notion of greater awareness of responsibilities.

One can define the notion of a “global agenda” in two ways. First, priorities set on an ad hoc or indeterminate basis by recognized leaders. (The 2009 financial crisis and subsequent G-20 meetings devoted to financial stability can be seen as example of setting a global agenda on economic matters.) The second understanding of global agenda can be the set of universally ratified goals of the international community which remain transcendent priorities. These would include the pillars of the United Nations Millennium Declaration such as peace and disarmament; development and poverty eradication; protecting the environment; human rights, democracy and good governance; and protecting the vulnerable, especially in Africa.⁴³

At a maximum, to “set the global agenda” should mean to determine priorities across inter-related issues for a large set of global authorities through a systemic architecture. Given North-South tensions within the United Nations, its own ability to set a consensus global agenda either annually or otherwise is far from clear. If no longer by the United States or G-8 or UN alone, then has the WEF become a body with agenda-setting power? The WEF could qualify to set the global agenda in the first sense of the term noted above, but only partially in the second sense in that it could help to elevate particular themes already agreed by the international community.

⁴³ The full text of the UN Millennium Declaration is available at:
<http://www.un.org/millennium/declaration/ares552e.htm>.

The WEF's understanding of the "global agenda" is not the same as that of the formal international community of nations. Rather, it is the sum of global issues, regional issues, and industry issues—a combination reflecting the inputs of its three main internal clusters. Schwab has been known to claim both that the Annual Meeting, given its timing early in the calendar year, provides a symbolic juncture at which leaders can jointly "set" the year's course of priorities and actions, and also that the Annual Meeting is merely a "mirror" of the global agenda, a more modest claim implying that it simply reflects leaders' priorities but allows them to share concerns and visions with each other (Pigman 2007: 77).

One former director of the Annual Meeting program states, "The Davos agenda has always been put together as close as possible to the event in order to reflect the mood of the moment,"⁴⁴ implying that it results not from internal strategic thinking but is derivative of exogenous trends. Another current WEF employee previously holding the same position claims that Davos can "raise awareness on key issues among global leaders, bring leaders together on those issues, and inspire action among the decision-makers present and even those not."⁴⁵ While perhaps no institution can alone set the global agenda, Gareth Evans, a former Australian foreign minister and head of the conflict-resolution oriented International Crisis Group, has stated, "Davos is a place to get the message across—it's a way to give profile to major issues."⁴⁶ In this sense, the WEF is a "gatekeeper" (Carpenter 2007) that can be a catalyst of particular issues, advancing them among those who participate in the Annual Meeting or are influenced by it.

Some see the 1990s as the heyday of the WEF Annual Meeting because of the post-Cold War global economic opening and expansion, the all but guaranteed participation of top-tier business and political leaders on a regular basis, the truly global attendance and scope of the meetings with the growing representation of mid-size powers such as Turkey, Mexico and South Africa, and finally the WEF's growing profile, visibility and reputation—all of which placed in an optimal position to shape the global agenda.

⁴⁴ Interview with David Morrison, New York, June 24, 2009.

⁴⁵ Interview with Lee Howell, Geneva, October 15, 2009.

⁴⁶ Quoted in Anthony Browne, "Meeting of Minds Can Turn Talk Into Action," *Times of London*, January 31, 2005, p. 30.

It is during this period that the WEF made its first sustained effort to shape the global agenda in one particular issue area: global corporate citizenship (or corporate social responsibility).⁴⁷ The WEF's nearly synonymous identification with the global elite naturally made it a focal point for the post-Cold War variety of globalization debates related to free trade, investment liberalization, and inequality. By the WEF's own narrative, its embrace of ever more participants and shaping corporate members' perceptions towards "entrepreneurship in the global public interest" represented its growth into its own true skin. The countervailing narrative, however, was that of a wolf in sheep's clothing: the WEF as a "cabal of wealthy elites in business and government that has been meeting for several decades to facilitate an agenda of integration of the global economy intended to benefit large transnational firms and governments of industrialized nation-states at the expense of consumers the environment, the poor, and local or non-global culture" (Pigman 2007: 3). Which is the more accurate description?

The evidence suggests that the WEF was "ahead of the curve" on corporate citizenship rather than reactive, and played a visible role in promoting this norm through the Annual Meeting mechanism. In a prominent 1996 opinion article, Schwab and then managing director Claude Smadja argued that the global private sector must "demonstrate how the new global capitalism can function to the benefit of the majority and not only for corporate managers and investors."⁴⁸ The WEF's 1996 annual report states that "Business has become a major stakeholder of globalization and has a direct responsibility to contribute to the stability of our global system," and the theme of the 1996 Annual Meeting was "Sustainable Globalization." Another opinion article published one year later by Schwab and Smadja criticized shareholder capitalism and urged a bridging of the "shareholder-stakeholder divide" through such measures as serious corporate citizenship programs.⁴⁹

The early timing of these interventions, pre-dating major demonstrations and protests against multilateral economic organizations, indicates that the WEF sought to promote this issue earlier than other actors. Subsequently, a series of violent protests marred the 1998

⁴⁷ Corporate social responsibility has been defined as "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life." World Business Council for Sustainable Development (2000).

⁴⁸ Klaus Schwab and Claude Smadja, "Start Taking the Backlash Against Globalization Seriously," *International Herald Tribune*, January 2, 1996.

⁴⁹ Klaus Schwab and Claude Smadja, "Join Forces to Solve the Shareholder-Stakeholder Equation," *International Herald Tribune*, January 31, 1997.

Multilateral Agreement on Investment (MAI) summit in Montreal in 1998, the 1999 Group of Seven (G7) meeting in Cologne, and the 1999 WTO ministerial meeting in Seattle. The WEF agenda, however, had already adapted. At the 1998 Annual Meeting, which carried the theme of “Globalization with a Human Face,” U.S. first lady Hillary Rodham Clinton gave a keynote speech in which she pronounced, “After having looked at the program, and seen some of the sessions, I think it is probably more appropriate to refer to this gathering as the World Economic, Political, and Social Forum” (WEF 2009a: 155). The 1999 Annual Meeting theme was “Responsible Globality,” an early usage of the term “globality” intended to signify a world unified by globalization and commanding greater ethical imperative. It was at the 1999 Annual Meeting that United Nations Secretary-General Kofi Annan announced the Global Compact initiative to give “a human face to the global market.” While it was the WEF which set the 1999 theme,⁵⁰ the selection of the WEF as a venue for the announcement of the Global Compact was testament both to the WEF’s thought leadership in promoting corporate citizenship but also reflected the UN’s need to reach the global business elite.⁵¹ The 1999 Annual Meeting was also the first carbon-neutral summit, setting a trend which other bodies would later follow in their meetings (WEF 2009a: 173). One of the more prominent books arguing that global capitalism was not serving the world population (Meier and Stiglitz 2001) first appeared several years after the Schwab and Smadja columns and the Annual Meetings which carried these themes.

The WEF’s involvement in promoting an integrated corporate citizenship did not spare it from confrontations with anti-globalization activists, however. Indeed, the WEF Annual Meeting too became a target of direct physical opposition in 2000. Groups such as the French-based ATTAC, ‘Berne Declaration’, and ‘Public Eye on Davos’ brought sufficient numbers of protestors to Davos to make the counter-Davos movement as big a story as the Annual Meeting itself. Pigman (2007: 4) argues that the WEF’s confrontation with the “anti-globalization” movement represented a turning point at which it began to actually undertake measures to achieve its social and economic objectives to augment and adjust its previously full embrace of technology-driven, market-liberalizing globalization. By this logic, it is guilty conscience which drove the WEF to diversify its agenda. In light of the evidence cited above, however, this critique that the WEF’s outreach to diverse stakeholders only began with the anti-globalization movement is inconsistent with the reality that integration of stakeholders

⁵⁰ Interview with Lee Howell, Geneva, October 15, 2009.

⁵¹ Interview with Georg Kell, Executive Director, United Nations Global Compact, New York, May 17, 2009.

had been part of the WEF's operational model for many years, and how it addressed this issue in its core activities several years earlier. Juan Somavia, former Director-General of the International Labor Organization (ILO) credits the WEF with "tackling the global dialogue deficit" by "recognizing the inherent linkages between the economic and social spheres." (Behrendt 2008: 151, 158)

It is far more the case, then, that the WEF, despite promoting corporate citizenship on the global agenda, was not influential enough to change its members' and others' behavior on this score to a sufficient degree. This is despite the fact that by the year 2000, the WEF had become a "household name among the world's educated public" and that the Annual Meeting represented the "highest ever concentration of political, economic and social power in a single place" (Pigman 2007: 18). Graz (2003: 331) echoes that the apogee of the WEF's prestige was reached in 2000 when the Annual Meeting was attended for the first time by a sitting U.S. president, William Jefferson Clinton, as well as nine other OECD heads-of-state. The WEF had certainly become a prominent convener of diverse leaders, and an issue gatekeeper for the global agenda, but not a regulatory organ of global governance.

At the same time, neither can the reality of liberalization favoring some interests over others be blamed on the WEF, nor can it be convincingly argued that such realities would have been different had the WEF never existed. Nonetheless, the WEF responded to this challenge in pluralist fashion: it continued to increase the formal presence of NGOs in its own meetings and activities, as well as increase adoption of their thematic priorities.⁵² By 2002 the Annual Meeting agenda had shifted substantially towards a focus on poverty, a move the *Financial Times* newspaper credited to the "Bono factor" of the presence of the Irish rock-star and anti-poverty activist.⁵³ Of course, a far more likely cause was the September 11, 2001, terrorist attacks in New York, which led both to the WEF holding its Annual Meeting in New York City, the only time it has ever been held outside of Davos, and shifting the emphasis even further towards issues of social justice.

4.4. DOES THE WEF LEGITIMIZE NGOs or NGOs LEGITIMIZE THE WEF?

⁵² In 2000 and 2001 the WEF also organized "Open Forum" events in the village of Davos in which both CEOs from WEF member companies and representatives of the main protest groups participated.

⁵³ 'Dispatches,' *Financial Times* (online edition), 1 February 2002.

As discussed in the previous section, attacks against the WEF by particular non-governmental groups did not result in the WEF's diminishing the presence of NGOs at its Annual Meeting but rather the opposite. In this sense, the Annual Meeting has become increasingly pluralistic, with the WEF actively mediating that plurality through its selection of participants and themes. Nye writes that the WEF "made a point of engaging the critics of Davos...including NGO participants on panels that were critical both of globalization in general and of the WEF in particular. NGO participation does not make the WEF more democratic, but it makes it more pluralist, and creates mutual transparency pressures which increase accountability in multiple forms beyond just state-democracy" (Behrendt 2008: 123-4).

Importantly, the WEF sees itself as contributing to the legitimacy of actors whom it includes such as humanitarian NGOs. By bringing them into its tent in ever larger number on a sustained basis, it affords them audience with government and corporate authorities in a manner that would be otherwise very difficult to achieve. Civil society representatives are treated as full participants at WEF meetings, not as separately accredited adjuncts as is the case at the United Nations. In this sense, the Annual Meeting venue is something of a force-multiplier for NGO participants: their admittance connotes a certain pre-screened legitimacy which other participants trust the WEF to arbitrate.⁵⁴ Another senior WEF manager disagrees, noting that civil society groups have their own inherently legitimacy not contingent on conferral by invitation/attendance in WEF activities, but the WEF does enable these groups to gain recognition by powerful figures by offering them a platform to broadcast their views more widely.⁵⁵

The WEF's annual reports leave no doubt as to who its primary funders are, yet it remains capable of contributing to expanding the boundaries of multi-stakeholder discourse nonetheless. By 2002, attendance at the Annual Meeting had ballooned from the 1970s strategy of the top 1000 business executives alongside key leaders from other stakeholders to a total of just over 3000 participants representing a much more even balance of stakeholders due to the presence of several hundred government officials, hundreds of academics, and hundreds of civil society representatives. Such expansion of participation and agenda was not

⁵⁴ This claim is made by WEF staff members who select NGO participants for the Annual Meeting and broker their individual meetings with business and government stakeholders, and is validated by numerous NGO representatives who have felt welcomed and accepted in the WEF context even as relatively unknown players.

⁵⁵ Interview with Richard Samans, Managing Director, WEF, Singapore, December 1, 2009.

without its internal and business constituent critics, and indeed the WEF slightly scaled back non-business attendance in 2003 to maintain a more “club character” (Pigman 2007: 17). This demonstrates how the major Strategic Partner firms exercised leverage over the WEF’s decision-making with respect to Annual Meeting participation.

Yet the view which prevailed was that limiting Davos to a narrow circle would deprive the WEF of both influence over increasingly important stakeholder communities and relevance in a world where those communities can find alternative venues for expression. According to Mark Adams, the WEF’s media director, “We cannot drop below a minimum number of NGOs to retain credibility, which at present means about 50 to 60 of the major international NGOs need to be present.”⁵⁶ It seems then that rather being driven totally by its key member companies, the WEF had developed a strong sense of thresholds for its own credibility which it successfully advocated to its constituents to maintain its internal strategic orientation. At the same time, in keeping with Clark’s (2007) notion of perpetual practices of legitimation among actors in global governance, this also means that the WEF lends certainly legitimacy to its participating NGOs, and those NGOs in turn help buttress the legitimacy of the WEF.

Importantly, one of the strengths of the WEF as a case study in informal global governance is revealed through the Annual Meeting’s flexibility in allowing participants to embody several identities at once, or vary their identities from year to year. Bono, for example, attends Davos not as a musician but as chairman of an NGO called Debt Aid Trade Africa (DATA), and as of 2005 Bill Gates began to attend not as an executive of Microsoft but as chairman of the non-profit Gates Foundation. Since that time, Gates has not spoken at the Annual Meeting on information technology issues, focusing instead exclusively on global public health concerns. It was at the 2008 Annual Meeting that Gates first spoke of “creative capitalism” to symbolize the potential of the private sector to transcend the more managerial “Davos capitalism” with which the WEF has traditionally been identified. Many individuals now attend the Davos Annual Meeting with different affiliations over time such as government minister, university professor, corporate advisor, and/or NGO president, making the WEF an important venue for the emergence of “postmodern diplomats” comfortable in both public and private roles (Saner and Yiu 2003).

⁵⁶ Interview with Mark Adams, Director of Media, WEF, Geneva, October 15, 2009.

This section has traced the WEF Annual Meeting themes and dimensions of participation in light of evolving issues on the “global agenda.” While the WEF has been an early adopter of important trends such as corporate citizenship, the Annual Meeting’s ability to not only shape the agenda but also influence policy change related to it has been weak. (Chapter 5 will discuss the WEF’s own internal initiatives in this regard and assess if they have been more successful.)

4.5. A LEGITIMATE “GLOBAL TOWN HALL”?

The debates over globalization, corporate citizenship, and the core purpose of the Annual Meeting have been shown to resolve themselves in favor of the WEF’s continued commitment to multi-stakeholder convening despite opposition from the outside and within the WEF’s own ranks and funders. But does this multi-stakeholder convening make the WEF a legitimate proxy for and authority within the multi-actor world society?

Between 2002 and 2005 the WEF deepened its efforts to become, in the words of its then Director of Communications Charles Maclean, “a global town hall of leaders from different segments of global society.”⁵⁷ Under the theme “Taking Responsibility for Tough Choices,” the 2005 Annual Meeting featured several “Global Town Hall” sessions which attempted to serve as demographically, geographically and sectorally representative barometers of global priorities. These sessions included 23 heads of state, 72 cabinet ministers, 26 religious leaders, 50 heads of NGOs, 15 trade union leaders, and nearly 500 CEOs. Using a variety of technological gadgets to gather inputs from participants, the top priorities which emerged were poverty, equitable globalization, climate change, education, Middle East peace, and global governance reform. The most high-visibility and well-attended session of the entire 2005 Annual Meeting was devoted to poverty in Africa, and featured former U.S. president Bill Clinton, South African president Thabo Mbeki, Nigerian president Olusegun Obasanjo, U2 singer Bono, and software entrepreneur Bill Gates.

Pigman (2007: 73) argues that the 2005 Annual Meeting did buttress WEF claims to global legitimacy due to its “presumption that the gathered assemblage was qualified and

⁵⁷ Dan Barry, “The Forum in New York,” *The New York Times*, January 31, 2002.

empowered to deliberate on and seek resolution of crucial world problems, ranging from poverty in Africa and violence in the Middle East to macroeconomic policy weakness in the United States and flawed structures of global corporate governance.” In this sense, though the Town Hall survey results reflect aggregate individual votes rather than a specific consensus, the WEF’s effort to create a social space for the sharing of such ideas among elites can be said to represent a contribution to Bull’s “common stock of ideas” or a normative epistemic community of diverse leaders. However, given that the United Nations Millennium Summit of 2000 and announcement of the Millennium Development Goals (MDGs) in 2001 had similarly endeavored to place poverty higher on the “global agenda,” the WEF’s elevating poverty reduction at the 2005 Annual Meeting can be said to have been both a mirror-like reflection of the global agenda but also a conscious decision to drive or advance that agenda to the best of its ability in the multi-stakeholder (rather than purely inter-governmental) Davos context.

Rather than a single consensus or closing communiqué, what increasingly characterizes the Annual Meeting is a constant profusion of signaling (Pigman 2007: 71-76). Indeed, the Annual Meeting’s growing visibility as a “global town hall” would not be possible without the media, the major lens through which this trend has been interpreted. The WEF has developed a multi-dimensional relationship with the media which is under-appreciated by those who view it as a purely business organization. A business organization might be expected only to transmit selected information to the media, but the WEF in fact defines the media as a stakeholder community and invites over 150 “Media Leaders” to the Annual Meeting each year, including print journalists and columnists, television anchors and reporters, and even bloggers, all of whom have access to sessions and participants for interviews.⁵⁸ CNN, BBC, Al Jazeera, and other major networks set-up studios to broadcast live from Davos for a full week.

The notion of the media as simply serving the function of bringing transparency to a secretive club therefore breaks down. Pigman (2002: 293) lists the *Financial Times* as a critic of the WEF, yet in 2002 the WEF’s official Davos report, the *Global Agenda Monitor*, was co-published with the *Financial Times*, with both logos appearing on the cover and *Financial Times* editors and journalists authoring sections of the report. In 2008, the WEF partnered

⁵⁸ Interview with Mark Adams, Director of Media, WEF, Geneva, October 15, 2009.

with the *Wall Street Journal* and MySpace (an online networking community) to sponsor a widely advertised competition open to anyone whereby up to a dozen individuals making a compelling video case as to why they should attend Davos would be granted full press accreditation and have all expenses covered to attend the 2009 Annual Meeting. Over the years, the WEF's relationship with the media has resulted in its "punching well above its weight" in terms of global visibility, with the volume of front-page stories appearing annually in international newspapers about the WEF exceeding that of most inter-governmental organizations. As of 2009, the WEF has 1.5 million followers/subscribers to its online Twitter feed, more than any non-governmental or international organization in the world. WEF executives therefore believe the increasingly dynamic relationship with the media has strongly enhanced its own legitimacy.⁵⁹

The Annual Meeting is not designed to achieve global public ends directly, only to create a forum for their deliberation. However, by serving as a node of public reasoning at a global level, it touches upon some of the key debates in global governance such as legitimacy, transparency, accountability, and efficiency. In 2008 and 2009, for example, the WEF set-up a global video conversation between individuals worldwide and participating leaders at the Annual Meeting, encouraging citizens to respond to a "Davos Question."⁶⁰ The over one thousand individual video responses to the "Davos Question" were compiled for WEF Annual Meeting participants, and received over eight million viewers on YouTube. At the same time, the WEF also launched a "bloggragator" to compile online comments on global issues to help WEF staff shape future discussion topics.⁶¹

Particularly given the absence of a single global democratic system—or the "hardware" of such institutions—the "software" of discourse mediated by organizations such as the WEF increasingly serve as venues for deliberations which contribute to global governance priorities (Brassett and Smith 2006: 72-4, 84). Though it is not a universal body, it strives to achieve a threshold presence of the world's leading companies, most powerful governments, and most influential NGOs, universities, and other actors. To the extent that no such venue or institution exists in the context of an emergent world system, one could even fairly claim that the WEF is a necessary body initiating in this space and filling this gap. As Subi Rangan, a

⁵⁹ Interview with Mark Adams, Director of Media, WEF, Geneva, October 15, 2009.

⁶⁰ The 2008 question was "What single thing should leaders do to improve state of the world," and the 2009 question was "What one single idea will improve the world?"

⁶¹ Interview with Mark Adams, Director of Media, WEF, Geneva, October 15, 2009.

WEF Strategic Advisor and INSEAD professor, claims, “The WEF would not have come this far if it were not eclectic and experimental in its convening. It is as comprehensive as one might physically achieve given constraints.”⁶²

4.6. CAPTURING THE DYNAMICS OF SHIFTING POWER BALANCES AND DISAGGREGATION OF THE STATE

Paradoxically, it is the non-state WEF which has increasingly been a useful lens to reflect inter-state power balances, both real and perceived. The WEF’s ability to absorb new member companies as emerging markets such as China and India rise, and adjust the Annual Meeting agenda to reflect the priorities of new influential players has proven to be a strong asset in maintaining relevance. Already in 2003 the WEF began to stage an “Extraordinary Annual Meeting” each May alternating between Egypt and Jordan, and as of 2007 an annual “Summer Davos” meeting in China as a reflection of Asia’s growing importance in global economic governance. In the waning months of America’s beleaguered George W. Bush administration, the 2008 Davos gathering witnessed Chinese ministers, Saudi wealth fund managers and oil executives, and Indian industrialists taking center stage.⁶³ A correspondent of the U.S. magazine *Newsweek* noted, “It’s hard not to feel, as an American, that the world is, if not passing us by, getting on with its affairs at its own pace. The indispensable nation seems a little dispensable here.”⁶⁴ Whereas Americans represented almost over half of Davos participants in the early 1990s, by 2005 that share had fallen to about one-third.

Related to this, the WEF has also become a platform to witness the growing prominence of sub-state polities such as provinces and cities. Aldecoa and Keating (1999) point to the growing trend of “para-diplomacy” in which sub-state regions/provinces such as Canada’s Quebec, the Spanish Basque territory, China’s Tibet, and the emirate of Dubai (within the United Arab Emirates) increasingly petition internationally to support their political objectives, while Chinese and Indian provinces establish their own trade promotion offices overseas as well. Although organizations representing indigenous groups worldwide meet regularly with members of the UN Security Council as well to dialogue on matters of concern

⁶² Interview with Subi Rangan, Professor, INSEAD, September 28, 2009; via telephone.

⁶³ Fareed Zakaria, “The World Bails Us Out,” *Newsweek International*, February 4, 2008.

⁶⁴ Jon Meacham, “The Editor’s Desk,” *Newsweek*, February 4, 2008.

to such sub-national groups, and the EU's Maastricht Treaty gives sub-state regions a formal consultative role on European Parliament deliberations, these are insufficient to capture the growing volume of para-diplomacy.

Cohen (1995: 2) claims that, "As the state has lost its monopoly, para-diplomacy rivals official diplomacy." The WEF has increasingly become a venue for para-diplomacy. As mentioned above, mayors constitute one of the approximately two dozen communities convened under WEF auspices. Furthermore, public-private special economic zones such as from Barcelona/Catalunya and the Economic Development Board of Bahrain have also purchased their own WEF memberships, showing how it is even transitioning from having only pure corporations as members. The WEF thus provides an important venue to witness the disaggregation of the state into functional ministries which increasingly conduct their own trans-governmental relations with foreign counterparts (Slaughter 2004). As such, the WEF demonstrates its flexibility in accommodating shifts in even how territorial actors represent themselves today.

The desire for sub-state and non-state actors to participate in and conduct their own diplomacy is also visible in the WEF's growing responsibility to arrange for bilateral meetings during the Annual Meeting. A bilateral—or "bilat"—is a quintessential act of diplomacy, an instance of face-to-face dialogue which allows for engagement on either formal or informal terms. When conducted in private among unlike entities such as government ministers and NGO representatives, they can be important opportunities for information exchange without formal channels or protocols, and without the requirement of formal mutual recognition. Over the course of the past decade, the number of registered bilateral meetings coordinated by the WEF—particularly between government representatives and business figures—has grown from about the same volume as the number of official sessions in the declared Davos program to four times as many bilateral meetings as official sessions.⁶⁵ One U.S. Treasury Department official has been quoted as saying, "I have participated in almost every Davos meeting of the past decade and find that they are very, very useful for setting up bilateral meetings" (Rothkopf 2008: 276).

⁶⁵ Interview with Fiona Paua, Managing Director for Strategic Initiatives, WEF, Geneva, October 15, 2009.

These bilateral encounters are perhaps the most reflective of the day-to-day currents of modern diplomacy as it occurs amongst diplomats, officials, executives and others in capital cities around the world. The utility of the Annual Meeting then is to create a single global venue for these encounters to take place rather than through dispersed diplomats. According to a former Canadian deputy foreign minister, “Our prime minister, like many of his counterparts, prefers to meet directly with business and other influential figures without his foreign minister present to disrupt or over-burden the agenda. Davos is a perfect place for him to get that done.”⁶⁶

As discussed earlier, the Davos agenda has had to be adaptable to the public-private balance of power as well as the geopolitical. The 2009 “Shaping the Post-Crisis World” Annual Meeting took place in the wake of a financial crisis which saw collapsed Wall Street firms such as AIG cancel their membership to the WEF entirely. Accordingly, it was political leaders from robust economies like China, finance ministers and treasury secretaries, and officials of global monetary authorities such as the IMF who were the most prominent voices. According to Angel Gurría, secretary-general of the OECD, “Davos is reflecting what’s happened in real life: the main protagonists and the ones setting the agenda are the political leaders.”⁶⁷ (41 heads of state attended the 2009 Annual Meeting.)

It is worth noting that as early as 2003 the WEF featured economists at the Annual Meeting who loudly warned of structural weaknesses in the global financial order, but many CEOs clearly did not pay attention.⁶⁸ At the same time, the WEF’s healthy financial condition during the financial crisis may have given the WEF an upper-hand or moral high-ground over its business membership. First, in early 2010 Klaus Schwab authored numerous stern critiques of banking sector practices which he claims “were not received enthusiastically by our business constituents,” but he insisted on publishing them anyway without fear of backlash from the WEF’s corporate members. Second, the WEF used the financial crisis as validation of its stakeholder approach. Schwab claims that, “Business leaders used to complain about too many NGOs and religious leaders at Davos but now we don’t hear that anymore as the realization of the need for stakeholder engagement has increased.”⁶⁹

⁶⁶ Interview with Gordon Smith, Director, Centre for Global Studies, University of Victoria, November 3, 2009.

⁶⁷ Nelson D. Schwartz, “At Davos, Crisis Culls the Guest List,” *The New York Times*, January 25, 2009.

⁶⁸ Craig Copetas, “CEOs spurned WEF advice,” *Bloomberg News*, October 24, 2008.

⁶⁹ Interview with Klaus Schwab, New York, February 17, 2010.

Still, even after three decades as a unique and independent knowledge authority, the WEF Annual Meeting could highlight issues on the global agenda but not necessarily compel its members and constituents to pursue those priorities in coordinated fashion. The next section examines the WEF's efforts to use the Annual Meeting as a venue for advancing particular political, often inter-state bilateral, negotiations.

4.7. THE WEF AND INTER-STATE POLITICS

In the course of the WEF's evolution, there are three ways in which it has used its convening power to directly insert itself into the currents of inter-state bilateral and multilateral diplomacy: (1) playing a role in peace processes and multilateral trade negotiations, (2) hosting the closed-door, public-private Informal Gathering of World Economic Leaders (IGWEL) sessions during each Annual Meeting, and (3) staging regional summits in partnership with governments around the world. This section evaluates the WEF's record of influence in each of these three efforts.

The late Cold War provided such opportunities for what Schwab called the "Spirit of Davos." In 1987, German foreign minister Hans-Dietrich Genscher was given a keynote slot at Davos which he used to call upon WEF participants to "give Gorbachev a chance" (Behrendt 2008: 35). The speech was viewed as an important milestone in boosting shared East-West spirit to end the Cold War. In 1988, the prime minister of Greece and Turkey held their first substantive face-to-face talks over the disputed island of Cyprus and signed the "Davos Declaration" promising to take steps to lower tensions at a time when they stood at the brink of war. In 1989, North and South Korea held their first ministerial-level meetings during the Annual Meeting, while East German Prime Minister Hans Modrow and West German Chancellor Helmut Kohl met for the first time to discuss German reunification. Another milestone was the first joint appearance outside of South Africa of South African President F. W. de Klerk and Nelson Mandela, an event seen as a milestone in the country's post-Apartheid political transition. Finally, in 1994, Israeli Foreign Minister Shimon Peres and PLO Chairman Yasir Arafat signed an agreement on the status of the territories of Gaza and Jericho at the WEF Annual Meeting.

Each of these examples reflects the WEF's ability to pre-arrange, behind the scenes, for official diplomatic declarations or agreements to be signed under its auspices, thereby elevating its profile as a catalyst for peace. Importantly, as is the case with the major UN summits of the 1980s and 1990s, grand occasions and highly visible settings tend to increase pressure on participants to deliver breakthroughs, thus as the WEF's profile increased, its leverage in orchestrating such developments did as well.

Of course, the continued tensions on the Korean Peninsula and between Israel and Palestinians/Arabs are evidence that the WEF is no more capable of resolving territorial disputes than any other body. At the same time, the WEF's efforts cannot be dismissed as marginal, "track-II" diplomacy which takes place among unofficial or lower-level actors since, as in the cases above, the WEF has been the convener of top-level officials in publicly visible settings. It is the *inclusion* of the WEF as a site of official diplomatic dialogues rather than its influence in the outcomes of specific conflicts which is demonstrative of its growing credibility as a convener.

It is worth asking why so many of the WEF's claimed diplomatic breakthroughs in the arena of peace and conflict occurred around the time of the end of the Cold War, with far fewer since that time? It could be that resolution to the far-flung civil wars of the 1990s did not lend itself to symbolic global meetings. According to a WEF managing board member, "It is not that the WEF has shifted focus, but rather the environment has changed. Countries talk to each other more now, so there is less need for us to play that role."⁷⁰ Another reason is that the WEF has not given up these political interventions, but rather has devolved them to the level of its regional summits and operations (see below).

The second dimension of the WEF's attempts to insert itself into existing inter-state diplomatic processes is its regular convening of an Informal Gathering of World Economic Leaders (IGWEL) during the middle two days of each Annual Meeting. As with its opportunistic forays into conflict resolution, the WEF exercises a certain agency by carefully selecting government officials and corporate executives to participate in closed-door, public-private workshops moderated by a Managing Board member. For its participants, this invite-only component of the Annual Meeting represents a summit-within-a-summit. In contrast to

⁷⁰ Interview with Kevin Steinberg, Associate Member of the Managing Board, WEF, New York, October 28, 2009.

the WEF's seeking peace declarations between political leaders, IGWEL is explicitly off-the-record, its only purpose to allow public and private leaders a neutral setting—where they sit in a circle without any staff or assistants—in which to communicate, exchange ideas, and work on ongoing issues without having to produce a communiqué. According to Christophe Weber, a government relations director of the WEF, “IGWEL allows leaders to conduct their own diplomacy. We remove the layers of protocol which accompany formal diplomacy. Leaders don't want to miss a chance to work face-to-face to build trust with their counterparts.”⁷¹

On the inter-governmental side, IGWEL meetings have featured American cabinet officials, EU heads-of-state, and heads of multilateral institutions such as the World Bank and IMF. For its first four years as of 1982, the IGWEL agenda was dominated by monetary and trade issues, and East-West and North-South relations (WEF 2009a: 43). The quiet, parallel track IGWEL represents has been credited with generating the common call for what became the GATT Uruguay Round in 1986, which in turn led to the creation of the WTO. Similarly, it was at IGWEL in 1990 that Mexican President Carlos Salinas first expressed support for the idea of a North American Free Trade Agreement (NAFTA), which came into effect in 1994 (Lundberg 2004). Additionally, the first steps to organize the UN Conference on Environment and Development, which became known as the “Earth Summit” in Rio de Janeiro in 1992, were also taken at IGWEL (WEF 2009a: 55). The WEF's Weber points out that, “In most instances, decisions don't actually get made at Davos. But IGWEL does inform leaders and give them time to reflect even if they make their decisions later.”

Over time IGWEL has proven to be a unique diplomatic track which despite its informality has earned a place alongside formal processes; in other words, it has become a new element of the much larger global governance process. For example, because G8 and G20 ministers met only infrequently (until the 2008 global financial crisis), IGWEL has served as something of a “prep-com” (preparatory committee) for the annual Spring meetings of the IMF and World Bank. In 2005, British Prime Minister Tony Blair used IGWEL to call on business executives present to help the G8 formulate a strategy on climate change and poverty alleviation, his priorities as host of the G8. A poverty action plan for Africa subsequently developed under WEF auspices and signed by 350 business leaders at the

⁷¹ Interview with Christophe Weber, Director for Europe, WEF, Geneva, October 15, 2009.

WEF's Africa Summit was presented to the G8 at its G8 summit the same year. A former Canadian G8 representative recalls that, "Davos was an extremely useful addition to our repertoire as Sherpas. Our mandate does include liaising with the private sector in thinking through G8 declarations as they relate to financial sector regulation and other areas, but we don't ourselves have the mechanisms to do so."⁷²

The 2009 edition of IGWEL included most of the G20's central bank governors, finance ministers, twenty trade ministers and numerous financial sector CEOs, providing an early opportunity for them to discuss the future of financial sector reform. As with WEF summits more generally, recent years have witnessed the growing inclusion of Asian political and business figures in IGWEL, even though some are slightly uncomfortable with the English-only language policy and lack of interpreters.⁷³ As with peace processes then, there have clearly been cases where the official diplomatic process has expanded to include the WEF, particularly in areas where it can supply private sector inputs into inter-governmental deliberations. Importantly, as IGWEL has evolved, it has been the WEF itself which has set the agenda for this high-level gathering. Even as G20 leaders use IGWEL as a chance to project their priorities for the coming year, it is the WEF management which makes choices among those competing interests, while also putting forward its recommendations on what G20 leaders should focus on.⁷⁴

The WEF's growing array of regional summits is the third aspect of its grafting itself onto existing traditional inter-state diplomatic practices. While WEF country and regional meetings, such as a North American meeting in Washington, began in the early 1970s, their rapid expansion in the 1980s represented the WEF's quick transition from a transatlantic to a global organization. Particularly the WEF's activities in China and India demonstrate how the WEF has if anything been ahead of the curve in engaging with nations emerging in international diplomacy.⁷⁵ It was the first non-governmental organization to initiate a partnership with China's Economic Development Commission as the country liberalized its economy in 1978. According to Mahbubani, the fact that China sent a delegation to every Davos meeting as of 1979 suggests that "China has seen its association with Davos as an important avenue to signal to the world its commitment to reform and its open door policy"

⁷² Interview with Gordon Smith, Director, Centre for Global Studies, University of Victoria, November 3, 2009.

⁷³ Interview with Carina Larsfalten, Director for International Organizations, WEF, March 6, 2009.

⁷⁴ Interview with Rabab Fayad, WEF, Dubai, November 22, 2009.

⁷⁵ Interview with Lee Howell, Annual Meeting Director, WEF, Geneva, October 15, 2009.

(Behrendt 2008: 76). As of 2005 the WEF's China office has become a standing satellite presence focused on both government relations as well as business relations within China (Pigman 2007: 11). The WEF's first director based in Beijing explains that, "The WEF is the first foreign foundation to be officially recognized as independent by the Chinese government; others have had to register as businesses and/or use local partners. Now the Gates and Clinton Foundations have followed our model."⁷⁶ As noted above, three decades later the WEF's annual China meeting had ballooned into a "Summer Davos" in its scale and visibility. At the 2007 summit in Dalian, China, premier Wen Jiabao praised the WEF for identifying "Global Growth Companies" within China who help the state "pursue an innovation-based model for development," and at the 2008 summit in Tianjin, the Chinese government formally unveiled its economic growth outlook and strategy.

As one senior WEF manager for regional programming explained, "The regional meetings are about more than recognizing countries as emerging markets. It's about deferentially embedding into their culture and institutional framework to achieve common goals."⁷⁷ In the case of India, the WEF launched its first India Economic Summit in 1984, years before the country's reform era began. According to Tarun Das, director-general of the Confederation of Indian Industry (CII) which served as the WEF's co-host, "We were struggling to find a way to connect to the world and to connect the world to India. The WEF opened for us a window to the world" (Behrendt 2008: 87). His successor N. Srinivasan further argues that the WEF's presence sent a strong signal to Indian policy-makers that "India could only gain through a market-oriented economic model" (Pigman 2007: 76).

The prominence of the Annual Meeting led to many invitations for regional spin-offs in the 1990s, and the WEF began regular regional summits in Latin America and annually in Africa, where it has played an important role in featuring economic opportunities in Africa for international investors, magnifying African leaders' voices in global debates, and building a fresh agenda for African sustainable development.⁷⁸ Its Africa summits in particular framed themselves in such a way as to support the ambitions of the continent's regional institutions: the Southern African Development Community (SADC), New Economic Partnership for African Development (NEPAD), and subsequently the African Union (AU). At the 2008

⁷⁶ Interview with Jeremy Jurgens, Director, WEF China, New York, March 6, 2009.

⁷⁷ Interview with Lee Howell, Annual Meeting Director, WEF, Geneva, October 15, 2009.

⁷⁸ Ibid.

Africa Summit over \$100 million was committed to improve the continent's investment climate.

The WEF's presence in the Middle East also evolved from its first Euro-Arab Summit in 1976 through its "Extraordinary Annual Meeting" each year in the region itself as of 2003 to the creation of both an Arab Business Council and Israeli-Palestinian Business Council, the former aimed at sparking broad-based economic growth in the region and the latter intended to foster cooperation between the two business communities as a contribution towards peace and co-existence. While not political on the level of the Peres-Arafat or Mandela-de Klerk handshakes at Davos of a decade earlier, these efforts nonetheless represent the WEF's continued involvement in aspects of governance and conflict resolution in Africa and the Middle East.

Across this spectrum of political interventions, the WEF sees complementarity and progression in the way the Annual Meeting, regional meetings, and IGWEL contribute to the utility of its convening functions: "Davos is not just a meeting, it's a process. Its outcomes feed the regional summits and vice-versa. It's a loop, or rather looping from year to year."⁷⁹ This loop of summits, public-private dialogues, and peace initiatives shows how the WEF has positioned itself as an "active venue" in the mainstream diplomacy of conflict resolution, economic and commercial relations, and regional integration, sometimes in catalytic and innovative ways, and other times without adding decisive value. While these aspects of its convening were not implicit in its initial mandate or mission, they are clearly intended to contribute to "improving the state of the world."

4.8. DAVOS IN THE LANDSCAPE OF GLOBAL POLICY

On the occasion of the 40th anniversary of the WEF Annual Meeting in 2010, the flagship American documentary program *60 Minutes* produced a news feature calling Davos "what could be the most important meeting on Earth." Describing it as a gathering of "capitalists, globalists, and futurists," the narrator declared that "Davos works because it isn't formal or official."

⁷⁹ Ibid.

Yet over its first forty years, the WEF Annual Meeting has become more formal and official, making it an interesting venue to observe changing patterns of interaction among public and private authorities. According to a senior WEF manager responsible for strategic partner companies, “CEOs at Davos now act like heads of state in that they are prepared by their own ‘sherpas’ well in advance of agreements that will be signed at Davos rather than coming for free-flowing education. It’s increasingly difficult to float an idea or proposal without having it well planned/approved in advance.”⁸⁰ The diminished retreat-like casualness of Davos has been supplanted by a more rigorous analytic character. Moises Naim, editor of *Foreign Policy* magazine and a Davos veteran, writes that the “Annual meeting continues to be one of the best places in the world to understand the world” (Behrendt 2008: 205).

It was not foreordained that the WEF Annual Meeting would grow to its present proportions or prestige. But what is its aggregate significance in the landscape of global policy? Pigman (2007: 2) refers to the WEF as one of the “emerging instrumentalities” and an “organ” of global governance. This description is useful in that it implies that the WEF contributes to global governance not so much as a standing legal body, but as a *method*. This chapter has focused on the WEF’s *convening* method or function through gathering noted authorities. Over its first four decades, the WEF established itself as a uniquely successful convener of leaders from a wide range of entities—corporations, governments, non-profits, religious groups, universities, etc.—for face-to-face dialogue. It has done this in both passive style, which allows individuals to network and share information in ways that shape perceptions and decisions, and as an *active venue* that creates strategic contexts with pre-determined purposes. Together, the diverse roles of the Annual Meeting have included convening multi-stakeholder leaders in an effort to forge a common ethos, a gate-keeper and promoter of issues on the global agenda such as corporate citizenship, and a mediator of inter-governmental and public-private dialogues related to the resolution of political conflicts and the creation of new international organizations. This unique role has greatly increased its recognition as an independent authority in world politics.

According to one senior WEF program manager, the notion that the WEF is a site of global governance is a “baseless fantasy” because the organization does not have an official

⁸⁰ Interview with David Aikman, Director, Strategic Partnerships, WEF, Washington, November 10, 2009.

mandate, rather it is only a convening platform.⁸¹ An “official mandate” in this sense could mean a treaty based role, such as that of UN functional agencies, or some delegation by existing inter-governmental institutions or governments. On the other hand, it could be argued that some mandate is implicit in the continued and growing presence of official figures at the Annual Meeting, particularly as they increasingly task the WEF and its constituents with generating contributions to global decision-making through mechanisms such as IGWEL. The common ground between these positions might be that the WEF is clearly the foremost non-governmental convener, but its impact is less consequential than significant inter-governmental convening such as the G-20, particularly when such groups focus on a specific issue on which to take decisive action. At the same time, the extent to which bodies such as the G-20 have undertaken multi-stakeholder consultations in their formal deliberations is partially traceable to the influence of the WEF model (see Chapter 7).

What can we theorize about the WEF’s multi-stakeholder convening and its relation to global policy? Wiseman (1999: 10-11) defines “poly-lateralism” as the conduct of relations between official and non-state entities that take place with or without recognition of equality and sovereignty. The WEF’s “summit of summits” terminology is its manner of embodying such poly-lateralism and thus bridging the various modes of global governance captured in the global policy paradigm (Khagram 2006). Already by 1994 the WEF had convened IGWEL (government and inter-governmental figures), Business Organization Leaders (private authority), Regional Leaders (regionalism), Media Leaders, Global City Mayors, Research Organizations, and other communities. While exclusively *intra*-stakeholder consultations have commonly taken place at WEF meetings, most of the both public and private sessions organized by the WEF at Davos and other summits have been explicitly geared towards initiating and sustaining dialogue across these stakeholder groups. As such, the WEF Annual Meeting can be considered the most regular poly-lateral forum in world politics.

To what extent do the WEF’s more norm oriented mission statements imply further roles for the Annual Meeting in global governance? Even as the WEF’s formal membership remains private, it increasingly sees itself as having a public purpose. The notion of “entrepreneurship in the global public interest” and ambition to “improve the state of the world,” indicate a move towards a greater normative intent than the diplomacy of

⁸¹ Interview with Lisa Dreier, Director of Development Initiatives, WEF, Geneva, September 24, 2009.

convening—even multi-stakeholder diplomacy—alone requires. Gordenker and Weiss (1995: 555) argue that the objectives of global governance are to enhance transparency, accountability, and participation. But as Keohane (2002) points out, there is still a disjunction between formal accountability *within* polities and the legitimacy-via-efficiency model that appears to characterize much multi-actor global governance. Scholte affirms that “technocratic criteria have received more attention than democratic standards” in global governance (2002: 281). Within a context of co-existing territorial representation and supraterritorial actors, Scholte suggests that both the formal and informal participation of civil society in existing and new market governance and inter-governmental structures brings greater transparency and legitimacy (2002: 292-4). By this logic, institutions such as the WEF which play a role in bridging the “participation gap” can be considered legitimate contributors to global governance.

A more formal test of the WEF’s influence is whether or not its convening role alters specific actors’ interests. Even though the WEF has proven itself to be a “knowledge authority” and demonstrated its “convening power,” its ability to shape the global agenda remains controversial. It has proven itself to be a relatively accurate mirror of the global agenda both in terms of the themes on the agenda—market liberalization, poverty alleviation, financial stability, etc.—as well as the drivers of the agenda—capital markets, emerging Asian powers, Arab oil producers. In the area of corporate citizenship, it can claim to have played an early and important role in influencing the visibility of this issue on the global agenda through its efforts.

Furthermore, the WEF rarely receives credit for the results of interactions which occur under its auspices. For example, Bill Gates was first introduced to the head of the World Health Organization (WHO) at the Annual Meeting, after which he decided to create the Gates Foundation which became the world’s largest non-profit organization. The Gates Foundation routinely makes its first announcement of large donations to vaccination research and public health campaigns at Davos. Similarly, after increased pressure and accusations of human rights violations in Azerbaijan and Indonesia, British Petroleum (BP) chairman Lord John Browne assented to participate on a business and human rights panel at the 2005 Annual

Meeting, after which the company's policy on human rights shifted due to the Davos encounter with John Ruggie, the UN special rapporteur on business and human rights.⁸²

Thus even as the WEF's visibility in the pantheon of diplomatic activity increases, its influence in steering global governance remains a major question. It increasingly has the power to decide which issues are treated and with what amount of visibility at the Annual Meeting, as well as who (whether public or private figures) will be given the spotlight to address them, but this does not guarantee that other actors fall into line either during or especially after the Annual Meeting.

Like the United Nations, then, the WEF remains in the ironic position of being considered too powerful by some and meaninglessly weak and irrelevant by others. The WEF has achieved inclusion in ever more facets of diplomatic activity, but its influence is still best measured on a case-by-case or situational basis. Perhaps ironically, the WEF is a business funded organization whose most visible convening successes have been in the political realm in terms of creating a permissive environment for reconciliation. But on the whole, its conceit lies somewhere between being a mere venue and an active venue—it is a venue used most of all by its participants for their own purposes.

Diplomatic convening can certainly contribute to global governance, but convening alone can only inspire global governance, not compel or enforce the decisions of those convened. The next chapter explores the WEF's role as a facilitator of diverse public-private partnerships, each of which represents an individual instance of diplomacy translating into global governance.

⁸² Interview with Christine Bader, corporate social responsibility advisor, BP, New York, February 26, 2009.

CHAPTER 5

THE WEF AS FACILITATOR

5. 1. INTRODUCTION

The previous chapter attempted to demonstrate how the WEF's *convening* of leaders on a multi-stakeholder basis at its meetings/summits contributes to elite socialization, global agenda-setting, and the broadening participation in inter-governmental diplomatic processes. This chapter examines an increasingly central aspect of WEF activities heretofore neglected by other studies, namely its efforts to *facilitate* multi-stakeholder initiatives. More so than the Annual Meeting, facilitating initiatives and partnerships represents a role for the WEF which brings it closer to its mission statement to put entrepreneurship in the service of the global public interest.

While chapter 4 discussed how the WEF demonstrated thought leadership in the integration of corporate citizenship themes into its Annual Meeting, here the more relevant question is whether it has been able to change the actual behavior of corporations and other stakeholders. Indeed, the most substantial difference between the WEF's convening and facilitation is that in the facilitation of initiatives commitments are made not just on an individual level, but on behalf of corporations, and it is corporate resources which are pledged. This therefore represents a degree of formality beyond participation and attendance at the WEF Annual Meeting in Davos.

In the case of facilitation, the emphasis is placed on the policy-formulation and implementation dimensions of the global policy continuum. Schwab defines the facilitation function as "integrating communities into partnerships" with the purpose to "catalyze action."⁸³ WEF statements have argued that "Public-private partnerships will be a core element of future governance systems."⁸⁴ By this the WEF means arrangements of capabilities on a trans-sector and trans-national scale in which "diverse institutions drive

⁸³ Klaus Schwab, Speech on "The World Economic Forum and Global Challenges," Annual Summit of the New Champions, Dalian, China, September 12, 2009.

⁸⁴ WEF, Global Redesign Initiative concept paper, 2009, p. 5.

structured project activities, interactive discussion, and cutting each research and analysis to generate new insights, build partnerships and catalyze action. Initiatives are facilitated by Forum staff teams with a breadth of sectoral and regional expertise.”⁸⁵ Initiatives bring together public and private *perspectives* to develop improved institutions or collective responses to global public goods challenges, and combine public and private *resources* by aligning participants’ core competencies to more efficiently respond to global public goods needs.

The facilitation of multi-stakeholder initiatives can be seen as a logical extension of the WEF’s comparative advantage in convening diverse stakeholders. The WEF’s early move into the initiative space at the turn of the millennium meant that it became the locus of interest for a variety of actor groups to increase cross-stakeholder collaboration but lacked other obvious mechanisms to do so, thereby increasing deference to the WEF as an authority in this regard. The growing role of initiatives thus mirrors a shifting logic or justification for corporate participation in WEF activities. The motivations for participation in the Davos annual meeting have consistently been efficient networking, industry dialogue, knowledge generation, and trend spotting. To this the WEF’s roster of initiatives added the option to participate in multi-stakeholder collective action. According to the managing director responsible for WEF initiatives, “Relations don’t always materialize on their own. The WEF facilitates transactions which lead to new governance arrangements.”⁸⁶

The WEF did not create the field of corporate citizenship and responsibility but rather found itself institutionally evolving during the decade(s) where this stream grew into a river. Between the sustainable development movement of the late 1980s and the now commonplace early 21st century efforts to both regulate and include corporations in global governance, corporate citizenship was an ambivalent and variably evolving field featuring sector-specific voluntary standards, multi-stakeholder coalitions, industry codes of conduct and ad hoc regulations all directed at higher standards of corporate ethics, behavior, and reporting.⁸⁷

⁸⁵ World Economic Forum, “Initiatives of the World Economic Forum,” 2009.

⁸⁶ Interview with Rick Samans, Managing Director, WEF, April 30, 2009; via telephone.

⁸⁷ See: SustainAbility and The Global Compact, *Gearing Up*, 15; Overseas Development Institute, Programme on Business and Development Performance; “Identifying Public Policy Options to Promote Conflict-Sensitive Business Practices,” Report of the UN Global Compact Policy Dialogue on The Role of the Private Sector in Zones of Conflict, New York, October 7-8, 2004.

However, after approximately a decade of experimenting with public-private partnership initiatives under its auspices, the WEF did seek to exert additional thought leadership towards re-defining and pushing some of the field's parameters.

In 2008, Schwab authored a lead essay in *Foreign Affairs* titled "Global Corporate Citizenship"⁸⁸ which sought to move beyond traditional Stakeholder Theory and its 1990s incarnations such as outreach to customers, employees and civil society through internal initiatives in the domains of corporate governance and philanthropy. The article's shadow co-author, Valerie Weinzierl, claims that the essay was wrongly re-titled, undermining Schwab's intention to emphasize that there already exists a concept or notion "global citizenship" into which corporations must embed themselves. Instead, the usage of the standard term "global corporate citizenship" implies that the limited concept of corporate citizenship could simply be extended to the international or global level. By contrast, "corporate global citizenship" means that companies must only be engaged with stakeholders but *be* stakeholders themselves alongside others.⁸⁹

The essay's core claim is as follows:

"International business leaders must fully commit to sustainable development and address paramount global challenges, including climate change, the provision of public healthcare, energy conservation and the management of resources, particularly water. Because these global issues increasingly impact business, not to engage with them can hurt the bottom line. Because global citizenship is in a corporation's enlightened self-interest, it is sustainable. Addressing global issues can be good both for the corporation and for society at a time of increasing globalization and diminishing state influence."

The essay contains an explicit commentary on the trajectory of state power and the growing scope of private influence. Schwab argued that corporations have become integral to the survival of governments and political stability of nations, impact air quality and the availability of medicines, and are involved in subsidizing or providing for the healthcare

⁸⁸ Klaus Schwab, "Global Corporate Citizenship," *Foreign Affairs*, January/February 2008.

⁸⁹ Interview with Valerie Weinzierl, Manager, Partnering Against Corruption Initiative (PACI), WEF, Geneva, October 14, 2009.

education of employees, children, and retirees. This applies not only to major Western transnational corporations, but also those of emerging markets (who are increasingly global in scope) as well as small and medium size enterprises (SMEs) which are the economic backbone of both advanced and developing economies alike. As the business “sphere of influence” has widened, so too have expectations of its leadership and service provision. In the tradition of Stopford and Strange (1991), Schwab takes the position that these are secular trends in the global political economy which require a re-thinking of global governance approaches and structures.

“Corporate global citizenship” thus represents for Schwab the capstone on a spectrum that begins with and subsumes corporate governance (legal compliance and ethical standards), corporate social responsibility (responding to stakeholder communities), and corporate social entrepreneurship (generating socially and environmentally responsible products and services). Global citizenship is a framework for managing global affairs in which governments, corporations, civil society and academia work “in concert.” Schwab termed the corporate dimension of this global management scheme “corporate global citizenship,” locating it as one surrounding quadrant next to other stakeholders surrounding the central problematique of global management. This then forms the underpinning of the WEF’s justification for initiating multi-stakeholder approaches at the global level.

The WEF was well placed to supply or deploy its diverse stakeholder groups into such multi-actor processes in an organized fashion. The WEF’s structure of stakeholders, constituencies, and communities made this more readily possible for the WEF than other bodies. Whereas the WEF’s membership is comprised of corporations and its constituents are communities and stakeholders, in the context of WEF initiatives corporations are themselves a “community” while governments and NGOs are considered “partners” even though they are not “members.”⁹⁰ While establishing cooperative activities and lobbying platforms among intra-industry rivals is the most common mission of domestic trade groups and transnational associations such as the International Chamber of Commerce (ICC), the WEF went beyond this to proactively identify governance gaps in public goods provision and sought to facilitate partnerships to address them.

⁹⁰ Interview with Fiona Paua, Managing Director for Strategic Initiatives, WEF, Geneva, October 15, 2009.

The WEF understands its initiatives as falling into two categories: institutionally driven projects such as the Global Competitiveness Reports (GCR) and the Redesign Initiative (GRI), and community driven initiatives in which WEF stakeholders play a lead role. In this study, institutionally driven initiatives are considered examples of norm entrepreneurship and are considered in Chapter 6. This chapter therefore focuses on community driven initiatives which fall into two types: those which fill governance or public goods gaps, and those which generate policy frameworks/codes on the national, regional, or global levels. Essentially, there are “delivery/action” initiatives and “governance/framework” initiatives. As we shall see, however, there is a fluid relationship between these two categories: some initiatives which “fill gaps” have an outward demonstration effect that results in policy shifts elsewhere, while others that propose policy frameworks can have a downward effect of changing local or national policies. The initiatives are therefore treated according to their thematic categories, with their functional roles explained within.

In analyzing WEF initiatives, the WEF’s own role in them is itself a variable. In Chapter 3 it was discussed whether the WEF is a venue or an actor, and in Chapter 4 it was explained how the WEF increasingly uses Davos as an “active venue” to engage in specific issues it seeks to promote. The same question can be raised with respect to its initiatives: Is the WEF the originator of each initiative or is it simply reflecting the priorities of member companies and while providing the non-business participation for them?

Cases have been selected which speak to the WEF’s efforts to shape policy frameworks and stimulate action in global public goods areas: The Climate Change Initiative (CCI), Global Health Initiative (GHI), and Partnering Against Corruption Initiative (PACI). Each of these initiatives has existed for over five years and thus generated a track-record of activity on a worldwide scale whose effectiveness can be measured and compared to other efforts. Indeed, the cases chosen thus represent not narrow fields where the WEF is the only player, but rather fairly dense areas of activity across the public and private sectors. All three issue areas—climate, health, and corruption—are governed not by a single international regulatory framework but rather a diffuse “regime complex”: a non-hierarchically linked set of arrangements sufficiently diverse and lacking in coherence such that “a single institutional response is exceptionally difficult to organize” (Keohane and Victor 2010: 1). In such a complicated policy environment, effecting substantial change can be said to be more difficult and require substantial innovation and influence. The key test of such efforts is whether they

have shifted legal or other norms in their functional areas, and what tangible results they have themselves achieved versus other comparable processes.

Following this introduction is a section outlining the methodologies involved in investigating WEF initiatives as well as evaluating their impact. The subsequent section discusses varieties of multi-stakeholder relationships and how they establish legitimacy and accountability. The next part provides background on how the WEF began to facilitate initiatives among its diverse constituencies and how it has sought to establish a unique and original approach to corporate citizenship activities. The chapter then delves into three specific case studies of the WEF's Climate Change Initiative (CCI), Global Health Initiative (GHI), and Partnering Against Corruption Initiative (PACI), followed by a brief review of other relevant initiatives. The final section draws upon the collective lessons from all three initiatives to offer a concluding analysis on the role initiatives play in the WEF's evolution and more broadly within the global policy landscape.

5.2. METHODS FOR CONDUCTING CASE STUDIES AND EVALUATING IMPACT

There are two types of methodology involved in this chapter. The first pertains to how the research into WEF initiatives is performed, and the second relates to how these initiatives are evaluated.

Investigating WEF Initiatives

This chapter aims to explain the phenomenon of multi-stakeholder WEF initiatives within a broader dissertation on the WEF as a whole. With respect to the investigation of several case studies of multi-stakeholder initiatives simultaneously, Khagram and Ali (2008) provide an appropriate methodology in their survey of global action networks.⁹¹ They employ the methodology of structured-focused comparisons as it increases the rigor of a relatively inductive analysis derived from a small number of cases (George and Bennett 2005), but

⁹¹ Khagram and Ali (2008) examine the following cases: World Commission on Dams (WCD); Minerals, Mining and Sustainable Development Initiative (MMSD); Global Reporting Initiative (GRI); and Global Compact (UNGC).

cases for which a similar amount of data is available (Young 2001). In these comparisons, similar questions are asked of each case such as: How did it emerge? What were its espoused goals? How was it structured organizationally? How has it evolved? What have been its effects? And, what role does it play in the institutional arrangements that shape its domain? Rather than provide excessive specific citations for each case, they sketch a composite reconstruction of the case based on a range of sources such as interviews, primary materials, and participant observation.

Given the nature of the WEF initiative cases selected here, this dissertation employs a similar approach. Each initiative constitutes a *sub*-case within this broader study of the WEF and its activities such as the Annual Meeting (chapter 4) and the Global Redesign Initiative (GRI) (chapter 6). The goal then is to provide an analysis of the structure, value-added, and influence/effectiveness of WEF initiatives, balancing an analysis of the initiative itself within the context of the relevant issue-area. As Cerny (2010) emphasizes, the matrix of players involved in any given issue area is vast, complex, and ever changing. Analyzing the particular constellation of actors involved in WEF initiatives is therefore more revealing as an instance of multi-stakeholder global policy-making than a broad survey of the particular issues such as climate, health, or corruption—or an examination of initiatives without providing the broader context of activity within its issue-area. The purpose then is not a detailed reconstruction of each multi-stakeholder initiative, but rather to embed each in the broader context and regime complex of each issue. Understanding *how* the WEF's multi-stakeholder initiatives operate within this landscape is therefore more important in revealing the common elements of such initiative processes and their overall impact than the granular specifics of each one.

The sources and methods specific to this reconstitution of WEF initiatives center on primary documents such as initiative overviews and reports. These provide the key baseline understanding of which corporate, government, and civil society actors were involved in each initiative, the nature of their involvement (research, funding, etc.), and which entity was the locus of authority for the initiative. Interviews with the direct WEF initiative managers are essential to determine the founding motivations and assess to what extent the WEF was a driver of the initiative versus a passive administrative hub. Interviews with the specific corporate and/or civil society partner organization delegates involved in WEF initiatives are also crucial in order to assess whether the WEF is a primary vehicle for multi-stakeholder

engagement in the issue area and whether it provides value-added to the participants above and beyond other efforts. Finally, comparative empirical analysis is vital to judging whether or not each WEF initiative has made a meaningful contribution to the regime complex of each issue area.

Evaluating the Effectiveness of WEF Initiatives

Each WEF initiative operates within an increasingly dense institutional landscape involving inter-governmental regimes, public-private partnerships, and other regulatory mechanisms and vehicles. How then can we assess the particular effectiveness or impact of initiatives and interventions facilitated by the WEF?

Analyzing the impact of corporate citizenship initiatives alone has proven difficult enough without the additional burden of comparing them to official, inter-governmental regulations and regimes. There is a limited body of research on how to measure their material influence and impact along supply chains (Giltsham 2007). A study by McKinsey & Company similarly refers to the challenge of determining cause and effect among new corporate citizenship norms and codes and the actual investment decisions of companies as an “intangible arena” (Oppenheim et al 2007). The WEF’s consultations with member companies have revealed that the diverse array of inputs (pro bono staff time, philanthropic donations, skill-building programs, healthcare provision, etc.) is difficult to quantify, as are the outputs in terms of medium to long-term effects in target communities.⁹²

As noted in the Introduction, the WEF increasingly seeks to create hybrid public-private processes, thereby blending away some part of the dichotomy between official and non-official processes. As a result, the WEF’s multi-stakeholder initiatives may be particularly complicated to disentangle as they include inter-governmental and state actors in their networks. Thus, for example, if a UN agency contributes partial funding and/or human resources towards a WEF initiative, how to we quantify or sub-divide the agency’s overall impact versus the impact of its contribution via the WEF?

⁹² Interview with Klaus Schwab, New York, February 17, 2010.

A number of methodological approaches shed light on how we can approach this issue in the case of the WEF. In this effort, there are challenges of input measurement, output measurement, and outcomes measurement. Young (2001) asks: “How can we separate the signal of regime effects from the noise arising from the impacts of a wide range of other forces that operate simultaneously in our efforts to understand regime effectiveness? How can we determine the proportion of observed changes in target variables....occurring in the aftermath of regime formation that can be attributed persuasively to the operation of the regime(s) in question?” Efforts to isolate the impact of a particular regime/initiative often emphasize or combine methods such as a qualitative case study and comparative and causal analysis but ultimately rely to a strong degree on subjective expert judgment. While this approach can yield important insights into the nature and sources of effectiveness of particular interventions, it does little to help score or rank regimes according to their effectiveness or the specific factors which contribute to effectiveness.

Much research has been undertaken into how non-state groups influence formal regimes. In their analysis of the role of NGOs in affecting international regimes, Betsill and Corell (2007) state that case variation is crucial both to identifying common underlying conditions across issue-areas but also to meaningfully compare how NGOs attain influence. They also emphasize behavioral change as the main factor in determining whether or not an actor or regime has had influence on outcomes. Key factors which can determine NGO effectiveness are: degree of coordination, level of access, stage of negotiation at which they enter the fray, the political stakes for participants, amount of institutional overlap, alliance formation with key states, and level of contention of the issue. In this analysis, however, NGOs are given little agency since most of the factors driving their influence are structural or exogenous to their efforts. At the same time, however, they emphasize the degree of coordination and networking among NGOs as a salient factor, one pertinent to examining the initiatives undertaken by the WEF.

Sprinz (2007) provides a useful analysis of environments that are simultaneously populated by public and private regimes. Similar to Young (2001), he concedes that in a regime complex environment, it becomes increasingly difficult to evaluate the “absolute effectiveness” of one regime without considering its interaction with others. His additional insight is that the collective landscape of regimes might come to resemble a “non-regime” in that the issue area comes to be characterized by the absence of a single social institution that

orders actors' interactions. The notion of a "non-regime" comes closest to capturing the non-hierarchical regime complex which characterizes the global public goods arenas in environmental, governance, and public health today. In this context, one can attempt to tease out the distinct effects of regimes based on their chronology, the networks through which they operate, and the outcomes that can be traced to compliance with them.

Several questions are central to an investigation of PPPs such as those facilitated by the WEF: How inclusive/representative of diverse stakeholders are the initiatives? Inclusiveness relates to the range of stakeholders involved, and representativeness emphasizes their roles or positions within the initiative. We can examine how the behavior of agents within each initiative has changed as a result of participation. The WEF can plausibly claim to have impacted behavior in a given arena if: (1) the WEF was a first-mover in the field and actors joining its initiatives undertook activities under WEF auspices which they had not or perhaps would not have before, or (2) a growing number of actors both participate and invest in WEF initiatives as their primary means of engaging on a given issue area. Another question is how effective/influential are the initiatives? Effectiveness is about the tangible/material impact of such initiatives, and influence relates to how widely replicated the initiative becomes. Influence can be evaluated by looking into the broader regime complex to determine whether the initiative has been replicated by others. These metrics allow us to bridge qualitative and quantitative criteria in evaluating the degree of causal impact of WEF initiatives.

Determining a method for assessing new global governance mechanisms speaks directly to a crucial argument of this dissertation, namely that organizations like the WEF seek to promote new processes altogether without necessarily relating them to shaping existing international organizations or norms. Drezner (2008) emphasizes that compliance and effectiveness are two different metrics. For example, compliance with the Kyoto Protocol could be universal yet still insufficient to halt a worsening of climate change. Compliance is therefore not necessarily always a good proxy for effectiveness. It is important to remember that many international regimes in the issue areas of human rights and environmental protection, among others, are considered fairly ineffective, opening the playing field to other forms of policy coordination and action such as public-private partnerships and "soft law" codes and frameworks (Ruggie 2003). The overall significance of PPPs, whether WEF-based or otherwise, should therefore be measured based on their material impact and not necessarily in comparison to existing proxies such as inter-governmental institutions or treaties. For

example, an initiative to enhance exports and trade should be evaluated according to the volume of trade it has mobilized, not on whether World Trade Organization (WTO) reform has progressed. Similarly, initiatives to reduce carbon emissions assessed based on the volume of CO₂ emissions not emitted or removed from the atmosphere rather on whether the Inter-Governmental Panel on Climate Change's (IPCC) Kyoto/Copenhagen negotiations have yielded a global regulatory emissions framework.

As a regime complex extends through time and aggregates or expands in network formation with stronger and weaker ties among public, private, and public-private regimes, initiatives increasingly have to be evaluated in relation to each other according to the dimensions of space, time, and substance. A neutral assessment of the relative merits of new interventions vis-à-vis the existing policy architecture could judge whether they are:

- **Substitutive:** Does the initiative replace or displace all or part of the existing regime(s)?
- **Additive:** Is the initiative duplicative of existing structures, but additive in resources and geographic scope?
- **Innovative:** Does the initiative provide a new or improved approach to the issue-area which can potentially become a new norm or regime?

Combining the various methodological insights discussed above, each WEF initiative case will be investigated using the following outline:

- **Origins and Founding**
 - Why, how, and by whom was the initiative founded?
 - What were the initiative's main aims and objectives?
 - Was the initiative internally driven or directed by WEF member companies?
 - Was the initiative a first-mover in the field?
- **Organization and Stakeholders**
 - Was the WEF's role to serve as the hub/secretariat, funder, driver, participant, or some combination of these?
 - Which other stakeholders were involved and how?
 - How was accountability determined within the initiative?

- **Activities and Partnerships**
 - What were the main activities of the initiative?
 - Were they of a policy/framework nature or “filling gaps” or both?
 - Did more or less actors join the initiative over time?
- **Evaluating Impact**
 - Did the initiative change the behavior of participants?
 - To what extent did the initiative create a new policy/framework or fill gaps?
 - What is the relative influence of the initiative vis-à-vis other efforts?
 - Has the initiative’s model been replicated by others?
 - Would the initiative’s absence have led to an alternative outcome?
 - Judgment: substitutive, additive, or innovative?

5.3. GLOBAL ACTION NETWORKS (GANS), PUBLIC-PRIVATE PARTNERSHIPS (PPPs), AND MULTI-STAKEHOLDER NETWORKS (MSNs)

Lipschutz (2005) frames globalization as an over-arching sphere within which various groups compete to represent specific peoples, causes and interests. He argues that the failure of states and corporations to regulate the negative externalities of globalization has given rise to non-governmental movements which have mobilized around human rights, environmental degradation, and labor standards and sought to influence state and inter-state regulations as well as corporate behavior. He credits NGOs with confronting firms on such standards issues such that they exhibit a tension between their roles as supply-chain managers and corporate citizens of the state. In aggregate, the resulting matrix of actors in the globalization sphere resembles Cerny’s (2010) typology of transnational governmental actors, transnational corporate actors, and transnational civil society.

What are the types of arrangements which characterize cooperative relations among these stakeholder groups?

Avant (2007) claims that the universe of global governors features relations of delegation, contracting, and network formation. A variety of terms are used to capture multi-stakeholder formations such as “global public policy networks” (Reinicke 1999; Witte, Reinicke and

Benner 2000), “global issues networks” (Rischard 2002), and “global action networks” (Waddell 2003, 2004). Khagram and Waddell (2007) define “global action networks” (GANs) in much the same way as public-private partnerships (PPPs) have been defined.⁹³ They describe GANs as being (1) global (2) focused upon public good issues (3) inter-organizational networks (4) bridging agents among diverse organizations; and (5) systemic change agents. GANs are an approach which attempts to transcend debates over whether the solution to transnational challenges is stronger IGOs, stronger national governments, or stronger market mechanisms. Waddell (2006: 3) claims that GANs are “in many ways the first truly global assemblies.”

Three early examples of GANs (or proto-GANs) are the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies (1863); the International Labor Organization (1919); and the World Conservation Union (IUCN) (1948). Each was a hybrid of government and non-governmental actors brought together into a common institutional framework. New examples include the Forestry Stewardship Council (FSC) and Global Water Partnership (GWP). In his study of 19 GANs⁹⁴ active for at least four years each, Waddell (2006) draws some preliminary empirical conclusions on the operational nature of GANs:

- The entrepreneurial initiation of a GAN is open to all stakeholders: 7 were founded by governments, 7 by NGOs, 3 by businesses, and 2 initiated by other actors.
- GAN membership structures vary from open to all, ad hoc, and closed/restricted participation.
- Key tasks for all GANs are (1) defining the problem (2) gaining buy-in for framing (3) agreeing on participation (4) setting parameters for common work, and (5) establishing a division of labor or “coordination and synergies.”

⁹³ According to Kaul (et al 2006: 222), PPPs are voluntary (each actor sees its self-interest furthered), horizontal (actors maintain autonomy), multi-actor/stakeholder, and global (worldwide reach and multi-generational scope).

⁹⁴ The 19 GANs investigated are: Global Compact, Forestry Stewardship Council (FSC), Global Fund, Global Water Partnership (GWP), Microcredit Summit Campaign, Partnerships for Principle, Social Accountability International (SAI), The Access Initiative (TAI), World Water Council (WWC), Youth Employment Summit (YES), Transparency International (TI), Global Alliance for Vaccines Initiative (GAVI), Business Partners for Development (BPD), Global Alliance for Improved Nutrition (GAIN), Global Reporting Initiative (GRI), Marine Stewardship Council (MSC), and International Center for Trade and Sustainable Development (ICTSD).

- Power asymmetries vary depending on the stage of development of GANs, emphasizing their greater heterogeneity than IGOs in terms of diverse structure and membership.
- GANs serve more as umbrellas than as single points of contact or leadership.⁹⁵
- GAN financing and budgets fluctuate as much as 50 percent owing to the divergent levels of commitment of members to a given cause and the flexibility of their mandate.⁹⁶
- Even where GANs focus on sustainability, motivation for membership can be financial as well as moral.⁹⁷

As with multi-stakeholder convening, the facilitation of multi-stakeholder networks speaks to how diverse actors claim legitimacy. Khagram (2004) makes an attempt to measure the internal legitimacy of multi-stakeholder coalitions. Using the example of the World Commission on Dams, he claims that legitimacy derives from:

- (1) A common and compelling narrative of origin, whether a formal request from a head of state or UN Secretary-General, pressure by civil society groups, or the actions of a visionary leader;
- (2) A credible rationale and justification of the need and timing, most likely an intractable policy problem, deadlocked conflict, or desire for a new moral/philosophical vision;
- (3) A clear explanation of the chosen format such as a commission or multi-stakeholder consultation, and why the chosen individual or organizational participants were selected;
- (4) An authoritative mandate or articulation of goals, meaning an agreed set of objectives;
- (5) Demonstrated fulfillment of the guiding principles, particularly those that relate to openness, interdependence, inclusiveness, and transparency.

⁹⁵ For example, The Access Initiative's (TAI) strength lies in serving as an expanding umbrella of NGOs that provide technical assistance and lobbying for poor countries to gain a greater voice in global decision-making.

⁹⁶ The Global Fund to Fight HIV/AIDS, TB, and Malaria, for example, represents a substantial volume of pooled resources, but is still less than some of its core donors such as the Gates Foundation and U.S. PEPFAR program.

⁹⁷ The Marine Stewardship Council (MSC), for example, focuses on making fisheries more profitable as well as sustainable, so there are profit incentives for membership.

Khagram (2004) cites stakeholder mapping as an important exercise in assuring legitimate inputs into such exercises. Wide stakeholder engagement is crucial both for knowledge contributions and legitimacy to new multi-stakeholder initiatives or commissions. They should actively reach beyond the “usual suspects” into the constituencies which they may ultimately seek to influence from the grassroots to the global levels. Furthermore, because organizational capacity often plagues multi-stakeholder commissions, an under-resourced secretariat can fail to implement an initiative’s “work program” agenda such as conducting new research, organizing sufficient consultations, and ensuring the active participation of all members. Relying on initiative members or commissioners to carry out the work proves almost universally to be less robust than having a “high-level but lean secretariat staff” (Khagram 2004).

The WEF’s delineation and aggregation of so many different communities/groups—such as mayors, religious leaders, labor unions, university presidents, etc.—places it well to ensure that it draws on a wide range of perspectives in constructing multi-stakeholder initiatives as Khagram advises. In chapters 3 and 4 it was discussed how the WEF can be seen as a particular type of knowledge authority generating value at the intersection of public and private encounters. By contrast, WEF initiatives fall more into the pattern of what Rosenau (1999) calls “spheres of authority.” In such arrangements, participating entities—whether companies, governments, or NGOs—send delegates to and thereby confer legitimacy on the initiative itself as a site of negotiation and collaboration; it is the arrangement to and from which delegates report.⁹⁸ The growing capacity for self-representation of these actors to each other (and to the state system) has resulted in and correlates to greater numbers of collectively self-legitimized spheres of authority in the world system (Saner 2008: 225-231). Not only have state actors found increasing incentives not only to dialogue but also to cooperate with non-state groups, but the volume of non-state/non-state coalitions has proliferated rapidly as well. Examples of this include alliances among NGOs such as Oxfam and Action Aid, or Greenpeace and the World Wildlife Fund.

Similar to the previous chapter’s discussion of how including civil society actors buttressed both their and the WEF’s credibility, this can be seen to be even more the case with initiatives which require a deeper level of engagement and mutual commitment. Following Adler and

⁹⁸ Interview with Lisa Dreier, Director of Development Initiatives, WEF, New York, September 15, 2009.

Bernstein's (2004) claims that legitimacy hinges on representativeness, multi-stakeholder governance processes such as public-private partnership initiatives can be said to be more legitimate if civil society actors are represented.

The principles, codes of conduct, informal regimes, and other normative prescriptions emerging from such spheres of authority are widely referred to as "soft law." The UN Global Compact or the Extractive Industries Transparency Initiative (EITI) are examples of such "soft law" frameworks. Spheres of authority may lack a formal treaty-based anchor, yet they often have governmental or inter-governmental actors as participants. The participation of formal actors allows for certain norms to transition into becoming legal or treaty-based laws. The Global Compact, for example, is part of the broader UN-based process to forge a treaty regulating business activity as it relates to human rights. This would then give regimes that began as "soft law" the enforcement and sanctioning power of international law.

As with establishing legitimacy, generating accountability proceeds differently under multi-stakeholder or network conditions. Accountability means that "some actors have the right to hold other actors to a set of standards, to judge whether they have fulfilled their responsibilities in light of these standards, and to impose sanctions if they determine that these responsibilities have not been met" (Grant and Keohane 2005: 29). Waddell (2005) emphasizes a shift in accountability away from legislation and towards being seen as "the product of interdependent relationships grounded in transparent and participatory practices." He further argues (2006: 13) that because GANs are poly-centric with distributed tasks, they cannot function under the IGO model of a centralized global secretariat. Instead their diversity requires new mechanisms of mutual accountability. In such arrangements, actors do not necessarily sanction each other, but produce accountability through agreed terms of participation and measuring fulfillment of delegated tasks (Rubenstein 2006).

Network analysis can be a useful tool in evaluating the influence of multi-stakeholder networks such as those initiated by the WEF. Network analysis focuses on any set of ties among agents and nodes, asking how networks sustain relations among participants and whether networks enhance the power of their agents. Networks can have strong or weak anchors, and be comprised of either one cluster or several linked clusters. Strong networks can exert membership pressure or exclude members; they can be considered robust to the extent that they create norms for members and beyond (Hafner-Burton et al 2009: 6, 19-20).

Examining the power and accountability relationships among actors within WEF multi-stakeholder networks can therefore reveal to what extent the WEF itself is a key driver of such networks as well as which agents are most influential in extending the reach and impact of the networks.

5.4. HOW THE WEF FACILITATES

Pigman (2007) refers to WEF initiatives as “peripheral dialogues,” yet facilitating initiatives now comprises a substantial share of WEF operations, staff, and budget. Indeed, in marked contrast to its first three decades, almost all WEF staff members today are directly or indirectly involved in the management of multi-stakeholder initiatives. Initiatives therefore represent a genuine transition in organizational strategy and design articulated by Schwab as a “shift away from being an even-oriented organization towards a knowledge and process-driven organization.”⁹⁹ One WEF manager sees continuity and consistency between the WEF’s convening dominant phase and the shift toward initiatives: “Just as the Forum promoted stakeholder theory among managers in the 1970s and 1980s, today’s initiatives are about managing multi-stakeholder relations in the context of action-oriented initiatives.”¹⁰⁰

In the words of one scholar who served as director of the WEF’s Global Governance Initiative,¹⁰¹ the WEF “sees itself as a place where key actors come together to negotiate new strategies.”¹⁰² It plays the role of mediator among stakeholder participants of its initiatives. This logic runs parallel to the role of third-party mediators in diplomatic negotiations who are distinguished by their perceived neutrality (non-partisan preference for outcomes) and experience/track record.¹⁰³ The WEF needed to build trust over time in its neutral convening in order to move into the mediator function of facilitating initiatives. The difference from convening remains crucial, however. A convener does not need to be present for discussions

⁹⁹ Klaus Schwab, “Opening Address to the Annual Meeting 2001,” Davos, Switzerland, January 25, 2001.

¹⁰⁰ Interview with Lisa Dreier, Director of Development Initiatives, WEF, Geneva, 24 September 2009.

¹⁰¹ “The Global Governance Initiative monitors the efforts of governments, the private sector, international organizations and civil society towards achieving the United Nations Millennium Development Goals.” <http://www.weforum.org/en/initiatives/globalgovernance/index.htm>

¹⁰² Interview with Ann Florini, Senior Fellow, Brookings Institution, New York, February 15, 2009.

¹⁰³ Saner (2008: 19) defines negotiation as a “process whereby two or more parties seek an agreement to establish what each shall give or take, or perform and receive in a transaction between them.”

among participants, while a mediator is an essential part of the process to ensure fairness, sequencing of steps and agenda points, and as a repository of agreements.¹⁰⁴

The rise of initiative facilitation as a pillar of WEF activity both created as well as responded to market conditions among the WEF membership. As discussed in Chapter 4, the late 1990s witnessed a growing critique of global capitalism and scrutiny on multinational corporations. With most of the world's largest one thousand corporations as its members, the WEF was a natural place for them to turn to forge a common position in response to these challenges. At the same time, WEF corporate citizenship related initiatives offered a way for firms to individually become engaged in ways many still lacked the internal capacity to pursue.

The first years of this century marked a turning point for corporate citizenship initiatives. Both the UN Global Compact and Global AIDS Vaccine Initiative (GAVI) had been announced at the WEF Annual Meeting in 2000, signaling the onset of a decade of increasing density of public-private activities related to global public goods concerns. During this period, initiatives began in an ad hoc fashion, with just a few piecemeal efforts led by relevant individual staff members without an umbrella center within the WEF. The director for the automotive and engineering sector, for example, ran industry dialogues on vehicular emissions reduction within the industry governors framework for that sector, receiving in-kind staff support from numerous automobile manufacturer members of the WEF.¹⁰⁵

In 2003, the WEF formally established a Global Institute for Partnership and Governance (GIPG), expanding beyond its previous structure based primarily on three Centers devoted to Global Industries (CGI), Regional Strategies (CRS), and the Global Agenda (CGA). GIPG's mandate was to actively leverage the constituencies of the WEF's main centers in order to curate initiatives with a cross-regional, cross-industry, and cross-stakeholder membership.¹⁰⁶ In addition to folding in the pre-existing ad hoc initiatives, GIPG quickly came to oversee close to 20 initiatives in total.

Exactly five years later in 2008, GIPG ceased to exist as a separate entity within the WEF. Initiatives were re-assigned to the relevant manager for a particular industry cluster in the

¹⁰⁴ Interview with Kevin Steinberg, Associate Member of Managing Board, New York, October 28, 2009.

¹⁰⁵ Interview with John Moavanzadeh, WEF, Geneva, October 15, 2009.

¹⁰⁶ GIPG's mission statement sets forth the goal to: "Combine the thought leadership of research institutes with the practical perspectives of executives from business, government, and civil society institutions."

Center for Global Industries' Industry Partnership Program. One managing director (different from the head of the Center for Global Industries) would continue to oversee the strategy, content, and membership of all initiatives to ensure appropriate membership balance and policy coherence, but responsibility for execution and delivery was returned to CGI. The reason given for this by a senior GIPG manager is: "Instead of having an artificial 'us versus them' division between the projects and the companies, we now have the companies directly leading and supporting the projects as a core part of their partnership with the Forum and a core part of our value proposition to them. This means everyone works together to make sure the projects succeed, and also ensures that we only take on projects that are strongly supported by the companies."¹⁰⁷

This move could be read as the co-optation of the WEF by its partner companies in the sense that as their names become increasingly associated with specific initiatives, they seek to exercise greater control over the outcomes. Importantly, though, the number of initiatives both incubated and housed within the WEF is an indication of companies' trust in the WEF and its staff to manage them. At the same time, as will be discussed in the specific initiative cases below, WEF management did not lose control over the ability to maintain multi-stakeholder balance in initiative participation, and thus initiative outcomes were not necessarily dictated by either the degree of corporate funding or the internal re-assignment of the initiatives.

How, then, is it determined what initiatives will be undertaken? Whereas determining Annual Meeting content was largely driven by consultations with and surveys of member company executives and external experts, the growing role of initiatives has done away with the need for surveys to shape the content of WEF summits and meetings. According to the WEF's Director of Communications, polling and surveys of membership, which used to be conducted on an annual basis, has stopped in light of "initiatives which now give us much closer contact with both participants and communities."¹⁰⁸ The director of the Annual Meeting program further argues that the evolution of initiatives and co-production of publications (such as the Global Risk Report) with members are "more revealing" than "inconclusive surveys" as to member company preferences and priorities as they are done in

¹⁰⁷ Interview with Lisa Dreier, Director of Development Initiatives, WEF, New York, September 15, 2009.

¹⁰⁸ Interview with Adrian Monck, Managing Director and Head of Communications, November 18, 2009; via e-mail.

much closer cooperation or in tandem with the WEF.¹⁰⁹ According to one managing board member, “Idea generation and refinement comes through an iterative process of constituencies interacting, so determining a single genesis point is very difficult.”¹¹⁰

Importantly, the WEF would not have been able to financially afford taking on a growing roster of initiatives were it not for its members’ and partners’ decisions to fund them. Initiatives have been the driving factor accounting for the massive surge in WEF revenue during 2000-8 period. The number of strategic partners (those paying the highest tier of membership dues) grew from 27 in 2000 to 96 by 2008. Given that the Davos annual meeting had reached its peak of prominence on the early side of this spectrum, the WEF manager for strategic partnerships contends that the decision of major firms to become strategic partners “has less to do with the prominence of Davos and more to do with the Forum’s internal shift towards ongoing value-added activities.”¹¹¹

More revealing than the number of strategic partners is perhaps the growth in industry partnerships signed with the WEF during the same period. Recall that Davos meetings have also been the site of intra-industry “governors meetings” of CEOs representing over one dozen sectors. As such industry-specific convening evolved, CEOs in consultation with WEF managers increasingly decided to pursue active projects as an industry leadership cluster. This has particularly been the case with basic industries, consumer goods, and IT/telecom sector groups. Between 2005 and 2009, industry partnerships grew in number from 108 to 310, meaning fully one-third of the WEF’s corporate membership was paying the second-highest tier of dues in order to play a leadership role in a specific, year-round initiative (WEF 2009a: 209). Upon launching industry-specific initiatives within particular sectoral clusters, almost all industry governors groups within the WEF have taken up the initiative approach (either as a set of companies or in collaboration with non-corporate partners) due to the copy-cat or peer pressure effect *within* the WEF as cluster leaders sought to instigate such programs with the companies for which they were responsible.¹¹²

The WEF’s urging of each member firm to choose one issue each on which it would engage had a ripple effect through its large and influential membership. It is hard to imagine that the

¹⁰⁹ Interview with Lee Howell, Director, Annual Meeting, Geneva, October 15, 2009.

¹¹⁰ Interview with Kevin Steinberg, Associate Member of Managing Board, New York, October 28, 2009.

¹¹¹ Interview with David Aikman, Director of Strategic Partnerships, WEF, Geneva, October 15, 2009.

¹¹² Interview with Alex Wong, Director, Center for Global Industries, WEF, Dalian, China, September 12, 2009.

WEF membership would acquiesce to or even support the WEF's push towards public-private engagement on global public goods issues (as opposed to an exclusively core business focus) were they not themselves becoming engaged under WEF auspices. Beyond globally known Western multi-national firms, newer emerging market member companies from India and Brazil, for example, also felt they needed the WEF to leapfrog to the level of social engagement demonstrated by their established counterparts. By including these companies into WEF initiatives, their corporate citizenship learning curve was accelerated.¹¹³ Here too, then, there is a seemingly natural linkage between the WEF's convening and facilitation roles: Indian firms were already exposed to the WEF through the two-decades old series of annual India summits and thus continued to leverage the WEF once they reached the global level of exposure.

In sum, to use Avant's (2007) terms, sometimes the WEF is delegated by firms to spearhead collective industry dialogues resulting in joint initiatives or policies, and in other cases it is mandated by inter-governmental bodies to provide inputs into existing international deliberations. Combining the diverse roles of the WEF within its initiatives as discussed here with the previous section's discussion of how power, influence, legitimacy and accountability in multi-stakeholder networks operate, we can turn to specific cases of WEF initiatives.

5.5. CASE STUDIES OF WEF INITIATIVES

CLIMATE CHANGE INITIATIVE (CCI)

ORIGINS AND FOUNDING

The phenomenon of climate change is global and inter-generational, and is driven by a diverse set of causes and factors. Despite the lack of a single, binding, global consensus on greenhouse gas emissions regulation emerging from the Copenhagen climate conference in December 2009, the inter-governmental negotiation process which began with the signing of the Kyoto Protocol in 1997 continues through additional summits scheduled for 2010 and 2011. However, even if additional legally binding restrictions are agreed on further cuts in

¹¹³ Interview with Alex Wong, Director, Center for Global Industries, WEF, Dalian, China, September 12, 2009.

emissions by both developed and developing countries, they are not enforceable through any existing mechanisms associated with the United Nations Framework Convention on Climate Change (UNFCCC).

Today the regime complex of climate change features many clubs on just the inter-state and sub-state levels alone. These include the UNFCCC, G8+5 countries, Asia-Pacific Partnership which was subsequently renamed the Major Emitters Forum (MEF), the European Union's Emissions Trading System (ETS), and the state of California's Regional Greenhouse Gas Initiative (RGGI) together with ten states in America's northeast. An array of self-directed but disconnected initiatives related to climate change has also emerged from the private and non-profit sectors, some in collaboration with each other. There is an industry-wide climate exchange based in Chicago, NGO-business arrangements such as that between the Environmental Defense Fund (EDF) and retail conglomerate Wal-Mart, and multi-stakeholder institutions such as the World Business Council for Sustainable Development (WBCSD), which was founded on the eve of the 1992 "Earth Summit" in Rio de Janeiro. According to Jonathan Lash, president of the World Resources Institute (WRI), "The shift in business norms on corporate reporting, stakeholder engagement, and strategic priorities over the past decade has been very important because it has reached further and faster than regulations alone. The WBCSD and WEF have impacted this shift."¹¹⁴

It is with the passage of the 1997 Kyoto Protocol that the WEF began to consider the implications of global greenhouse gas regulation on its member companies. Because climate change regulation would affect many companies across the WEF's multi-sectoral membership, it sought to position itself as an honest broker across multiple industry sectors.¹¹⁵ The first initiative it launched in 2001 was a Greenhouse Gas Registry, one of several which emerged at the time, enabling member companies to measure and log their emissions in a transparent database. From this starting point, a suite of environmental initiatives related to climate, energy, and water issues have emerged and expanded as the WEF's competency in the environment arena and external demand have grown.

ORGANIZATION AND STAKEHOLDERS

¹¹⁴ Interview with Jonathan Lash, President, World Resources Institute (WRI), May 24, 2010; via telephone.

¹¹⁵ Interview with Richard Samans, Managing Director, WEF, Singapore, December 1, 2009.

While the Climate Change Initiative (CCI) is a set of initiatives anchored within the WEF, it has a diverse set of partners for each work-stream within it. CCI's first project, the aforementioned Greenhouse Gas Registry, provides an example of how the WEF launches certain initiatives but allows them to spin-off into independent entities rather than increasing its own bureaucratic footprint. From 2001-4, the Registry grew into a consortium of seven industry associations as well as four major accounting firms that had agreed on standards and processes for emissions disclosure. At the same time, the Securities and Exchange Commission (SEC) was not prepared to take on carbon disclosure as a regulatory requirement. The Registry participants thus found themselves with an opportunity to set disclosure standards in advance of regulatory action. The renamed Carbon Disclosure Standards Board (CDSB) moved its secretariat from the WEF to sit within the Carbon Disclosure Project (CDP), an independent NGO started in 2000 in London which holds the largest database of corporate carbon emissions. As it was not initially clear that the Registry would move in the direction of delineating and advancing disclosure standards, this move became the most appropriate to leverage existing efforts while also adding value to them. The WEF, as well as the United Nations Environment Program (UNEP) and California governor Arnold Schwarzenegger, all hold seats on the board of the CDSB.

This early project within the environmental domain is revealing as to how the WEF organizes stakeholders around public goods problems. It initially served as the hub of the initiative, providing internal funding and proactively bringing together relevant stakeholders based on their expertise. It is also worth noting that the Registry was a private-private initiative featuring only firms and NGOs. The gradual progression of the initiative from discussion forum to emissions clearinghouse to independent standard-setting board was iteratively agreed by all participants and not driven by the WEF alone.¹¹⁶ Ultimately, the WEF went from being founding facilitator of the initiative to one board member among a diverse and multi-stakeholder group of bodies. Such umbrella group approaches are critical for the success of broad protocols because results cannot be achieved by one company alone, but groups like the WEF can make such efforts relevant to the broader business community.¹¹⁷ Indeed, given that industry associations have little contact with each other outside of their mutual convening and structured contacts facilitated by the WEF, it can fairly be claimed that

¹¹⁶ Interview with Richard Samans, Managing Director, WEF, Singapore, December 1, 2009.

¹¹⁷ Interview with Jonathan Lash, President, World Resources Institute (WRI), May 24, 2010; via telephone.

the WEF leveraged this comparative advantage to form this leading early iteration of a self-regulating emissions clearinghouse.

ACTIVITIES AND PARTNERSHIPS

Over time, the diverse activities falling under the rubric of the CCI further demonstrated the WEF's ability to forge partnerships with various public and private entities and actors, especially the inter-governmental G-20. The most formal example in this regard is the WEF's role in the G8 Gleneagles Dialogue Process. One of the shortcomings of the Kyoto process was that while it was backed by the scientific community and NGOs, business groups were not at the table and the resulting mechanisms were not sufficiently business relevant.¹¹⁸ G8 leaders thus resolved to include the private sector in post-Kyoto climate negotiations. In 2005, U.K. Prime Minister Tony Blair asked Klaus Schwab directly to oversee the formulation of high-level business recommendations for the Gleneagles G8 summit. According to Randall Krantz, the WEF's CCI director, "It would have been hard enough to build trust and consensus among 20 well-known companies from the EU, US, Japan and Brazil. Instead we aimed to have global representation from the private sector, and maintain constant contact with the U.K. and other leading governments to make sure the proposals were original and realistic."¹¹⁹ Over 16 months, the WEF brought together over 40 of its Industry Partner firms. WEF staff also maintained regular relations with the "Sherpa"-level officials from G8 ministries.

The resulting "CEO Climate Policy Recommendations to G8 Leaders" designates the status of the WEF and WBCSD as the "official partners" of the Gleneagles Dialogue Process, which it describes as an "exercise in public-private cooperation."¹²⁰ The report's broad statements reflected the official discourses of the UN, G8, and other official actors, but its recommendations went substantially beyond what was to date contained in official declarations. Whereas inter-governmental negotiations centered on bargaining over the volume of subsidies for developing countries necessary to compel their mitigation of rising emissions, the WEF report focused on stimulating private investment in clean energy in emerging markets and boosting consumer advocacy and awareness related to climate change.

¹¹⁸ Interview with Vijay Vaitheeswaran, *The Economist*, New York, April 10, 2010.

¹¹⁹ Interview with Randall Krantz, Director, CCI, WEF, Geneva, October 20, 2009.

¹²⁰ "CEO Climate Policy Recommendations to G8 Leaders," WEF, Geneva, July 2008, p. 5.

According to Krantz, “The official dialogue failed to reflect the greater potential of the \$200 billion market for clean energy. Our report certainly echoed calls for a transparent and universal climate convention to level the regulatory playing field, but we also promoted the notion of a ‘third industrial revolution’ as a win-win opportunity for both developed and developing countries to innovate, profit, and reduce emissions at the same time.”¹²¹

Importantly, the “Climate Policy Recommendations” contained a follow-on process which both led to over 100 CEOs representing ten percent of global equity signing on to the report as well as an ongoing dialogue with the G8 that allowed for continuity in developing a climate framework to replace the Kyoto Protocol, which expires in 2012. Deepening the report’s recommendations with the WEF Industry Partners thus contributed to Japanese Prime Minister Fukuda using the Davos annual meeting platform in 2008 to unveil a 5-year, \$10 billion fund to invest in technologies for developing countries to reduce greenhouse gas emissions.

While in the abstract, the global private sector is considered a stakeholder in the environmental commons, in terms of formal processes, it is the WEF in particular which emerged as a stakeholder in climate matters. According to Klaus Schwab, “On the issue of climate, our relationship with G20 governments is more like a partnership.”¹²² Post-2008, the WEF continued to work with governments on strategies to deepen climate finance and harmonize global climate regulation. In a manner similar to the U.K. Tony Blair’s request for WEF input for the Gleneagles G8 summit, his successor Gordon Brown requested the WEF to facilitate a parallel track of business and expert groups to advise the G20. The WEF thus convened a “Task Force on Low-Carbon Economic Prosperity” comprised of 82 global companies (all WEF Industry Partners) and 30 NGOs and expert groups which delivered its recommendations to the G20 leaders on the eve of their London summit in April 2009. The Task Force made recommendations on how regional public-private funds managed through a combination of regional development banks and institutional investors could help bridge the expectation and demand gap between wealthier and poorer nations. Furthermore, it provided a catalog of existing business-NGO frameworks to governments in order to demonstrate what effective transnational processes were already underway.¹²³

¹²¹ Interview with Randall Krantz, Director, CCI, WEF, Geneva, October 20, 2009.

¹²² Interview with Klaus Schwab, WEF, Dalian, China, September 12, 2009.

¹²³ Interview with Brindiusa Fidanza, WEF, Dalian, China, September 11, 2009.

On the basis of these technical recommendations, Danish Prime Minister Paul Rasmussen requested the WEF to provide inputs into the COP-15 summit which took place in Copenhagen in December 2009. The WEF task force was viewed as an important contribution to the Copenhagen agenda because it looked beyond climate to issues of poverty and economic sustainability, providing an architecture for linking the existing debates over development assistance related to climate change with the role of technology and financial markets. Indeed, the WEF sought to fill the “mezzo level” gap in activity between national governments and markets which could potentially shift the national policies of countries like India if sufficient numbers of institutional investors such as pension funds and other private actors such as energy corporations were to invest in the Indian clean-tech market.¹²⁴

A key reason why the WEF was able to take on this central brokering position is that it bridged its intra-industry categories to broaden the corporate base of inclusion and support for its initiatives and outreach to inter-governmental fora. In the words of PWC Chairman Samuel DiPiazza, “The WEF has designed the agenda for business vis-à-vis Copenhagen.”¹²⁵

It is crucial to note that the WEF’s role in climate change diplomacy over the past decade has not been solely to provide a “market-based approach” as an alternative to official inter-governmental treaties and regulation. Though the WEF report did strongly suggest that financing climate mitigation technology transfer would become a large market, it simultaneously assisted in harmonizing climate registry and exchange standards such as that once official regulations come into place, the tracking (as well as trading) of emissions can be coordinated without a central “policeman” which neither the Chinese nor Indian governments, for example, would allow.¹²⁶ In this sense, the WEF was doing more than suggesting market-based complements to official policies but was providing new frameworks for addressing climate change on which both governments and businesses could agree. The WEF’s Low-Carbon Prosperity task force thus represented a step towards formulating a bridge between markets, developed countries, and developing nations with respect to forging a mutually acceptable basis for a global greenhouse gas treaty.

¹²⁴ Interview with Dominic Waughray, Director, Water Initiative, Geneva, October 7, 2009.

¹²⁵ Samuel DiPiazza, Chairman PWC, WEF Summit of the New Champions, Dalian, China, September 11, 2009.

¹²⁶ Interview with Rajendra Pachauri, Chief Scientist, IPCC, New York, September 25, 2009.

At the same time, it must be noted that the WEF's carbon emissions related projects did not provide the specific technical advisory to firms and governments that is a necessary component of translating recommendations into action. The WBCSD, whose staff comprises scientific experts and consultants on supply-chain management, Business Standards International (BSI), which was instrumental in pioneering the ISO 14000 environmental systems standards for usage by corporate managers, and SustainAbility, a UK-based environmental consultancy whose clients include the world's largest multinational firms (and WEF member companies), have all become more significant actors in this regard over time.¹²⁷

However, in addition to its inclusion in and proposals for new policy frameworks, the Climate Change Initiative (CCI) has also undertaken to spearhead innovative delivery mechanisms. In 2007, the WEF launched an Energy Poverty Action (EPA) initiative to anticipate and supply the growing consumption/demand market for alternative energy sources in developing countries, particularly the 1.6 billion rural poor in Africa and India who presently experience energy shortages. While there is growing investment in energy provision for a rapidly urbanizing world, the low estimated per capita spending on electricity by rural populations created a gap in the market for energy for the rural poor because the estimated cost for energy supply for villages of 2-3,000 people is under \$10 million and thus too small for most banks typically investing in energy projects given the high transaction costs and additional requirements of due diligence.

The WEF assessed that this gap could only be filled through public-private partnerships. EPA thus brought together governments, companies, and scientists to advance the testing and development of sustainable bio-fuels which could be generated and managed in rural communities in a decentralized fashion. The three initiating partners of EPA were the British Columbia Hydro and Power Authority of Canada, Eskom of South Africa, and Vattenfall of Sweden. EPA member companies committed to develop pilot projects such as those initially undertaken in Lesotho, South Africa, Mozambique, Zambia, and the Democratic Republic of Congo which provided low-cost and alternative source electricity to more than 70,000 people.

¹²⁷ Interview with Jonathan Lash, President, World Resources Institute (WRI), May 24, 2010; via telephone.

EPA has a unique operating structure which is further revealing as to the WEF's flexibility with respect to initiatives. The WEF serves as the secretariat for EPA, but EPA activities are run out of a new, independent, and tax-exempt unit located within the inter-governmental Development Bank for Southern Africa (DBSA) in Johannesburg, which is an arm of the New Economic Partnership for African Development (NEPAD). The first EPA directors come from Vattenfall and the World Bank; EPA staff consists of secondments from WEF companies such as Eskom, Vattenfall, and Marsh & McLennan, as well multilateral institutional employees from the African Development Bank and World Bank; and the EPA board has representatives from the WEF, WBCSD, World Energy Council (WEC), and other corporate, governmental, inter-governmental, and non-governmental actors.

EPA is thus a truly multi-stakeholder undertaking from top to bottom, financed equitably through in-kind resources and with broad and inclusive decision-making. EPA director Christoph Frei of the WEF states that, "Our ambition is to do for rural electrification what the Global Fund does for AIDS. With the operating structure in place we are raising the capital to spend on small to mid-range projects in dozens of countries worldwide."¹²⁸ Jacob Maroga, CEO of Eskom Holdings, claims that EPA has already made a marked difference in energy provision for the poor: "We are proud that through this concerted effort with other Forum partners EPA has made major progress in developing energy solutions for marginalized rural communities in sub-Saharan Africa."¹²⁹ The quantity and diversity of stakeholders involved has increased since EPA was launched, indicating that it is the pioneer and hub of activity in this regard.

EPA is an example of a unique WEF initiative not previously or otherwise undertaken by major actors in global governance. A related example is the CCI workstream focused on water conservation and fresh water provision. Despite widespread agreement that there is insufficient freshwater supply to meet growing agriculture/irrigation demands over the next two decades, there have been few reforms in global and national water policy as it relates to agriculture. According to Dominic Waughray, director of the WEF Water Initiative, "Water diplomacy is ten years or more behind climate diplomacy, but has equally profound

¹²⁸ Interview with Christoph Frei, Director, EPA, WEF, Geneva, October 20, 2009.

¹²⁹ World Economic Forum, Annual Report 2007-8, p. 23.

geopolitical consequences. However there is a clash between entrenched positions and the prevailing analysis but without a neutral broker.”¹³⁰

The WEF therefore sought to elevate water on the global agenda both through its summits as well as by launching a Water Initiative in 2007 to advance collaboration between the public and private sectors on sustainable water policy. At the same 2007 Annual Meeting in Davos where the Water Initiative was announced, only two participants attended the public session that WEF staff had inserted into the official program. By 2008, there were six sessions at the Annual Meeting related to water, all of which were well attended by business and non-business participants alike. Several developments account for this shift in interest. First, the WEF invested substantial time from its own resources to promote interest in the water issue among its member companies. At the time, only two major investment banks, Goldman Sachs and JP Morgan, treated water as an asset class, thus the Water Initiative staff had to lobby additional member companies to appoint personnel to develop the requisite expertise and take responsibility for their firm’s handling of water issues. The WEF then established a dialogue among these like-minded firms on how they could together frame a progressive global water policy and support each other’s efforts. These participants quickly agreed that a water financing facility that provides capital and insurance for water projects would be necessary outside of the existing framework of international financial institutions such as the World Bank. The group also agreed to focus on the major case of India and establish an Indian Business Alliance on Water together with the Confederation of Indian Industry (CII) (the WEF’s summit partner in India for over two decades), the UN Development Program (UNDP), and USAID. Numerous India-based projects have been developed and financed in the area of waste water re-use and water infrastructure investment. During the Annual Meeting 2010 “town hall” session, water was chosen as the top global issue. The combination of awareness, policy, and financing activities undertaken by the WEF Water Initiative from 2007 onwards therefore made an auxiliary contribution towards the broader growing prominence of water scarcity among the leadership of diverse stakeholders while also facilitating tangible innovation in service delivery in a major water-scarce country.

EVALUATING IMPACT

¹³⁰ Interview with Dominic Waughray, WEF, Geneva, October 20, 2009.

Keohane and Victor (2010) claim that because the global environmental commons present a common pool resource problem with continuous incentives for free-riding, much of the solution will be generated by smaller clubs and arrangements which do not rely on inter-governmental consensus. The UNFCCC's broad participation and scientific legitimacy can continue to provide substantive legitimacy for such efforts without the UN itself being at the center of them.

The WEF Climate Change Initiative (CCI) has been both additive and innovative to the existing governance architecture and mechanisms devoted to the themes of climate change, energy access, and water scarcity. It devised new multi-stakeholder policy frameworks in two ways. The first was the carbon disclosure registry together with other private actors such as companies and NGOs. None of the seven industry associations which formed the core membership for the registry had previously taken a position on emissions disclosure standards and requirements until the WEF proactively brought them together with the big four accounting firms to establish the carbon registry. The WEF then brought these firms and associations to commitments and actions which had not previously been undertaken, and given the lack of formal regulation of their sectors, may not necessarily have undertaken were it not for the WEF's facilitation.

The second original policy framework role for the WEF was serving as the key partner of the G-8/20 with respect to seeking new pathways to reduce greenhouse gas emissions. In this case its role was delegated at the invitation of governmental leadership. The case of Japan's 2008 announcement of clean technology investments into developing countries is evidence of the CCI's influence over an important and wealthy government. The WEF successfully located itself as a site of policy framework innovation providing courses of action beyond the multilateral UNFCCC route and the inter-governmental impasse which currently impedes its progress.

CCI also generated activities which filled governance gaps in critical geographies such as Sub-Saharan Africa and South Asia, leading to the provision of services which might not otherwise have been delivered (within a reasonable time-frame of when they were by the WEF initiative). This is particularly the case with the Energy Poverty Action (EPA) task force by which the WEF leveraged a leading Canadian power company, a top South African financier, and one of the most technologically advanced European energy developers, pairing

these with the Sub-Saharan Africa's two main multilateral development institutions. The collaboration not only brought rural electrification to villages in the initial five countries chosen for pilot projects, but also established a model for similar partnerships and initiatives throughout the region. In each of these policy and delivery areas, CCI facilitated the creation of mechanisms which did not previously exist.

Across the environmental protection arena, impact assessment tools, which are themselves a form of accountability, are often lacking.¹³¹ Another approach to evaluating impact is to consider whether the WEF's initiative approach(es) have been replicated. It has been noted that EPA has become the leading framework for its purpose as well as having a replication effect. More broadly, however, public-private partnerships have been widespread in areas where the WEF has not taken an active interest. Three of the leading multi-stakeholder bodies committed to environmental concerns—the World Resources Institute (WRI) and International Union for the Conservation of Nature (IUCN), and the World Business Council for Sustainable Development (WBCSD)—work directly with governments and companies on supply-chain sustainability and ecological preservation in stressed areas. The Clinton Foundation has initiated a unique emissions reduction dialogue among mayors of forty of the world's most industrial cities, also demonstrating an ability to facilitate multi-stakeholder processes in the climate arena. Lastly, new inter-governmental mechanisms are taking shape such as a Clean Energy Free Trade Area (CEFTA) aimed at including only countries which have committed to the elimination of fossil fuel subsidies. These then are several examples representing crucial pillars of policy and action within the environment issue-area in which the WEF has little or no involvement.

At the same time, the continued deadlock at the inter-governmental level on the issue of binding emissions reduction commitments opens opportunities for other actors to exercise leadership. Keohane and Victor (2010: 13) posit that in a regime complex environment, building credibility through smaller-scale activity and the gradual adjustment of incentives are crucial to success. In this sense, CCI activities have been more “bottom-up” than “top-down,” incrementally contributing to shifts in government positions as well as the activities of significant corporate actors. On the whole, as CCI has organically grown into a suite of initiatives focused on particular sustainability issues, it has strongly contributed to making the

¹³¹ Interview with Jonathan Lash, President, World Resources Institute (WRI), May 24, 2010; via telephone.

WEF an active node within the broader regime complex of the environmental arena, innovative and additive in specific ways, but not providing a globally substitutive approach.

GLOBAL HEALTH INITIATIVE (GHI)

ORIGINS AND FOUNDING

Alongside managing the earth's eco-system, the provision of global public health is perhaps the most active arena of global action networks. It features new and sophisticated international organizations with joint public-private governance such as UNAIDS and the Global Fund Against HIV/AIDS, TB, and Malaria; non-traditional actors such as the Gates Foundation, which partners not only with governments (most notably Botswana) but also provides approximately 25 percent of the World Health Organization's annual operating budget; bilateral programs such as America's PEPFAR which funds local governments and NGOs to deliver AIDS vaccines; and private companies which partner with local governments and NGOs to provide workplace and community healthcare. However, as with the issue of environmental sustainability, despite these robust and multi-layered efforts, the gaps between financing, resources, and the delivery of public health worldwide remain staggering. Progress towards the health-related Millennium Development Goals (MDGs) (reducing child mortality, improving maternal health, and reducing the infection rates of HIV, TB, and other diseases) remains far off track.¹³²

The WEF took an early interest in facilitating PPPs related to public health, launching the Global Health Initiative (GHI) in 2000 as the first initiative related to public goods for which it hired full-time, dedicated staff including medical professionals. Since that time, the Davos annual meeting has frequently been used as a venue to elevate the issue of global public health: In 2000, World Health Organization Secretary-General Gro Harlem Brundtland announced the Global Alliance for Vaccines and Immunization (GAVI), and in 2006, the Global Plan to Stop Tuberculosis¹³³ was launched by Nigerian President Olusegun Obasanjo, UK Chancellor of the Exchequer Gordon Brown and Bill Gates. By 2008, the WEF annual

¹³² For a progress report on the health MDGs, see <http://www.actionforglobalhealth.eu/index.php?id=5>.

¹³³ The Global Plan to Stop TB is a coalition of over 400 organizations that aims to treat 50 million people and prevent 14 million tuberculosis deaths worldwide by 2016.

report claimed that GHI had become the world's "largest public-private sector network in health."

ORGANIZATION AND STAKEHOLDERS

From the outset, GHI envisioned itself as a hub of alliances among leading actors in the global health field. Much as associating with professional academic economists with experience at multilateral organizations such as the IMF and World Bank gave the WEF the confidence to publish the *Global Competitiveness Report* from the 1970s onwards (see chapter 6), hiring Dr. Kathryn Taylor, a medical doctor who had also directed McKinsey's healthcare consulting practice, enabled the WEF to more confidently set its own agenda with respect to public health. This meant that rather than only advance the issue of global health amongst relevant member companies, the WEF could partner with them as an authority in its own right.¹³⁴ However, even though the WEF put its own resources into developing GHI as a hub, its aim was not to duplicate or compete with other entities and efforts but to combine and re-allocate resources within a relevant network of diverse partners, all of whom had specifically envisioned roles: pharmaceutical companies, UN agencies, NGOs, federal governments, and academic institutions.

GHI's relationship with the Gates Foundation is emblematic of the WEF's shift towards deep private-private partnership. Rather than rely on the interest and financing of WEF member companies to support GHI, the Gates Foundation became early on the dominant funder of all GHI activity, particularly related to HIV/AIDS. The notion that the WEF, a corporate-funded entity, would receive funds from a philanthropic foundation was highly paradoxical at the time. Yet the Gates Foundation's view was that providing outside funding to the WEF would enable external visibility and accountability over its activities in the public health space (in contrast to internal funds which can be spent at the WEF's discretion).¹³⁵ GHI then was the pioneering example within the WEF of moving beyond exclusively corporate funding for its activities, and furthermore an important example of a private-private global governance partnership.

¹³⁴ Interview with Dr. Kathryn Taylor, former director, GHI, WEF, April 5, 2010.

¹³⁵ Interview with Kanwarjit Singh, Senior Policy Advisor, Gates Foundation, March 24, 2010.

The experience with the Gates Foundation led the WEF to initiate a new category of partners known as “Initiative Supporters” distinct from “industry partners” (who are member companies).¹³⁶ Initiative supporters included operational partners such as the U.S. development agency USAID and international organizations such as WHO and UNAIDS who were non-funding but had formal roles in initiative implementation. These non-state and inter-governmental entities, along with the WEF’s pharmaceutical industry member companies, were the leading stakeholders in many WEF public health activities. The fact that sovereign entities became initiative supporters provides some indication that they saw the WEF’s constituencies as important vehicles for the implementation of their policies.

ACTIVITIES AND PARTNERSHIPS

GHI activities spanned multiple levels of global public health from inter-governmental policy-making and frameworks to national health strategies to PPP coalitions devoted to issues inter-related with health such as hunger. In all cases, according to the WEF’s 2008 annual report, “GHI-catalyzed partnerships use the resources and know-how of all parties involved to run projects that yield real results on the ground.”

It is in relationship to the international public health institutions that the WEF distinguished itself from its pharmaceutical company members. During the deliberations in 2000-1 to create the multi-stakeholder Global Fund for HIV/AIDS, TB, and Malaria, the WEF was given the private sector seat on the managing board in order to resolve rivalries among leading pharmaceutical companies. While this initially caused tension between the GHI anchor within the WEF and its member companies, the latter resolved to further coordinate their positions on Global Fund policies and funding outlays through the WEF, thereby strengthening GHI’s visibility and standing. The WEF was thus not only a participant in steering the creation of the a multi-stakeholder international body to fund health interventions, but the Global Fund’s establishment created opportunities for the WEF to boost its status in the global public health domain.¹³⁷

GHI also partnered directly with IGOs in multi-stakeholder programs at the national level. For example, it was a founding member of the Indian Business Alliance to Stop TB (IBA)

¹³⁶ Interview with Michael Seo, Deputy Director, GHI, WEF, New York, April 1, 2010.

¹³⁷ Interview with Dr. Kathryn Taylor, former director, GHI, WEF, April 5, 2010.

together with the Indian Ministry of Health, WHO, and Indian firms Reliance and Birla. By 2006, IBA had reached four million people through a combination of workplace and community programs. The same process was conducted in China (under the rubric of the China Health Alliance) with Standard Chartered Bank, Adidas, Pfizer, and the Chinese health ministry. GHI similarly partnered with WHO to determine work-sites in sub-Saharan Africa where WEF member companies could promote worker education on health. Also in sub-Saharan Africa, GHI partnered with UNAIDS and WEF pharmaceutical company members Merck and Becton Dickinson to publish a white paper titled “From Funding to Action: Strengthening Healthcare Systems in Sub-Saharan Africa,” and to follow it with demonstration projects in three countries.

Importantly, GHI activities at the national level were not exclusively mediated through IGOs. Instead, a greater volume of GHI projects were those in which the WEF directly facilitated programs that leveraged specific member companies’ comparative advantages in host countries. A GHI report titled “Beyond Big Business: Are Your Suppliers and Distributors Ready to Fight HIV/AIDS?” claimed that the economic cost of AIDS in healthcare and workplace absenteeism is \$13 billion annually and called on WEF member companies to fund AIDS prevention and treatment-intervention programs by throughout its local supply chains. Companies such as Eskom, Standard Chartered, Heineken, Unilever and Volkswagen worked with a selection of their supplier firms to reach a total of 50,000 people with such programs.¹³⁸ The “toolkits” these companies used to steer their programs were designed by GHI staff in conjunction with pharmaceutical company Eli Lilly, and further distributed to Chinese and South African companies to encourage their adoption of the “Beyond Big Business” model.

Two crucial takeaways from these examples are that the WEF (1) published the “Funding to Action” and “Beyond Big Business” reports under its own brand, thus taking responsibility for the agenda those reports advanced, and (2) was the repository of the innovative “toolkits” which had not previously been designed or implemented by other firms or organizations, making GHI an innovator in delivery mechanisms for public health. In its partnerships with national governments, GHI has thus proven to be very active both strategically and

¹³⁸ Bashi Gaetsaloe, Country Managing Director for Accenture in Botswana, points out that small and medium size enterprises (SMEs) make up 55% of employment in that country, thus pilot programs with small suppliers are the key to stopping the spread of HIV/AIDS. “When large companies share HIV/AIDS programs with SME suppliers, it protects the supply chain and builds good relationships that are important for business.”

operationally. Particularly with regard to its toolkits, it provided technical assistance in ways that the WEF's climate-related initiatives did not.

In the absence of public health systems in many developing countries, the GHI advanced a market-based approach to micro-health delivery inspired by the success of Grameen Health Systems in Bangladesh which was replicable, scalable, and sustainable absent aid flows.¹³⁹ Noting the growing interest of the private sector in investing in the "bottom of the pyramid,"¹⁴⁰ GHI leveraged the research of its knowledge partner the Indian School of Business, which had conducted case studies on over 100 small-scale healthcare models in India, and brokered connections between healthcare firms and investors who are part of GHI, the International Finance Corporation's (IFC) Health Infrastructure Program, and local businesses to provide both healthcare and insurance services.

In addition to market-based approaches, GHI also served as an anchor for inter-disciplinary activities which addressed public health from the standpoint of hunger and poverty, thus ignoring the MDG's distinction among these issue areas. In 2006, the WEF launched the Business Alliance Against Chronic Hunger (BAACH), involving over 30 companies as well as more than 10 NGOs and the government of Kenya, to combat malnutrition through increasing linkages between farmers growing staple crops and international markets, boosting food processing and packaging, supporting retail market development, and building capacity for entrepreneurs. The BAACH model has since spread from Kenya to over a dozen other countries. Michael Treschow, the chairman of Unilever, claims that BAACH is "a pioneering initiative to develop business solutions to hunger and poverty that are sustainable for both the community and the company."¹⁴¹ Similarly, the WEF also launched an initiative among its agro-business members called Business Solutions for Sustainable Food Production, funded by the Gates Foundation, which sought commercially viable approaches to low-cost agricultural productivity without harming cropland.

Despite GHI's successes in the arena of combating deadly diseases such as HIV/AIDS and TB, its current director, Olivier Raymond, another medical doctor with experience in vaccine development, shifted the WEF focus away from diseases due to its lack of scale. Since GHI's

¹³⁹ Interview with Michael Seo, Deputy Director, GHI, WEF, New York, April 30, 2009.

¹⁴⁰ The term denotes the world's poorest one billion people.

¹⁴¹ World Economic Forum, Annual Report 2007-8, p. 23.

founding, major funding vehicles for vaccine research and distribution such as GAVI and the Global Fund came on stream, effectively displacing the WEF's role. At the same time, the Gates Foundation shifted its support for such efforts away from the WEF, diminishing a substantial share of its core funding. As a result, the WEF devolved much of its disease focused activity to organizations which could carry projects forward on the ground: the Indian Business Alliance was handed off to the Confederation of Indian Industry (CII), and malaria programs folded into the Roll Back Malaria (RBM) Initiative. Despite the Stop TB campaign's request for GHI to extend its South Africa "toolkit" to 50 other countries, GHI was not able to implement and instead recommended that national partners carry out these initiatives themselves.¹⁴²

In light of its new funding baseline, GHI shifted focus to make the most of the techniques it has developed for facilitating initiative partnerships. "For all new initiatives, we will set the stage with our research partners where we see a gap, but our goal is to inspire other actors to pick up the slack and then fold up our internal operation. We will stick to a strict timeline and exit strategy."¹⁴³ Three projects in particular constitute most of GHI's present activity. The Workplace Wellness Alliance, in partnership with the WHO and including both companies and NGOs, has launched a competitive league to track measures to improve health consciousness in the workforce. GHI currently serves as the secretariat for this project, but aims to spin it off as an independent NGO. The second is a Global Health Data Charter, constructed in partnership with the International Hospitals Association, International Organization of Patient Organizations, and World Medical Association, which seeks to establish principles for making health systems more efficient and identify governments willing to pilot the initiative. The final project houses the continuation of innovative healthcare delivery programs. (GHI plans to host a conference bringing together innovators and funders such as WEF healthcare member companies.)

As an initiative within the WEF, GHI maintains a seat on boards of multi-stakeholder initiatives such as Roll Back Malaria. It also continues to position itself as a gateway to the private sector for IGOs whose private sector outreach arms are weak, particularly the WHO. In fact, much as was the case with the founding of the Global Fund, the WHO uses the WEF as a safe proxy for the private sector rather than having specific companies involved in its

¹⁴² Interview with Olivier Raymond, Director, GHI, WEF, Geneva, October 21, 2009.

¹⁴³ Interview with Michael Seo, Deputy Director, GHI, WEF, New York, April 1, 2010.

decision-making, which would be much more controversial. Interestingly, in this regard the WEF-WHO relationship extends beyond the original set of pharmaceutical companies that are part of GHI into the food and beverage sector, which the WHO seeks to persuade to produce healthier food.¹⁴⁴ Through such relationships, GHI continues to broaden its influence into the global public health domain while also engaging ever more and diverse firms into its activities.

EVALUATING IMPACT

In the global public health arena, there are a variety of medical and institutional metrics one can apply to compare the utility or effectiveness of initiatives. One medical metric is the number of lives saved by a particular program or intervention. Here we would compare GHI to bilateral government programs such as the American PEPFAR, or intergovernmental programs of UNAIDS or WHO. Each has undertaken major treatment campaigns on the national and regional level in Africa and South Asia in particular. However, a major complicating factor in attempting such a scorecard is that GHI is not entirely separable from major existing multilateral/multi-stakeholder processes such as GAVI, the Global Fund, and Stop TB. It has been part of the launching, framing, strategy, and operations of all of these, either as a founding/board member or a facilitator of participation in these of its pharmaceutical member companies. Even if the WEF role has dissolved, been subsumed, or handed off to another party, GHI has a demonstrable role in the origins of each of these major entities.

This is particularly the case with the Gates Foundation. Today the Gates Foundation dwarfs almost all the world's individual governmental and inter-governmental public health programs in terms of funding activity. But the WEF's GHI pre-dates the Gates Foundation and was one of the first major and continuous recipients of Gates Foundation support. Given how GHI made public-private partnerships the cornerstone of its initiative methodology, and how the Gates Foundation has done the same, it is fair to say that there has been mutual inspiration and benefit to the WEF/GHI-Gates Foundation relationship over the past decade.¹⁴⁵ All of the aforementioned high-level, high-visibility, and major funding efforts in global public health would undoubtedly have taken shape absent WEF involvement, but the

¹⁴⁴ Interview with Michael Seo, Deputy Director, GHI, WEF, New York, April 1, 2010.

¹⁴⁵ Interview with Kanwarjit Singh, Senior Policy Advisor, Gates Foundation, March 24, 2010.

initial and ongoing role of GHI within them should not be discounted simply because they have outgrown GHI's original contributions.

GHI was not only an early mover in facilitating high-level public-private global health programs and organizations, but it has been a pioneer at the national and sub-state level as well. The India Business Alliance (IBA), China Health Initiative, and "Beyond Big Business" program in South Africa brought together broad, multi-industry coalitions whose robust supply chains in those nations were decisive in piloting significant healthcare programs. Furthermore, the publication of pragmatic "toolkits" was a unique and original GHI effort that signified the first deep reach into the domestic private sectors of AIDS-inflicted countries to promote workplace treatment programs. This access to key business players in local healthcare/insurance provision paved the way for the WEF to facilitate the more substantial partnerships and investments among the IFC and major health sector investors in countries such as India. According to Richard T. Clark, CEO of Merck, "Through the GHI, the WEF has created new public-private partnerships and led the way in understanding how to make such collaborations work effectively deep inside at-risk countries."¹⁴⁶

It is important to note that even if GHI was an innovator of public-private health partnerships, some of its initiatives were quickly eclipsed by other efforts replicating its approach. The Business Alliance Against Chronic Hunger (BAACH), for example, which in 2006 partnered several dozen companies and NGOs in Kenya to link small farmers to markets, served as a positive example for far more influential initiatives launched soon afterwards. Between 2009-10, key G-20 countries such as the U.S., Canada, Spain, and South Korea resolved to boost World Bank funding for poor nations affected by food price spikes and diminished exports in light of the global financial crisis. This was followed by the launch of a "Global Agriculture and Food Security Program," developed in partnership with the Gates Foundation, representing a total pledge of over \$20 billion between 2010-15 by major donor nations through a World Bank trust to invest in agro-technology, sustainable water management, better seeds, and linking farmers to markets. BAACH had successfully attempted this on a country scale, but Gates Foundation lobbying of leading governments was clearly the driver

¹⁴⁶ World Economic Forum, Annual Report 2007-8, p. 23.

in this far higher-level effort to reverse the trend by which donor assistance for agriculture fell from 18% in 1979 to 5% in 2009.¹⁴⁷

To parse the WEF's claim that GHI is now the world's "largest public-private sector network in health," this may be true in terms of the number and scope of public health activities in which the WEF is partially or fully engaged. It holds a seat on the board of Roll Back Malaria and other major multi-stakeholder initiatives, WEF member companies continue to employ its national-level "toolkits," it partners with the WHO across a range of activities such as promoting Workplace Wellness, and is also networking across medical associations to devise a Global Health Data Charter.

At the same time, while the WEF succeeds at facilitating and steering multi-stakeholder health initiatives, it lacks the resources to be a long-term driver of their continuity. The fact that the Gates Foundation's shifting funding priorities forced a large-scale re-thinking of the WEF's approach towards mostly catalyzing but then devolving or spinning-off healthcare networks is evidence of this. The WEF has used its access and networking power to be a unique and innovative facilitator of multi-stakeholder health partnerships that have been widely replicated by other major actors, but this success has also meant that GHI is no longer as necessary a catalyst for such programs as it was during its early years.

PARTNERING AGAINST CORRUPTION INITIATIVE (PACI)

ORIGINS AND FOUNDING

Over the past two decades, a host of international instruments have been set up to tackle corruption, but there is little evidence that the level of corruption at a global level has significantly declined.¹⁴⁸ The Anti-Bribery Convention of the OECD is the most prominent international instrument created to fight corruption, but only a handful of countries are strongly committed to its guidelines, hence enforcement remains weak. The 2003 United Nations Convention against Corruption has been ratified by over 130 countries, but similarly

¹⁴⁷ Timothy Geithner and Bill Gates, "A New Initiative to Feed the World," *The Wall Street Journal*, April 24, 2010.

¹⁴⁸ "Zero Option for Corruption," PACI Public Session, WEF Annual Meeting 2010, Davos.

lacks monitoring and enforcement capacity. Other mechanisms include the United Nations Office on Drugs and Crime (UNODC), the Interpol Anti-Corruption Academy, and the World Bank's Stolen Assets Recovery Initiative. The U.S. Foreign Corrupt Practices Act (FCPA), with its putative universal jurisdiction, is the strongest national legislation, allowing for the prosecution of firms that have bribed foreign government officials. The anti-corruption landscape also features a range of non-profit sector initiatives which target government corruption. These include monitoring groups such as Transparency International (TI) and Global Integrity. As with the environment and public health, anti-corruption too features a diverse regime complex of inter-related arrangements without a single dominant framework.

Despite all these ongoing, high-profile efforts, Transparency International (TI) reports that, instead of seeing progress, the incidence of and public pessimism about corruption are growing.¹⁴⁹ The World Bank has identified corruption as the "greatest obstacle...to reduce poverty," and a fundamental impediment to economic and social development.¹⁵⁰ According to World Bank Institute estimates, more than US\$1 trillion is paid in bribes each year (Kaufmann 2006). This figure does not include the vast amounts of public funds that high government officials embezzle or public assets that are stolen, often in countries that are least able to withstand such depredations. Indeed, an African Union report asserts that Africa alone loses an estimated US\$148 billion annually to corrupt practices, a figure that represents 25 percent of Africa's gross domestic product.¹⁵¹

As a global issue, corruption bears similarity to climate change in that there is no comprehensive consensus on what corruption is or how the many aspects of rent-seeking behavior fit together. Both are global and complex phenomenon with many contributing factors and causes. This study will employ the broad definition of corruption employed by Transparency International: "The abuse of entrusted power for private gain."¹⁵² This definition broadly captures many forms of corruption while also encompassing both "greedy government officials" and "craven, self-serving businessmen."¹⁵³

¹⁴⁹ Global Corruption Barometer 2007, Transparency International; see http://www.transparency.org/policy_research/surveys_indices/gcb/2007.

¹⁵⁰ World Bank Anticorruption Program; see <http://go.worldbank.org/QYRWVXVH40>.

¹⁵¹ *The Economist*, September 19, 2002.

¹⁵² TI further differentiates between "according to rule" corruption and "against the rule" corruption. Facilitation payments, where a bribe is paid to receive preferential treatment for something that the bribe receiver is required to do by law, constitute the former. The latter, on the other hand, is a bribe paid to obtain services the bribe receiver is prohibited from providing. See http://www.transparency.org/news_room/faq/corruption_faq.

¹⁵³ Interview with Stephen Young, Global Executive Director, Caux Roundtable, New York, March 28, 2009.

Most of the aforementioned international anti-corruption efforts, however, direct their attention at public sector abuse. While there have been high-profile cases of law enforcement agencies cracking down on corporate malfeasance, these cannot be viewed as representative of a growing effort against corruption because, as noted above, very few governments offer strong, consistent support for the OECD principles, and secondly, many such instances are politically motivated in order to undermine business rivals rather than based on anti-corruption norms.¹⁵⁴ A recent example of the latter is China's arrest and long-term imprisonment of Rio Tinto officials accused of stealing and selling firm secrets, notable in that China increasingly competes with Western firms in the mining sector.¹⁵⁵

Far less attention has been paid to private sector led approaches to compliance with international anti-corruption norms.¹⁵⁶ It is in this space that the WEF's Partnering Against Corruption Initiative (PACI) can be situated. As the international community was widely focused on the "demand side" of corruption, the WEF felt it could add value by taking on the "supply side" in terms of companies which engage in corrupt practices.¹⁵⁷ Within industry, very few international corporations had taken firm stands against corruption. PACI aimed to enable corporate executives, acting on behalf of their firms, to make high-profile and industry-wide commitments against corruption.

As discussed in the previous section, the WEF has sought to be a definitional pioneer of corporate citizenship as the concept and activities it encompasses have evolved. The WEF's engagement with issues of business responsibility to public ethics dates back to the 1971 "Davos Declaration" which actively recognized business role and obligations to society. From 2000-4, the WEF ran a dedicated Corporate Citizenship Initiative (CCI) that engaged companies in various voluntary declaration processes. This appears to have been a half-hearted effort for two reasons. First, companies were not given an explicit mission or material goal on which to engage, but rather to sign on to declarations which could have been, and often were, quite similar to those promoted by other groups.¹⁵⁸ Second, since more specific initiatives fall within the broader sphere of corporate citizenship, the CCI itself did not

¹⁵⁴ Interview with Stephen Young, Global Executive Director, Caux Roundtable, New York, March 28, 2009.

¹⁵⁵ Matthew Curtin, "China's Political Lesson for Rio Tinto," *The Wall Street Journal*, March 29, 2010.

¹⁵⁶ Interview with Stephen Young, Global Executive Director, Caux Roundtable, New York, March 28, 2009.

¹⁵⁷ Interview with Rick Samans, Managing Director, WEF, Singapore, December 1, 2009.

¹⁵⁸ See "Global Corporate Citizenship: The Leadership Challenge for CEOs and Boards," Geneva and London: World Economic Forum and International Business Leaders Forum, 2002.

achieve any particular momentum. Instead, it became an over-arching background concept for a growing array of industry or issue-specific initiatives which fall under the umbrella of corporate citizenship.¹⁵⁹

Within this context, PACI began in 2004 and was branded as a “global anti-corruption initiative driven by the private sector.”¹⁶⁰ It was conceived by the WEF’s governors group of CEOs of engineering and construction company members for two principal reasons: (1) their sector had been rated the world’s second most corrupt by Transparency International (TI), and (2) the CEOs felt that rather than out-bribing each other, they could create a level playing field by which none would necessarily lose out on contracts due to others’ illicit payments.¹⁶¹ In its early phases, the WEF brought in key governors of the energy and metals and mining sectors as well, who agreed to participate in the PACI process. In all, 140 CEOs, representing companies with an annual turnover of over USD\$800 billion, collectively signed on to the first charter.¹⁶² PACI signatory companies committed to a “zero-tolerance” policy towards bribery and corruption and agreed to put in place internal anti-corruption programs.¹⁶³

PACI is not about recovering stolen assets or holding corrupt government officials accountable; it attempts to fill a piece of the larger corruption puzzle by working on the private hand—or palm—of the corruption dynamic. Since anti-corruption initiatives were not fundamentally new, PACI was intended to add to and address the deficiencies of the existing hodge-podge of anti-corruption initiatives in the following ways:¹⁶⁴

- Serve as an overall clearinghouse to consolidate diverse industry groups’ anti-corruption initiatives. The WEF has a comparative advantage in this regard given its multi-industry composition. PACI’s early inclusion of at least three

¹⁵⁹ Interview with Valerie Weinzierl, Manager, Partnering Against Corruption Initiative (PACI), WEF, Geneva, October 14, 2009.

¹⁶⁰ PACI, Background Statement; available at: <http://www.weforum.org/en/initiatives/paci/index.htm>.

¹⁶¹ Interview with Valerie Weinzierl, Manager, PACI, WEF, October 14, 2009.

¹⁶² These 140 companies spanned sectors such as chemicals (BASF), energy (Royal Dutch Shell, Petrobras), engineering and construction (ABB, Fluor), metals and mining (DeBeers, Newmont, Rio Tinto), professional services (Deloitte, KPMG, PriceWaterhouseCoopers, Ernst & Young), food and beverage (Archer Daniels Midland, Coca-Cola), logistics and transport (TNT, UPS), healthcare (Merck), and insurance (InvestCorp), among others.

¹⁶³ “Partnering Against Corruption Initiative: Principles for Countering Bribery,” WEF, Geneva, 2005.

¹⁶⁴ Interview with Valerie Weinzierl, Manager, Partnering Against Corruption Initiative (PACI), WEF, Geneva, October 14, 2009.

of its industry clusters is evidence of this ability to rapidly cross industry boundaries.

- Shape the evolving anti-corruption regulatory framework. Given the largely governmental nature of existing anti-corruption regimes, the WEF sought to encourage business-government-NGO stakeholder interaction to encourage the replication of successful initiatives to scale.
- To help such initiatives harmonize and streamline their standards towards those of Transparency International (TI). PACI did not intend to devise a new anti-corruption code but to help particularly corporate members within its network internalize TI's already widely visible and respected norms.

PACI is thus a unique initiative in the anti-corruption space, but also an additive one in terms of its synergy with existing efforts and forging of new coalitions among existing actors.

According to Alan Boeckmann, CEO of construction firm Fluor, "Ethical behavior creates a competitive disadvantage unless there is a broad leveling of the playing field. Even though we did this within the construction and engineering sector, the WEF has the cross-industry access to make this happen more broadly. PACI serves to bring together a critical mass of companies which can change the momentum in the fight against corruption."¹⁶⁵

ORGANIZATION AND STAKEHOLDERS

In many respects, PACI was founded by the WEF but not grounded exclusively within it. Importantly, it took as its motivation not the fear of international regulation such as the expansion of the U.S. FCPA, but rather was inspired by the work of another non-state actor, Transparency International (TI). In this sense, it broadly fits into the pattern of private-private relations that is widely visible in WEF's initiatives. More formally, the PACI Board reflected the WEF's particular multi-stakeholder model, including CEOs (TNT, Fluor, Ernst & Young), NGOs (Transparency International), and representatives of international organizations (OECD), and a WEF managing board member.

PACI multi-stakeholder operating structure is as important as its mixed management. Diverse formal partnerships allow it to extend beyond the direct scope of WEF membership and

¹⁶⁵ Alan Boeckmann, Chairman and CEO, Fluor, WEF Annual Meeting, Davos, January 25, 2006. Available at: <http://www.weforum.org/en/initiatives/paci/index.htm>

internal resources of the WEF devoted to PACI. These partners include Transparency International (TI), the Basel Institute on Governance, the International Chamber of Commerce (ICC), OECD, and UN Global Compact (UNGC). Each partner has a particular comparative advantage and thus value-added in PACI's division of labor: TI provides a robust ratings system considered credible and impartial because it is based on large surveys of diverse individuals within all countries ranked; the Basel Institute has research expertise in tracking missing/stolen assets; UNGC lays out a set of principles endorsed by the United Nations; the ICC enables PACI to reach broadly beyond its own member companies into an international network of chambers of commerce and their national memberships. This inclusive operational framework allows PACI to directly address the business-government linkages that form a substantial share of global corruption, while also making existing codes of conduct specific enough to be "boardroom relevant."¹⁶⁶

ACTIVITIES AND PARTNERSHIPS

Leveraging its broad multi-stakeholder management and operational structure, PACI launched task forces centered on implementation, communication, and collaboration with other anti-corruption initiatives. These activities were undertaken on micro, meso, and macro levels:

- Micro: PACI participants and partners publicly disseminate surveys to help firms define and develop anti-corruption policies; reports are circulated among participants to encourage exchanging experiences on program development and responses; specific policies are promoted such as implementing whistle-blower programs.
- Meso: PACI sectoral groupings (such as those within the WEF) each establish intra-industry forums to set rules for "competitive neutrality," that is, shifting from competitive disadvantages arising from non-payment of bribes towards collective agreements to limit or halt any such payments.
- Macro: PACI members and partners publicly pledge support for the OECD Convention Against Bribery and the UN Convention Against Corruption.

¹⁶⁶ Interview with Stephen Young, Global Executive Director, Caux Roundtable, New York, March 28, 2009.

PACI launched country-level networks similar to those operated by TI and the ICC, specifically focused on implementing PACI recommendations among national-level firms and by bringing together government representatives with PACI's multi-national signatories. The first such PACI Country Signatory Network was launched in 2006 in Romania with the American Chamber of Romania, and initiated anti-corruption efforts among PACI members, the Romanian government, and Romanian business associations. Similarly, a delegation of PACI members met with the government of Jordan to urge ratification of and consult on the implementation of the UN Convention Against Corruption. Also, in Brazil, PACI formally joined the Mobilization Committee of the Brazilian Pact for Integrity and Against Corruption alongside the Ethos Institute of Business and Social Responsibility, Patri Government Relations and Public Policy, the United Nations Development Programme (UNDP), the United Nations Office on Drugs and Crime (UNODC) and the Global Compact Brazilian Committee. The existence of local/national efforts in all three countries suggests that momentum has been underway at least since the 2003 UN Convention on Corruption, but in all cases PACI's inclusion in 2006 was the first serious acknowledgment and support for these efforts from the international business community.¹⁶⁷

After several years in operation, PACI produced in 2008 a report titled *Partnering to Strengthen Public Governance*. Moving well beyond the WEF's 2002 report on mainstreaming corporate social responsibility practices, the PACI report was at the forefront of thinking on "corporate global citizenship" because it argued that firms can not only undertake specific supply chain initiatives to positively impact their host environment or community but can and should actively partner with governments to strengthen public governance. In itself, the report also represented a substantial pooling of authority on the subject as it was produced in conjunction with Business for Social Responsibility (BSR), AccountAbility, the Harvard Kennedy School Center on Business and Government, the International Business Leaders Forum (IBLF), and the OECD. Importantly, the report's leadership committee was comprised of WEF member companies (specifically Deloitte, KPMG, Ernst & Young, PWC, Coca-Cola, Microsoft, and Tata), showing how the WEF's private sector reach was important to spearhead the effort and add corporate credibility.

¹⁶⁷ Interview with Michael Pederson, Director, PACI, WEF, Geneva, January 9, 2010.

The *Partnering to Strengthen Public Governance* report identified three areas where such public-private engagement should occur:

- Tackling bad governance (corruption, inefficiency, conflict, human rights violations) through mechanisms such as the Extractive Industries Transparency Initiative (EITI), Transparency International (TI) Integrity Pacts, the Kimberly Process for diamond certification, and the U.S./UK Voluntary Principles for Extractive Industries.
- Addressing weak governance (insufficient capacity and lack of planning) by participating in OECD Corporate Governance Roundtables and contributing to the Global Fund and Business Coalition Against HIV/AIDS as well as other mechanisms.
- Supporting global governance (transnational rules, regimes and standards), particularly instruments such as the UN Convention Against Corruption.

It is worth noting that the PACI has also advanced discussion of the corruption in the global public domain. As the WEF has sought to do with generating public input into its Annual Meeting themes (see Chapter 4), in 2008 it launched an anti-corruption campaign on YouTube to mark International Anti-Corruption Day, collecting and disseminating “breakthrough” ideas in combating corruption which were then disseminated through the PACI network.

EVALUATING IMPACT

PACI’s activities can be evaluated at the firm/industry level, national level, and multi-lateral or regime level.

At the firm level, PACI’s “Achievers” survey results show that in 2007, 72% of signatories had internal anti-corruption programs; by 2009 the percentage rose to 98%. 83% of PACI signatories “continuously evaluate” their anti-corruption programs at the board level through executive management; and 62% have externally published their commitment to PACI principles outside of their annual reports. In terms of implementation of policies recommended by PACI, 40% of those surveyed had also initiated third-party certification for their anti-corruption programs; 94% enabled employees to anonymously report corruption concerns; 89% conduct internal education programs specifically for positions where

corruption risks are high such as procurement and sales/marketing; and 74% have conducted a corruption risk assessment for each country in which they operate and identified high-risk business partners.¹⁶⁸ This data points to an increase in attention to and action on anti-corruption issues among the top-tier of global corporations which constitute WEF membership and PACI signatories. Wayne Murdy, CEO of Newmont Mining, has stated that, “PACI is the highest level venue for sending a signal to employees and the broader community that a firm is taking anti-corruption measures.”¹⁶⁹

In terms of influencing national policies, PACI fills an important gap in emerging markets such as Jordan, Romania, and Brazil, countries where corruption levels are high and anti-corruption laws are uneven and widely un-enforced. Particularly where facilitation payments are allowed under law and foster endemic corruption, PACI nonetheless emphasizes “zero tolerance” on a universal basis across the geographic activities of any multi-national signatory. At the same time, these emerging markets are also often newly democratizing states where opportunities for corruption increase as politics decentralizes. Lawrence Cockcroft, a founding member of TI, has argued that, “The arrival of multi-party states in the post-Cold War world has raised acute problems in political funding, since in only very few cases do such parties have extensive membership structures and, in even fewer cases, are these members able to contribute sufficient funding to finance electoral activities.”¹⁷⁰ In long-standing democracies which are also emerging markets such as India, efforts such as PACI have gained little ground. Only one Indian company, Godrej, was among first 140 companies to sign PACI.¹⁷¹ Furthermore, China and Russia, two other powerful emerging markets, rank at the very top of TI’s “Bribe Payer’s Index.”

Is PACI then a relevant force for anti-corruption in rapidly growing emerging markets? Given that the governments of China and Russia refuse to accede to the UN Convention’s “Peer Group” monitoring system, the WEF’s efforts to integrate emerging market multinationals into its membership and initiatives can be seen as an important contribution to taming corruption among these rising economic powers. The main mechanism for doing this is recruiting Chinese, Russian, Brazilian, Indian, and Arab corporations into the WEF’s

¹⁶⁸ PACI “Achievers Survey” 2009;

<http://www2.weforum.org/en/initiatives/paci/HighlightingAchieversSurvey/index.htm>.

¹⁶⁹ Wayne Murdy, CEO, Newmont Mining, WEF Annual Meeting, Davos, January 24, 2007; available at:

<http://www.weforum.org/en/initiatives/paci/index.htm>.

¹⁷⁰ Lawrence Cockcroft, “Global Corruption: An Untamed Hydra,” *World Policy Journal*, Spring 2010, p. 21.

¹⁷¹ Interview with Michael Pederson, Director, PACI, WEF, Geneva, January 9, 2010.

Global Growth Companies (GGC) roster and expose them to the WEF's corporate citizenship related programs while they are "just hitting maturity," thus presenting PACI as a benefit to them even as it is not the primary focus of their WEF membership.¹⁷² In this sense, WEF is able to expose key corporations of emerging markets in ways that other organizations cannot.

The final level of analysis is that of international regimes. In addition to the role of the OECD and World Bank in promoting anti-corruption policies, major multilateral organizations are also sizeable vendors to private sector contractors for development projects—notably without scrutinizing companies' corruption history. Hence at the WEF Annual Meeting in 2006, the heads of the World Bank, European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), and Inter-American Development Bank (IADB) jointly signed an agreement with PACI to initiate policies that require bidders on large contracts to submit anti-bribery certification as well as evidence of anti-bribery codes of conduct. One year later at the 2007 Annual Meeting, the same multilateral development banks as well as the IFC agreed to use the PACI Principles in evaluating all firms they work with and to conduct pilot programs to extend anti-corruption measures in countries where projects are underway together with PACI.

Overall, PACI has impacted the behavior of a large number of major multinational firms which have signed the PACI charter and implemented its provisions, as well as initiating and supporting national-level, public-private, anti-corruption frameworks. These successes make PACI a crucial additive complement to national and international anti-corruption measures alone. For American companies, for example, laws such as the FCPA make a clear statement of what companies cannot do, but does not provide the kind of internal guidance on diminishing incentives for corrupt behavior. The United States has sought in principle to globalize its own FCPA, which remains the strongest national-level anti-corruption legislation. In practice, it has been reluctant to enforce the measure against foreign firms through their U.S. subsidiaries due to pressure from foreign governments including threats of retaliation.¹⁷³ PACI thus provides a constructive and practical roadmap beyond existing legal mechanisms.

¹⁷² Interview with Kevin Steinberg, Associate Member of Managing Board, New York, October 28, 2009.

¹⁷³ Interview with William Currier, Senior Counsel, Securities and Exchange Commission (SEC), Washington, April 7, 2010.

At the 2010 WEF Annual Meeting, a panel of expert participants signed an open letter claiming that the world's leading authorities had paid insufficient attention to the positive incentives and rewards which can be offered to firms and individuals who reject corruption and instill a positive corporate culture. They argued that taking such steps should be the condition of participation in events such as the WEF Annual Meeting itself. Has the WEF taken seriously the demands made at its own flagship public event? Participation at the Davos annual meeting has certainly not been made conditional on signing the PACI Principles. However, PACI does have enforcement sanction power in that member companies' performance is reviewed and membership invitations are renewed/re-issued on the basis of these evaluations, impacting firm reputation. PACI membership therefore fluctuates in a manner similar to the UN Global Compact.

Lawrence Cockcroft of TI believes that, "The cancer of corruption, once thought to be in remission, is growing again."¹⁷⁴ Indeed, there remain enormous gaps in anti-corruption efforts even when all governmental and non-governmental efforts are taken together. Licensing and regulatory cartels remain widespread examples of business-government collusion in many countries, asset and payment disclosure requirements are very rare, and bribe payments at cross-border points-of-entry remain a widespread global fact of life.¹⁷⁵ Furthermore, the international-domestic linkage within firms and sub-contractors exposes the limited penetration of high-level initiatives thus far. Only 60% of PACI signatories address anti-corruption programs in joint-ventures where they are minority owners. This hints at the reality that the national oil companies of emerging markets such as Venezuela, Libya, or Kazakhstan—which only allow minority stakes to foreign firms—remain "above the law." With governments blocking governments from enforcing tough anti-corruption legislation, self-regulatory codes such as PACI, or industry-specific initiatives such as those undertaken by the Financial Industry Regulatory Authority (FINRA) in the wake of the 2008-9 financial crisis, must be seen as potentially fruitful efforts to impact the economic sectors and markets which have been and will continue to be an important locus for corruption and anti-corruption activities long into the future.

OTHER RELEVANT INITIATIVES

¹⁷⁴ Lawrence Cockcroft, "Global Corruption: An Untamed Hydra," *World Policy Journal*, Spring 2010, p. 28.

¹⁷⁵ Only 49% of PACI signatories have taken any measures against cross-border/point-of-entry payments.

In order to capture the breadth and variety of the WEF's facilitation of multi-stakeholder initiatives, it is important to briefly describe several other diverse projects which speak to the WEF's growing orientation towards global public goods issues, flexibility in facilitating public-private coalitions, and comparative advantage in community-building. Some of these initiatives are too young to fully evaluate, others have been spun-off such that the WEF no longer receives credit for their activities, while others lacked follow-through and failed to provide any value-added beyond existing efforts.

Education

The WEF's engagement in education dates back to its first formal mandate from the G8 to make recommendations related to bridging the "digital divide" in advance of the G8 Okinawa summit in Japan. Most of the WEF Global Digital Divide Task Force's recommendations were formally adopted at the G8 summit in its final communiqué. Krause (2004) argues that private authorities have widely shaped the ICT policy related to development because of their comparative advantage in knowledge management. However, in the past decade there is little evidence that either the WEF or the G8 have substantially contributed to the spread of ICT worldwide in the manner which private mobile phone operators have.

Nonetheless, the Global Digital Divide Task Force experience did encourage the WEF to remain involved in the education sector, with a particular focus on bridging technology, governance, and curricula. On the invitation of King Abdullah of Jordan, the WEF's Jordan Education Initiative (JEI) coordinated a range of actors including various Jordanian ministries, WEF member companies from the IT sector such as Cisco and Microsoft, academic experts, international organizations like UNESCO, local industries/companies within Jordan, and local Jordanian NGOs—all working to develop and deploy an "e-curriculum" which would spread ICT capacity into Jordanian primary and secondary schools and a new curriculum to match. The private sector partners contributed over half of JEI's \$23.5 million budget. According to McKinsey & Company, the JEI was a model public-private partnership because it met the following conditions: attractive governmental and geo-strategic conditions; clear vision and objectives; motivated partners with aligned interests;

activities that leverage competencies of participants; well supported coordination mechanism; consistent monitoring and evaluation; and effective governance to set strategic direction.¹⁷⁶

The success of JEI further inspired the WEF to replicate its framework in other countries within the framework of an expanded Global Education Initiative (GEI), but in an increasingly partnered and decentralized fashion. From 2008 onwards, the goals of the e-curriculum model were aligned under the banner of the Education for All Fast Track Initiative (FTI) of the multi-stakeholder Global Education Alliance (GEA) coordinated by UNESCO and the World Bank. The WEF continued to serve as the platform through which corporations and NGOs/foundations contributed to country-level programs which were established in Rwanda, Egypt, the Indian state of Rajasthan, and the Palestinian Territories. Overall, 14 governments, 30 NGOs, and 40 companies are now involved in GEI, even as the WEF is no longer the main driver of it as the model spreads based on interest taken by various countries and expressed to UNESCO.

Humanitarian Relief

In 2001, a tragic earthquake struck the Indian state of Gujarat, killing an estimated 26,000 people. In response, the CEOs of the WEF's construction, engineering and logistics member companies (particularly TNT, Agility, and UPS) decided to create a Disaster Resource Network (DRN) which would provide services for relief efforts such as pre-positioning digging and construction equipment and restoring water and sanitation facilities. A former manager of relief operations for the UN's Office of the Coordinator for Humanitarian Affairs (OCHA) was hired to oversee the development of DRN with the mandate to focus on steps the private sector could take to contribute to the prevention of excessive damage and death from unpredictable natural disasters. "Rather than the typical 'big H' discussions in international organizations about building a perfect, seamless humanitarian response architecture which never comes to fruition, we decided to focus on the 'little h' of leveraging whatever actors, partnerships, and delivery and distribution mechanism we could to achieve a tangible and efficient response."¹⁷⁷ DRN was subsequently involved in relief efforts after earthquakes in Indonesia in 2004 and 2007, and the cyclone which hit Myanmar in 2008. As

¹⁷⁶ McKinsey & Company, "Building Effective Public-Private Partnerships: Lesson Learnt from the Jordan Education Initiative," New York, 2005, pp. 12-14.

¹⁷⁷ Interview with Shruti Mehrotra, Director, Disaster Response Network, WEF, Geneva, October 20, 2009.

the firms involved in DRN deepened and institutionalized their cooperation, they agreed to spin-off from the WEF and launch an independent NGO called the Humanitarian Relief Network (HRN) based in Geneva. HRN has subsequently deepened its coordination with UN relief agencies by creating joint Logistical Emergency Teams.

The WEF has not abandoned the mandate to mitigate the devastating effects of natural disasters, however. The WEF manager for construction and real estate sectors canvassed relevant member companies and recruited two of them (Emmar, Zell Properties) to join a coalition involving numerous NGOs (Habitat, Mercy Housing), mayors of large cities in the developing world (Mexico City, Manila), and governmental bodies (the U.S. Green Building Council) in the “Slim City” initiative aimed at advancing sustainable building codes/construction for low-income housing. The initiative aims to develop guidelines to ensure that the \$2 trillion spent annually on infrastructure is spent in an environmentally and socially responsible manner. In the broader sphere of humanitarian initiatives, therefore, the WEF has allowed diffuse coalitions to form, with some remaining under WEF auspices while others have spun-off in new directions.

Community Building: C-100 and Global University Leaders Forum (GULF)

Much as the WEF took an early lead in facilitating initiatives within and among the corporate sectors represented in its membership, it has also played an important role in building transnational communities among non-state actors as well.

Shortly after the September 11, 2001, terrorist attacks in the U.S., a number of inter-faith dialogues and schemes were launched to promote Christian-Muslim (or “West”-“Islamic”) understanding and reconciliation. The WEF sought to contribute to this cultural diplomacy through the creation of a Council of 100 (C-100) religious, business, and political leaders who would convene at the WEF Annual Meeting (as of 2002) and at other junctures to shape recommendations on projects for religious and secular authorities to jointly undertake to promote communal harmony on the local level, particularly in multi-ethnic/confessional cities. One WEF managing board member likened the experience of hosting such an eclectic array of religious figures at Davos to medieval Toledo, a place where Christian, Jewish, and

Muslim scholars peacefully interacted.¹⁷⁸ In its fifth year of activities, the C-100 group released its only report in 2007 entitled “Islam and the West: A Report on the State of Dialogue.” By this point at least one dozen major similar initiatives to the C-100 had been launched by the King of Jordan, the United Nations (“Alliance of Civilization”) and various NGOs. While the WEF’s C-100 could claim to have a more diverse and multi-stakeholder representation among its ranks, it also lacked support (financially and politically) from WEF member companies and was terminated in 2008. The C-100 cannot be said to have impacted global inter-faith relations, and its many participants were and likely continue to be involved in numerous other efforts, making the WEF’s continued engagement in the issue redundant.¹⁷⁹

Certain communities of authorities already have well-established channels and fora for interaction and dialogue such as heads-of-state or labor unions chiefs. In clustering individuals and organizations as the WEF does into communities, it has on several occasions been the instigator of community formalization where little had existed before. One example of this is with National Academies of Science, the heads of 15 of which were first convened at the Annual Meeting in 2000. After two years of gathering at Davos at the expense of the WEF, the academic representatives found their dialogues fruitful enough that they established a separate non-profit entity to govern their future dialogues which no longer has any relationship with the WEF. Another example is the Global University Leaders Forum (GULF), which the WEF has convened since 2005. For its first two years, GULF served mainly as a collegial forum for the presidents of approximately 25 prestigious universities to exchange information and ideas on current priorities. However, after several years of attending the Davos annual meeting and witnessing other communities establish active partnerships and projects, the GULF community began to feel a sense of expectation of deliverables as well.¹⁸⁰ In 2010, GULF members drafted and signed a “Sustainability Charter” pledging to make their universities “living laboratories” for energy-saving practices such as green architecture and robust recycling, and began planning a joint research trip to several African countries to meet with university leader counterparts to advance collaboration with them. GULF is therefore a firm example of the WEF spurring the creation of a unique

¹⁷⁸ Interview with Robert Greenhill, Chief Business Officer, WEF, Geneva, October 15, 2009.

¹⁷⁹ Interview with John J. DeGioia, President, Georgetown University, New York, April 15, 2010.

¹⁸⁰ Interview with John J. DeGioia, President, Georgetown University, New York, April 15, 2010.

community among similar authority units and facilitating their establishment of action-oriented initiatives.

Global Economic and Financial Reform

Over the years the WEF has attempted on numerous occasions to shape inter-governmental processes related to the reform of global economic institutions such as the World Trade Organization (WTO) and the Bretton Woods bodies of the World Bank and IMF. The first of these was the Agricultural Trade Task Force, launched shortly after the declaration of the “Doha” Development Round of the WTO in 2001. Its purpose was to diminish barriers to progress on trade liberalization by fostering a multi-stakeholder dialogue among major food producers such as Nestle, General Mills, Kraft, Unilever and Coca-Cola, NGOs like CARE, and representatives of multilateral institutions such as the World Bank. (The WEF also initiated a similar, back-channel dialogue between business groups, national trade delegations, and NGOs with respect to labor and environmental standards, another sticking point in WTO negotiations.) At numerous WTO ministerial meetings between 2001 and the ultimate collapse of the Doha trade round in 2009, the WEF Agricultural Trade Task Force issued open letters calling for compromises to be made and a multilateral agreement to move forward, but no such deal was achieved. It had neither contributed new positions for governmental delegations and negotiators to pursue nor was able to sustain momentum towards an overall deal through its interventions or convening of multi-stakeholder principals at venues such as the Davos annual meeting. (Recall that in chapter 4 it was discussed how the WEF played a particular role in the creation of the WTO itself, which appears not to have been a relevant factor in this regard.)¹⁸¹

Another example in this vein was the Financing for Development Initiative (FFD), which began with a direct invitation from the United Nations for the WEF to complement the official “Monterrey Consensus” on the need for private sector involvement and foreign direct investment in poor-country development. The WEF used the opportunity to build the case that multilateral development banks (MDBs) themselves should be entirely reframed to move away from direct lending (and grants and credits) to instead serve as enablers of private capital flows (through risk mitigation insurance and building institutional capacity). WEF

¹⁸¹ Interview with Helena Laurent, Manager, Agricultural Trade Task Force, WEF, Geneva, October 15, 2009.

Managing Director Richard Samans, who oversaw this initiative, claims that the MDBs “accept our argument and are willing to continue to engage us in this dialogue.” At the time same time, the World Bank “resisted our suggestion to have a standing private sector advisory body for this purpose.”¹⁸² Samans attributes this hesitation on the part of the World Bank to the governance culture of the MDBs, but eventually, the rapid economic growth experienced by emerging markets in the 2001-2008 period, largely attributable to FDI led growth and exports, encouraged the World Bank and other Bretton Woods bodies to adopt the thrust of the WEF’s recommendations, though these remain to a large degree unimplemented.¹⁸³

In the years prior to the onset of the financial crisis of 2008, the WEF was also systemically involved in a number of efforts pertaining to reforming the global financial architecture. Under the rubric of an ongoing International Monetary Convention Project, the WEF lobbied, beginning as far back as 1999 in the aftermath of the Asian financial crisis, together with the government of Canada (led then by Prime Minister Paul Martin) for the G-20 to become the more regular forum for discussion of international financial stability. For its part, the WEF sought to ensure G-20 participation in its closed-door IGWEL sessions during the Davos annual meeting (see chapter 4). Between 2005-8, the WEF was officially requested to suggest CEOs to attend the meetings of finance ministers and heads of central banks which took place around the board meetings of the IMF and World Bank.¹⁸⁴ In 2006-7, the WEF and the Reinventing Bretton Woods Committee (RBWC) teamed to produce a public-private review of the international monetary system which urged reform of the IMF governing board and voting structure to reflect a greater balance across G-20 (rather than mostly G-8) powers.¹⁸⁵ WEF Managing Board members continued to be invited to participate and deliver perspectives to the IMF during the financial crisis of 2008-9 as well. According to Robert Greenhill, the WEF’s Chief Business Officer, “At this stage of the crisis, no other organization has the credibility that we have to give a fair, long-term perspective on the balance between government regulation and the private sector’s previous position on that issue.”¹⁸⁶ Given the lack of progress on global financial and monetary reform before and since the financial crisis, however, here too it is unclear that the WEF’s credibility has had

¹⁸² Interview with Richard Samans, Managing Director, WEF, Singapore, December 1, 2009.

¹⁸³ Interview with Kevin Lu, Chief Financial Officer, MIGA, Washington, April 9, 2010.

¹⁸⁴ Interview with Carina Larsfalten, Manager, International Organizations, WEF, Geneva, October 15, 2009.

¹⁸⁵ “The International Monetary System, the IMF and the G-20: A Great Transformation in the Making?” Geneva: World Economic Forum, 2007.

¹⁸⁶ Interview with Robert Greenhill, WEF, October 15, 2009.

any impact on shaping the emerging contours of public-private regulatory relations with respect to the banking or other sectors of the economy. These examples show that the WEF's attempts to facilitate multi-stakeholder dialogue around significant reforms of the major multilateral economic organizations have largely failed to have any impact. The WEF's efforts, while well-intentioned, original, and serious in nature, could not overcome either the internal stasis within these bodies or the broader hurdles which have inhabited multilateral economic reform in recent years.

5.6. CONCLUSION

It is in the nature of regime complexes that no single institutional architecture subsumes myriad parallel, competitive, overlapping activities undertaken by a diverse range of actors working in multiple formations (Keohane and Victor 2010). In reaching beyond the WEF's core competency of hosting multi-stakeholder events such as the Annual Meeting, its leadership knew that the organization lacked the resources to succeed alone in contributing to large-scale global public goods problems. Multi-stakeholder initiatives such as CCI, GHI, and PACI were therefore intended to harness, leverage, combine and direct the capabilities of diverse of public and private actors in unique ways rather than to replicate or substitute for any of their individual activities. Taken together, WEF initiatives have been unique and innovative, as well as additive and supplemental, within their respective regime complexes.

Initiatives were technically not the first outreach for the WEF beyond its corporate membership. Recall that it had established more formal relations with inter-governmental bodies such as the OECD and European Commission even in the early years of the Annual Meeting in the 1970s. Its initiatives, however, did take these relations to a much deeper level. The substantive and procedural relationships with G-20 governments on climate change, partnership with the WHO and UNAIDS on public health, and cooperation with the OECD on anti-corruption are all strong examples of this. Equally significantly, initiatives allowed the WEF to engage its strategic and industry partners much more deeply as well—the ranks of which grew commensurate with the number of initiatives the WEF launched, demonstrating a certain supply and demand effect. Initiatives also became the impetus for the WEF to receive direct financial support from a range of non-corporate sources such as the Gates Foundation, Swiss Development Agency, and the Centre on International Governance

Innovation (CIGI) in Canada, among others. These examples strongly demonstrate how WEF initiatives were not just public-private in nature, but contribute strongly to the phenomenon of private-private governance arrangements (Risse 2004) and how such regimes generate various forms of “soft law.”

The WEF’s own role in initiatives was diverse. It proactively founded some initiatives where no previous action had been taken, but in other cases was delegated to by other parties such as governments. In some cases it was a central hub while in others it was more of an incubator before initiatives spun off into new organizations. It formulated policy, conducted research, and lobbied governments and corporations according to the needs of the initiative. There is no clear pattern as to the ultimate resting place of WEF initiatives. Some are spun-off into new, self-incorporated entities as is the case with the Disaster Relief Network. Others stay in-house either because there remains a strong industry focus for which there is a bureaucratic anchor (e.g. Sustainable Retail Initiative) or because substantial internal expertise and capacity have been added to retain the initiative (e.g. Climate Change Initiative, Global Health Initiative). Another set of initiatives involve a broadening array of organizations with the WEF taking just one seat at the table (e.g. Global Education Initiative).

In almost all initiatives, the distinction between policy framework and governance/delivery blended together at the global and national levels. This wide scope along the global policy continuum—from policy formulation to implementation and evaluation—also reflects the broadening spectrum that has become the corporate citizenship value chain: basic compliance, strategic philanthropy, self-regulation, public-private partnerships, and integrating innovation for new markets into strategy.¹⁸⁷ It is now widely agreed that if international businesses source from local SMEs, support minority or female owned suppliers, develop products for micro-consumers, advocate the lifting of trade restrictions in their home markets, encourage government transparency and smart natural resource management, and promote domestic savings, they can have a massive, rippling impact on a poor country’s economy.¹⁸⁸ By devising initiatives to engage in many of these facets and

¹⁸⁷ George Pohle and Jeff Hittner, “Attaining Sustainable Growth Through Corporate Social Responsibility,” IBM Institute for Business Value, 2008.

¹⁸⁸ Business for Social Responsibility, “The Role of CSR Intermediary Organization in Enhancing Business Contributions to Development,” Discussion Paper for CSR Leaders Meetings, Geneva, Switzerland, July 6, 2005.

activities, the WEF can be seen to be fulfilling the mandate set for itself in Schwab's writing about "corporate global citizenship."

It is important to note that as much as the WEF launched and/or facilitated multi-stakeholder initiatives, each of these acted in a manner that made them "spheres of authority" (Rosenau 1999) unto themselves rather than specific efforts to promote a generic "business agenda" in the global policy domain. To apply the question of neutrality discussed in previous chapters, does this mean that the WEF was a neutral facilitator of initiatives? Much like the Annual Meeting, WEF initiatives do provide a peer environment for public and private leaders to dialogue and determine whether they can undertake common projects. Both the G8's invitation to the WEF to be its official partner in formulating climate change recommendations and the Global Fund's and WHO's turning to the WEF to represent private sector views show both that WEF is considered broadly reflective of the private sector but also that it is considered independent enough to take on formal partnership roles with these inter-governmental bodies. The ability to work across sectors proved to be useful as the WEF moved into facilitating pan-industry task forces and positions on the global level in order to contribute to inter-governmental processes such as on climate change. The claim to represent more than one sector allowed the WEF to speak more authoritatively and with greater credibility than single-industry lobby groups. Given the heavy lobbying role of individual pharmaceutical companies in driving intellectual property regulation and other policies, formal relationships with business groups were anathema to health sector IGOs until the WEF "created the safe space for the WHO, CEOs and NGOs to sit down and talk candidly and find common ground."¹⁸⁹

Why did some initiatives fail and others succeed? What are the pre-requisites for success? What are the limitations the WEF faces in its efforts to foster multi-stakeholder initiatives? In some cases the WEF clearly stretched itself too thin with certain initiatives, not devoting sufficient resources itself while lacking a capable or interested partner to sustain the momentum. This explains the failure of the C-100 inter-faith dialogue for example. With respect to issues of global trade reform and reform of international financial institutions, one WEF program manager commented: "The WEF is very good at convening players for dialogue and raising awareness and catalyzing ideas, but lacks institutional structure and skill

¹⁸⁹ Interview with Susanne Weber-Masdorf, Vice President for Europe, WHO, Geneva, October 21, 2009.

to manage things to substantial scope.”¹⁹⁰ This could in fact be said of even successful initiatives such as the greenhouse gas registry becoming the Carbon Disclosure Standards Board (CDSB), which required spinning off from the WEF in order to reach their full potential.

There is an important positive dimension to the WEF’s “grow and go” approach, however. By demanding of itself that initiatives find viable long-term funding from member companies or outside actors, the WEF ensures that it does not pursue or waste resources on activities for which there is no sustainable demand. In this sense, it avoids one of the major pitfalls of myriad international agencies such as the UN Development Program (UNDP) or UN Environment Program (UNEP) which receive consistent funding from inter-governmental budgets and pools often irrespective of project success or accountability. WEF initiatives have only been pursued to the extent that they have organically grown due to the interest and funding of diverse stakeholders.

Measuring the overall impact of WEF initiatives is complicated by two factors: (1) the inter-related and over-lapping nature of actors and arrangements within the regime complex of any particular issue area (Keohane and Victor 2010), and (2) the speculative nature of predicting outcomes in cases of recent origin which remain ongoing in nature (Khagram and Ali 2008). Both realities suggest that in the fluid and multi-actor global policy environment, influence cannot be measured solely according to end-states but rather in terms of identifying causal shifts in policies or norms. It is more appropriate then to attempt to detail the extent to which participation in WEF initiatives has altered the behavior of corporate, governmental, inter-governmental and non-governmental actors in specific issue-areas, and whether the initiatives as a whole have inspired replication. Furthermore, the complex nature of interactions among such a large and growing set of multi-stakeholder actors further underscores the need to import the toolkit of network analysis into international relations to better understand the nature and strength of ties among actors in world society (Hafner-Burton et al 2009: 44).

In terms of inter-governmental bodies, we have seen how the CCI and GHI influenced G-20 and WHO prescriptions and activities with respect to climate change and global health policy, respectively. In another case, the success of the Global Education Initiative (GEI) clearly

¹⁹⁰ Interview with Lisa Dreier, Director of Development Initiatives, WEF, New York, September 15, 2009.

generated a mandate which was passed on to and taken up by UNESCO. National governments were also influenced by WEF initiatives. Notable examples include the national public-private anti-corruption platforms launched in Romania and Jordan under PACI leadership, and Chinese, Indian and South Africa adoption of GHI's public-private "toolkits" for spreading awareness and treatment of AIDS and TB. Each of the three major initiatives investigated here also demonstrates the WEF's ability to influence the private sector, both within and beyond its formal membership roster. Companies which had previously not been engaged in climate, health, or corruption issues became involved through the WEF and enacted internal and external actions to contribute to the issue-area. Corporations increasingly take the notion of operating in or contributing to "mega-communities" as the norm in bringing together the traditional distinct areas of public affairs and government affairs (Gerencser et al 2008). Through the year 2009, even amidst an increasingly wide and dense offering of public-private partnership services and opportunities available in the global policy sphere, WEF strategic and industry partnerships continue to grow in number, demonstrating that the WEF is still seen as a premier facilitator of multi-stakeholder initiatives by companies. Importantly, the spread of early WEF efforts through the Energy Poverty Action (EPA) task force and Beyond Big Business supply-chain toolkits through adoption by domestic firms shows the demonstration effect that the WEF's high-level multinational membership can have on domestic private sectors.

Finally, all three major initiatives provide evidence of the WEF's ability to generate procedural shifts in the nature and quantity of multi-stakeholder partnerships themselves in addressing global public goods areas. CCI, GHI, and PACI all initiated cross-stakeholder networks of governmental, corporate, and NGO "sherpas" which did not previously exist. The WEF then has been instrumental in the broadening of inter-governmental networks such as the G-20 beyond only governmental officials to include counterparts from other stakeholders as well. Waddell (2006: 13) suggests that such networks represent an emergent set of norms rising at the direct expense of dying norms: systems over atomistic thinking, circular over linear approaches, "glocal" over international cooperation, collaboration over negotiation, networked over hierarchical management, and knowledge over power. Can PPPs truly shift the global procedural norms of rule-making? Khagram and Waddell (2007) argue that such Global Action Networks (GANs) are a "change infrastructure" for "third order change," meaning transformational and systems-level, and equal and accountable among stakeholders in ways which fundamentally overturn traditional models of decision-making,

participation, and power relationships. The next chapter investigates the WEF's current flagship institutional initiative aimed precisely at bringing about such global procedural change in policy-making, the Global Redesign Initiative (GRI).

CHAPTER 6

THE WEF AS NORM ENTREPRENEUR

6.1. INTRODUCTION

This chapter examines the WEF's efforts to become a *norm entrepreneur* in global policy. Whereas the previous chapter contained case studies of community-driven initiatives supported by member companies, this chapter focuses on the WEF's major *institutional* initiatives, those driven primarily by internal demand and resources, particularly the Global Redesign Initiative (GRI). Community initiatives sought to change specific policies on the national and international levels, as well as to fill governance gaps through the delivery of certain public goods. The purpose of institutional initiatives such as GRI is much more to influence global procedural norms as well as policy architecture in a diverse array of issue-areas.

As the third and most recent pillar of the WEF's functional interventions into global governance processes, its role as a norm entrepreneur builds on its convening and facilitation activities. In this sense, the WEF's foray into norm entrepreneurship reflects a natural evolution. According to a managing director, "The GRI is part of the long-term structure and process of the WEF. Over 40 years we have evolved into a platform for continuous interaction over time."¹⁹¹ Some of the chosen GRI focus areas include themes in which the WEF had already facilitated initiatives (such as climate change, disaster relief, financial stability, public health), but its approach was also to convene unique multi-stakeholder groups of the most relevant practitioners and experts in combinations which had not yet been attempted.

GRI can be a vital test as to whether the WEF has developed the requisite authority and capacity to shape global norms. Can the WEF move beyond specific policy interventions towards altering the *process* of global policy-making itself? In assessing the GRI's influence, we must evaluate its role within the broader shift towards greater inclusion of non-

¹⁹¹ Interview with Richard Samans, Managing Director, WEF, November 20, 2009.

governmental stakeholders in global policy-making. Has GRI been a leader in this shift, accelerated it, or taken it in a new direction? The principle questions employed in pursuing these issues are:

- Was GRI driven by the WEF internally or by WEF member companies or delegated by governments?
- What explains the unclear/fuzzy relationship between the GRI and Global Agenda Councils (GACs)?
- Did the GRI succeed make original and implementable proposals?
- Did GRI generate policy shifts in its primary issue areas?
- Was the Global Agenda Partnership (GAP) created to build on GRI or in response to GRI's failure?
- Did GRI shape procedural norms in global policy-making towards multi-stakeholderism?

To answer these questions, this chapter traces the process of the GRI's genesis from its origins within the WEF, how it gained support, its structure, work streams, recommendations and outcomes. Because the GRI is the first instance of the WEF producing an original concept paper and internally authored reports and recommendations, these documents serve as a key source for this chapter. They enable us to compare the GRI's ambitions with its outcomes. Furthermore, interviews with senior WEF managers responsible for the establishment and structure of GRI provide insight into what extent GRI truly is autonomously driven versus shaped by the needs and demands of global policy-makers. Interviews with political and business elites from G-20 governments and leading corporations are also essential to determine whether GRI has the necessary support to shift global procedural norms, and whether the WEF ultimately deserves credit for such shifts.

This chapter proceeds as follows. The next section defines norm entrepreneurship and briefly discusses the WEF's previous relevant forays such as the Global Competitiveness Reports (GCR) and the Global Risk Network (GRN). It then turns to the establishment and objectives of GRI as a new global governance process and how GRI relates to the WEF's ambition to be an independent and neutral player in global policy. The chapter then dissects the Global Agenda Council (GAC) process as the primary vehicle for carrying out the GRI, and discusses the role of information technology in advancing this mode of deliberation. The next

section investigates why and how the GRI was subsumed into the Global Agenda Partnership (GAP), and finally the chapter assesses the GRI process overall in terms of its success or failure in proposing original global governance reforms and shifting global procedural norms.

6.2. THE WEF AND NORM ENTREPRENEURSHIP

Recall that in Chapter 2 norm entrepreneurs were defined as individuals or organizations which set out to change the behavior of others (Florini 1996). It was also pointed out that the diminishing authority of certain paradigms creates the space for new substantive and procedural norms to be created and advanced (Sikkink and Finnemore 1998, Legro 2005). One way this can happen is through an organizational platform to broker agreements among key agents which can change the “rules of the game” (Keck and Sikkink 1998, Goddard 2009). The term norm entrepreneurship thus encompasses both naming and promotion of norms as well as the process of brokering norm acceptance among agents. Subi Rangan, an INSEAD professor and strategic advisor to the WEF, argues that, “Norm entrepreneurship is not necessarily about new ideas; the process can also be a catalyst.”¹⁹² This process involves idea development, assigning or recruiting supporters or champions, and lobbying to pursue changes in behavior/practice.

The WEF’s history presents sufficient evidence that the organization has made the promotion of multi-stakeholder dialogue and policy-making a pillar of its *raison d’être*. The 1973 “Davos Manifesto” is an early example of the WEF asserting certain norms of stakeholder interdependence and seeking to have them ratified by Davos participants. Similarly, Georges-Andres Cuendet, former director of the International Committee of the Red Cross (ICRC), describes the WEF as a “change agent” in the structure of diplomacy because it created opportunities for multi-stakeholder interactions even before it launched initiatives.¹⁹³ As discussed in chapters 4 and 5, the WEF can be seen as having been instrumental in both the theory and practice of corporate social responsibility/citizenship, particularly with regard to the establishment of multi-stakeholder initiatives. GRI builds on this tradition by advancing the “co-design of global norms through public-private policy-building.”¹⁹⁴

¹⁹² Interview with Subi Rangan, WEF Annual Meeting 2010, Davos, Switzerland, January 29, 2010.

¹⁹³ See Cuendet, “A Few Thoughts About ‘Change Agents’,” in Behrendt (2008).

¹⁹⁴ Interview with Richard Samans, Managing Director, WEF, Singapore, December 1, 2009.

Two early institutional initiatives in particular are of note because they pre-date GRI but also to some extent been subsumed within it. The 2009 GRI overview document argues that the WEF has the intellectual capability to house such an ambitious initiative because it has been a “hub of knowledge creation”¹⁹⁵ through the publication of its Global Competitiveness Report (GCR) and Global Risk Report. These two are briefly explained here.

Global Competitiveness Report (GCR)

The oldest and most sustained example of a WEF institutional initiative is the Global Competitiveness Report (GCR) series. The introduction to its first report in 1979 states: “Traditionally competitiveness is defined mainly in terms of the cost of production and productivity. However, we know today that many other elements come into play: the internal dynamism of a country, its socio-political consensus, the quality of its human resources, its commercial spirit, and the manner in which it prepares for the future.” (WEF 2009a: 29) GCR quickly became the most comprehensive and authoritative assessment of the comparative strengths and weaknesses of over 130 national economies.¹⁹⁶ It not only expanded and refined the definition of competitiveness, but devised a methodology which merged quantifiable elements with subjective ones, merging statistical material and official data and survey responses.¹⁹⁷

The annual publication of the GCR—and an evolving suite of associated reports measuring national competitiveness along dimensions such as infrastructure, gender parity, and information technology capacity—contribution to building the WEF’s authority and reputation as a “hub of knowledge creation.” It represented an additional output for the WEF beyond the creation of an informal atmosphere for the exchange of ideas. Paul Romer, a Stanford economics professor and chair of the WEF’s Global Agenda Council on Economic Growth, believes that the GCR has been the leading example of how rankings can inspire “status competition” among countries.¹⁹⁸ GCR has indeed been politically controversial.

¹⁹⁵ WEF, Global Redesign Initiative (GRI) Overview Document, September 3, 2009, p. 6.

¹⁹⁶ World Bank economist Daniel Kaufmann credits the GCR as an authoritative source of governance data. See Pigman (2007: 110).

¹⁹⁷ The WEF’s original research partner in the GCR series was Harvard University, but eventually the WEF recruited partner institutes in over 80 countries to assist in data collection.

¹⁹⁸ Interview with Paul Romer, Dubai, UAE, November 20, 2009. Subsequent examples include the World Bank’s annual *Doing Business* report and Transparency International’s corruption perceptions index.

Mexico's lower ranking in the 2006 GCR became a topic of debate in that country's general elections of the same year; and similarly, when Egypt fell in the GCR rankings in 2005 it invested substantially in reforms which earned it higher marks three years later.¹⁹⁹ Bahrain's stated objective with its Vision 2030 strategy is to climb into the top twenty nations in the GCR index on the measure of infrastructure quality.²⁰⁰ The WEF has subsequently deepened its internal research capacity to produce independent reports on "The Global Economic Impact of Private Equity," "The Next Billions: Unleashing Business Potential in Untapped Markets," "The Future of Pensions and Healthcare in a Rapidly Aging World," and other subjects. Together with GCR, these reports have provided an important intellectual foundation and continuing backbone for the research component of GRI.

Global Risk Network (GRN)

In 2004, the GCR secretariat was folded into a newly created Centre for Strategic Insight (CSI). Ged Davis, the former director of Royal Dutch Shell's scenario planning division, was hired as director of CSI. CSI housed the research and production for all of the aforementioned GCR reports, but was mainly created with the purpose of adding a scenario planning and risk analysis capacity to the WEF in the form of a Global Risk Network (GRN). GRN began to offer industry level and government specific scenario planning services intended to analyze complex inter-relationships among global trends, build communities around shared risk perception, and catalyze action based on scenario insights.²⁰¹

Like the GCR reports, GRN contributed to building the WEF's capacity and reputation for knowledge creation. First, it brought together broad expertise in ways other actors did not in order to grasp global complexity. The director of GRN argues that, "The risk analysis process is the way in which the WEF promotes systemic and inter-disciplinary thinking."²⁰² Second, while the WEF is not a crisis-management body, it aims to generate awareness of impending crises before they occur. A widely circulated Bloomberg article provided a chronology of warnings issued by WEF officials and at WEF summits prior to the collapse of Lehman Brothers on September 15, 2008, and subsequent outbreak of the global financial crisis,

¹⁹⁹ Interview with Fiona Paua, Managing Director for Strategic Initiatives, WEF, Geneva, October 15, 2009.

²⁰⁰ Digby Lindstone, "Bahrain: Another Vision," *Al-Manakh*, vol. 2 (2010), p. 191.

²⁰¹ Interview with Tarrah Kehm, Scenario Planning Analyst, WEF, Geneva, October 27, 2009.

²⁰² Interview with Sheana Tambourgi, Director, GRN, WEF, Davos, January 31, 2010.

which were met with what Klaus Schwab called ‘total psychological denial.’²⁰³ Importantly, this article served to portray the WEF itself as distinct from the financial sector CEOs who are widely seen as dominating the Davos Annual Meeting.

GCR and GRN are thus the WEF’s two prior institutional initiatives which laid the foundation for GRI and supported its overall claim to be a suitable incubator for the GRI.

6.3. THE GLOBAL REDESIGN INITIATIVE (GRI): ESTABLISHMENT AND OBJECTIVES

The 1992 Commission on Global Governance was perhaps the first self-conscious multi-stakeholder consultative process focused on the norms and processes of global governance itself. It has been widely cited for its expansive definition of global governance (see Chapter 1), but has received less attention for the Commission’s structure and model. Its commissioner/members included numerous prime ministers and foreign ministers, parliamentarians, ministers of trade and development, and heads of UN agencies, but also Wangaari Mathai of Kenya’s Green Belt Movement (who was later awarded the Nobel Peace Prize), the head of India’s Aga Khan Rural Support Program, the president of the MacArthur Foundation, and the chairman of a major Canadian energy company. The funding for the Commission was also broad, coming from UN trust funds but also private entities such as the Carnegie Corporation. The Commission then was a perhaps un-self-conscious template for the GRI nearly two decades later.

The Commission on Global Governance was followed by a decade of major UN summits focused on social development, women, the climate, urban settlements, and other issues, and its model was followed by numerous subsequent international commissions and panels such as the Commission on Macroeconomics and Health, Commission on the Social Dimensions of Globalization, the International Commission on Intervention and State Sovereignty, and the High-Level Panel on Threats, Challenges and Change. By the latter part of the last decade, the general visibility and appetite for global congresses and commissions has declined due to the aforementioned UN-related summits and commissions.

²⁰³ A. Craig Copetas, “‘Out of Control’ CEOs Spurned Davos Warnings on Risk,” *Bloomberg.net*, October 24, 2008.

One more prominent multi-stakeholder global consultation that predates the WEF was the Helsinki Process on Globalization and Democracy, a multi-track effort funded by the government of Finland and jointly managed by the foreign ministries of Finland and Tanzania. The Helsinki process is a notable precursor and analog to the WEF in that it too extolled the importance of “new alliances and coalitions” across state and non-state actors under conditions of globalization; focused on issues of institutional reform, security, financing development, and promoting public health; had diverse funding sources including governments as well as private foundations; and required close to Euro 6 million in funding over the 2003-8 period.²⁰⁴ Though it did issue a final report after its second phase in 2008, the Helsinki Process was abruptly terminated having failed to bring about any material or policy changes related to its core areas of concern.

Despite this backdrop of ineffective global-level summits and global governance reform processes, the WEF nonetheless launched GRI, which has become larger than any similar global governance reform effort to date in terms of the (1) number and diversity of participants, (2) financial expenditure, and (3) scope of its agenda.

It was the financial crisis of 2008 which convinced the WEF that it could succeed in global institutional reform where most all previous efforts had fallen short. The WEF saw an opportunity to widen the focus of the reigning debate about financial stability and macroeconomic stimulus beyond the G-20 agenda and framework. According to Klaus Schwab, “We strongly felt that it is not clear whether re-establishing confidence in the existing system is justified—whether in financial or security matters—and this makes GRI necessary.”²⁰⁵ The managing director responsible for GRI, Richard Samans, further argues, “We believe that this moment in the evolution of international presents a unique opportunity for informal networks of experts to put forward concrete recommendations to decision-makers who have been put back on their heels in light of the current crisis.”²⁰⁶

Calling itself a “collaborative effort of all stakeholders of global society,” the GRI’s initial overview document states:

²⁰⁴ *Helsinki Process in a Nutshell*, November 2008; available at:

<http://www.helsinkiprocess.fi/netcomm/ImgLib/33/257/Helsinki%20Process%20in%20a%20Nutshell.pdf>

²⁰⁵ Interview with Klaus Schwab, Chairman, WEF, Washington, WEF, October 7, 2009.

²⁰⁶ Interview with Richard Samans, Managing Director, WEF, November 20, 2009.

“Our objective is to stimulate an unparalleled intercivilizational and interdisciplinary thought process among business, government, academic, civil society, scientific and media leaders aimed at developing a blueprint to guide the adaption of global institutions and arrangements to contemporary circumstances...A more multidimensional and inclusive approach to setting norms and generating collective action is needed if we are to succeed in addressing the market and public system collapses that have accompanied globalization.”²⁰⁷

GRI thus sought to “encourage the international community to take more pre-emptive and coordinated action on a *wide range of risks* that have been accumulating in the international system.... The objective is to spur a greater degree of commitment on the part of *all stakeholders* to...[generate] a *systemic blueprint* for a major *renovation of the structures and underlying system* of international cooperation.”²⁰⁸ (Emphasis added) These excerpts provide clarity as to the main purposes of GRI:

- To move beyond the financial crisis and address a wide range of issues in an interdisciplinary fashion;
- To involve and draw commitments from all major stakeholder groups; and
- To supply a comprehensive blueprint not only for the reform of existing international institutions but a renovation of the underlying system of cooperation itself.

Ian Goldin, Director of Oxford University’s 21st Century School and Chair of one of GRI’s Global Agenda Councils (see below), provides an additional argument for why GRI is necessary: “Self-reform lacks credibility.... There is a qualitative difference between existing efforts to ‘reform’ the international architecture, which largely conclude with the need to strengthen existing mechanisms and institutions, versus the notion of ‘redesign,’ which allows for completely new structures to emerge.”²⁰⁹ The WEF’s independence from official reform efforts, then, enhanced its authority to propose global reforms.

²⁰⁷ WEF, Global Redesign Initiative (GRI) Overview Document, September 3, 2009, p. 2-4.

²⁰⁸ WEF, Global Redesign Initiative (GRI) Overview Document, September 3, 2009.

²⁰⁹ Ian Goldin, Director, 21st Century School, Oxford University, Dalian, China, September 9, 2009.

But for the WEF, avoiding the pitfalls of inter-governmental self-reform did not mean avoiding working with governments. Indeed, GRI is the foremost example of the WEF seeking to mix its own norm entrepreneurialism with an official mandate. More so than the initiatives discussed in Chapter 5, some of which had a mandate from governments such as with respect to climate change, GRI witnessed the WEF actively promoting its own branded institutional undertaking among governments and seeking their formal endorsement and support for the WEF as the *lead* actor in the process. Indeed, it is striking to note that even as the WEF's flagship institutional initiative, GRI is almost entirely externally funded by governments.

In 2008, Klaus Schwab approached three small but diplomatically active nations' governments—Switzerland, Qatar, and Singapore—to request their formal support for GRI. These three governments became financial sponsors of GRI and pledged to use their diplomatic clout to advance its agenda. (Tanzania also became a “patron” of GRI in 2009, and the WEF intended to reach out to Chile as well.) The WEF saw potential in working with small states because they have a track record of using international organizations as force multipliers (Cooper 2009), and hence could promote the GRI's recommendations.²¹⁰ At the same time, according to Schwab, “We didn't want to annoy the existing system, so we also met with Medvedev, Lula, Sarkozy, Brown, and other G20 leaders as well as [UN Secretary-General] Ban-Ki Moon to get their support for this undertaking.... GRI supplements the G20 effort to reform the financial system. We can add value by linking all the issues in a comprehensive way.”²¹¹

The WEF has further claimed that GRI has given the WEF something of a structural role in global decision-making processes. In October 2009, Klaus Schwab claimed that, “Governments have great expectations for the GRI and intend to feed the findings into the global decision-making process.”²¹² One month later at the “Summit on the Global Agenda” in Dubai, the WEF's Chief Operating Officer (COO) Andre Schneider declared in an opening speech, “G20 leaders unanimously support what GRI is doing as a crucial addition to the international system.”²¹³

²¹⁰ Interview with Richard Samans, Managing Director, WEF, Singapore, December 1, 2009.

²¹¹ Interview with Klaus Schwab, Chairman, WEF, Washington, WEF, October 7, 2009.

²¹² Interview with Klaus Schwab, Chairman, WEF, Washington, WEF, October 7, 2009.

²¹³ Andre Schneider, Opening speech to the Summit on the Global Agenda, Dubai, UAE, November 20, 2009.

On the whole, it could be said that GRI had greater potential than previous global governance reform efforts due to the systemic shock of the financial crisis, the strong political and financial support of influential governments, the massive relative number of participants engaged in GRI, and the external and independent credibility and convening power of the WEF. Despite this potential and ambition, however, GRI would still need to establish its own autonomy and determine a sensible workflow to manage such a complex set of global issues.

6.4. ESTABLISHING INDEPENDENCE/AUTONOMY/NEUTRALITY FOR GRI

What are the foundations of legitimacy for the WEF's institutional initiatives? Several WEF policy/delivery initiatives discussed in Chapter 5 such as the Climate Change Initiative (CCI) received their mandate and thus partial legitimacy from governments. GRI, however, embodies the self-proclaimed ambitions of the WEF to be the change agent in the shift global procedural norms. Previous chapters have explored how the WEF is a unique multi-stakeholder convener with sufficient access across actor-groups to serve as a platform for an effort such as GRI. It has also demonstrated the capacity to facilitate networks and partnerships across these actors to effect policy change or deliver goods. To establish legitimacy for institutional initiatives, independence and neutrality are also necessary.

The GRI overview document lays out precise claims as to WEF's authority in undertaking to redesign global decision-making and problem-solving mechanisms:²¹⁴

- Its status as “an independent, impartial, not-for-profit tied to no ideological, political, regional or partisan interests;”
- Its multi-stakeholder nature which brings together political leaders from governments and international organizations, CEOs of the foremost global companies, civil society leaders, next generation leaders, academic experts, and social entrepreneurs; and
- Its myriad activities and events such as the Annual Meeting and regional summits which provide the necessary interaction space for all stakeholders to work together.

²¹⁴ WEF, Global Redesign Initiative(GRI) Overview Document, September 3, 2009, p. 6.

GRI's main ambition is to assert a multi-stakeholder and inter-disciplinary approach to global policy-making. As such, it positions itself as neutral among governments, the private sector, and civil society, favoring none but seeking to include all. In executing GRI, the WEF reaches out within the many stakeholder groups it organizes and has relations with to assemble semi-formal networks to suggest new or reformed policy regimes and interventions. In this sense, GRI builds on other aspects of the WEF's claims to neutrality.

Previous chapters have discussed WEF efforts to give greater voice to civil society groups, its undertaking initiatives related to public goods not seen as part of core business interests, and its policy of not taking institutional positions on issue. From 2004-6, the WEF also ran a Global Governance Initiative (GGI) which published an annual "report card" scoring governments, international organizations, the private sector, and civil society on their overall annual performance in contributing to the achievement of the global goals set forth in the UN Millennium Declaration.²¹⁵ GGI was an interesting low-level precursor to GRI in three ways: (1) The initiative's reports implicitly supported the notion that the achievement of such global goals rests with all stakeholder groups and not just governments. (2) The report strongly recommends that multi-stakeholder partnerships be utilized to move "from aspiration to action." (3) GGI was funded by the Swiss Federal Development Agency and several other non-corporate donors.

GRI is the most salient example of the WEF's growing capacity for autonomous decision-making with respect to its own institutional priorities and activities. This is because GRI is more than a corporate citizenship initiative undertaken in consultation with members. It is the WEF's new flagship initiative that was designed internally and to some degree without the sanction of the WEF's member companies.

A crucial question is to what extent member organizations such as the WEF can develop independent agency capacity. Barnett and Finnemore (2004) demonstrate how inter-governmental organizations utilize specific "zones of discretion" to gradually acquire qualities of agency within specific domains.²¹⁶ Has a similar evolution characterized the WEF's relationship to its core business membership? Has the WEF's agenda demonstrably

²¹⁵ World Economic Forum, Global Governance Initiative Annual Report 2005.

²¹⁶ The International Monetary Fund (IMF), for example, has sufficient autonomy to issue reports warning of the health of the U.S. economy even though the U.S. holds the greatest share of votes on its board. It also has its own technical consultants who work with diplomatic status in IMF missions in client countries.

shifted from exclusively member-driven and business-focused to self-directed and devoted to global issues in a neutral manner? An important distinction must be made between having independent agency and having sufficient autonomy to be considered a neutral agent. It is this latter status which increasingly embodies the WEF's aspirations, particularly with respect to the GRI.

The WEF's manager for institutional initiatives argues that the WEF is less beholden to its members than a typical corporation is to its shareholders because no member contributes more than 2 percent of the budget, endowment, or revenues. "We have a sufficient support base that projects such as the GRI can be launched even without broad understanding or support from the membership base."²¹⁷ A WEF managing board member corroborates that, "Some Foundation Board members felt GRI is too ambitious, but we made a decision as an organization to move forward with it anyway."²¹⁸

Within one year of the formal launch of GRI at the 2009 Annual Meeting of the New Champions in Dalian, China (colloquially known as the "Summer Davos") Klaus Schwab led a special session titled "The World Economic Forum and Global Challenges." At the start of the session he stated, "This is the first time I've taken the decision to speak to our members and partners to explain what the Forum is doing rather than the Forum being taken as a given."²¹⁹ This speech was the most formal statement of evidence that the WEF had been acquiring an institutional "point-of-view." Schwab focused largely on how GRI is an initiative of and by the WEF rather than one defined by other actors such as governments and then delegated to the WEF. The head of the WEF's operations in China argues that, "Governments now don't just invite the WEF in to hold a conference, but recognize its authority as a multi-stakeholder platform and allow it to articulate itself to all communities at once."²²⁰

The 2010 Annual Meeting exhibited both the WEF's increasing autonomy in setting its own agenda as well as the interplay of the WEF's diverse activities. Rather than the normal pattern of consulting with member companies and academic experts for approximately six months in

²¹⁷ Interview with Fiona Paua, Managing Director for Strategic Initiatives, WEF, Geneva, October 15, 2009.

²¹⁸ Interview with Kevin Steinberg, Managing Director, WEF, Dalian, China, September 11, 2009.

²¹⁹ Klaus Schwab, "The World Economic Forum and Global Challenges," Speech at the Annual Meeting of the New Champions, Dalian, China, 12 November 2009. In the speech he also defined "global challenges" as "an issue which if not addressed will affect all of humanity."

²²⁰ Interview with Christophe Weber, Director, WEF in China, Geneva, October 15, 2009.

order to determine the main themes and sessions for the event, the WEF managing board decided to make the 2010 Davos theme identical to the slogan of GRI: “Rethinking, Redesigning, and Rebuilding.” Two-thirds of the 2010 Annual Meeting sessions were linked directly to GRI workstreams and labeled as such within the program guide. This move also symbolized an increase in programmatic rigor for the Annual Meeting, making it driven by the ongoing substantive GRI process rather than narrow, short-term concerns of particular constituents. The agenda of the flagship WEF event had thus come to be driven by the organization’s main internal, institutional initiative rather than the preferences of WEF member companies. This move also helped to shift the Annual Meeting away from its perception as a one-off event without linkage to other WEF activities. Instead, according to Klaus Schwab, “GRI shows that Davos is an event in a process since the 2010 Annual Meeting was all about GRI.”²²¹

The WEF thus used the GRI as a vehicle to assert its own institutional autonomy from its membership, some of which were cynical about GRI’s utility to their core interests and concerned about the WEF’s over-extension. In this sense, it enhanced perceptions of the WEF’s multi-stakeholder neutrality and commitment to multi-stakeholder processes. The promise of this initial set-up, however, still needed a meaningful and efficient vehicle to deliver success where previous global governance reform efforts had failed.

6.5. THE GLOBAL AGENDA COUNCILS (GACs)

Most of the content of GRI was generated by a set of several dozen Global Agenda Councils (GACs) covering diverse global issues. However, the relationship between the GRI and GACs has been confusing and uncertain. The network of GACs was actually created prior to the launch of GRI, begging the questions as to what the creation of GACs was for absent the GRI, and to how GRI could have otherwise been accomplished without the GACs. According to one managing board member, “The GACs were not conceived with the GRI in mind, but for applications like the GRI.”²²² This shows to some extent the ad hoc evolution of GRI.

²²¹ Interview with Klaus Schwab, Executive Chairman, WEF, New York, February 17, 2010.

²²² Interview with Kevin Steinberg, Associate Member of Managing Board, New York, October 28, 2009.

Mark Malloch-Brown, the WEF senior advisor overseeing GRI, believes that GAC has an independent justification in its own right: “The GACs are about building a networked global think-tank to dialogue and test ideas between us.”²²³ Yet because this GAC network lacked a platform to launch solutions, GRI was created. The WEF managing board member responsible for GRI concedes, “GRI gave GACs a purpose for being beyond conversation.”²²⁴

The GAC composition did, however, reflect the GRI’s purpose is to promote a deliberative multi-stakeholder model for global governance processes. Of the close to 100 GACs which were convened since 2008, the participation was roughly 32 percent businesspeople, 19 percent government, 32 percent academic and 15 percent civil society, with the remaining 2 percent made up of media (WEF 2009a: 252). As mentioned earlier, the total pool of over 1200 participants is far greater than the number of individuals consulted for comparable processes such as the Commission on Global Governance or Commission on the Social Dimensions of Globalization. The WEF claims that the first Summit on the Global Agenda in Dubai in 2008 was the world’s “biggest ever brainstorming.”²²⁵

Each GAC was given the mandate to conduct a “strategic mapping” of the “state of the world” on its issue and to focus on what solutions are necessary without an actor/institutional bias.²²⁶ While the GAC themes were set by the WEF, the participants were expected to generate the content consistent with the ambition to answer “structural, strategic, and long-term questions.”²²⁷ Rather than the Davos Annual Meeting model whereby the WEF sought to “set the global agenda” once a year, the GAC process sought to continuously influence the global agenda through sustained engagement on a wide range of issues simultaneously and continuously. 8 GACs are devoted to industry-specific themes (e.g. mining/metals, media, etc.), 8 GACs focus on specific regions or countries (e.g. Europe, Russia, India, China, etc.), 12 GACs spotlight functional expertise (e.g. philanthropy, branding/design, etc.), and another 12 cover public goods challenges (e.g. climate change, healthcare, international security). The degree of participation in GRI is revealing as to which WEF constituents have been most

²²³ Interview with Mark Malloch-Brown, Senior Advisor, WEF, Dubai, November 20, 2009.

²²⁴ Interview with Richard Samans, Managing Director, WEF, April 15, 2010; via telephone.

²²⁵ WEF, Highlights Report from Summit on the Global Agenda, Dubai, UAE, 7-9 November 2008, p. 6.

²²⁶ Interview with Fiona Paua, Managing Director for Strategic Initiatives, WEF, Geneva, October 15, 2009.

²²⁷ Interview with Richard Samans, Managing Director, WEF, Dubai, November 20, 2009.

interested in it, with the strongest involvement coming from think-tanks and multilateral financial institutions such as the World Bank.²²⁸

According to WEF Chief Business Officer Robert Greenhill, “We can re-wire relationships and broaden the scope of who is germane to each field. Many complacently think they know everyone in their world, but we create new node points within a given issue.”²²⁹ GACs could thus serve as a useful clearinghouse for data, analysis, and ideas/solutions among those most capable and influential to affect outcomes. For example, the World Food Program (WFP) leads an inter-agency UN taskforce on food security, but its executive director, Josette Sheeran, is also head of the WEF GAC on Food Security, which includes 20 other relevant individuals such as the head of the US Agency for International Development (USAID), the Secretary of Agriculture from the Philippines, a board member of the reinsurance firm SwissRe, the president of the International Center for Research on Women (ICRW), the president of the Alliance for a Green Revolution in Africa (AGRA), the director-general of the International Food Policy Research Institute (IFPRI), and a noted agriculture expert academic from Michigan State University. This multi-stakeholder composition to the GAC is thus unique in the arena of food security, as is similarly the case for other themes around which GACs were created.

The GAC methodology was consciously designed not only to facilitate multi-stakeholder brainstorming around specific global issues, but also to promote consideration of inter-linkages among and across them. At each of the Summit on the Global Agenda meetings held in Dubai in 2008 and 2009, a cross-section of members from each GAC was required to rotate into other pre-selected GACs to cross-pollinate and develop thematic connections.

Technology was also crucial to differentiating the GRI from other global governance reform processes. Indeed, GRI serves as a useful rubric for the WEF not only to promote new norms of multi-stakeholder collaboration on global issues, but also to advance new *mechanisms and tools* for such interactions. Much as Chapter 4 discussed how convening is often overlooked as a significant function in global governance, so too is the medium of diplomatic communication often taken for granted in studies on global cooperation. However, Dryzek (1999) argues that in a state of affairs where “hardware” of international institutions is not

²²⁸ Interview with Richard Samans, Managing Director, WEF, April 15, 2010; via telephone.

²²⁹ Interview with Robert Greenhill, Chief Business Officer, WEF, Dubai, November 22, 2009.

comprehensive, software such as communications technology becomes more important. And just as Brassett and Smith (2006) argue that the software of global deliberation is vital in the absence of a global democratic hardware, for the WEF, GRI was an ideal opportunity to showcase its proprietary WELCOM (World Economic Leaders COMMunity) technology for stimulating knowledge sharing and communication among GAC members.

Recall that the WEF has always considered itself a technologically sophisticated venue for global dialogue. The very first Davos Annual Meeting also featured the first usage of electronic messaging systems (EMS) and closed circuit television (CCTV) (WEF 2009a: 9). Davos also provided a broadband Intranet service for Annual Meeting participants as early as the 1980s, contributing to a pattern of the WEF demonstrating its awareness of emerging information technologies and ability to showcase them on a regular basis (Graz 2003: 331). Joensson and Hall (2003) and Leguey-Feilleux (2009) are just two examples of a larger post-Cold War literature expressing concern about the inability of the traditional practitioners and practices of diplomacy being unable to keep up with new technologies and new issues on the global agenda. The WEF sought to address both these deficiencies through WELCOM.

WELCOM is an Internet-based, real-time communications and data-sharing software designed in partnership with technology companies like Adobe, Novel, British Telecom, and Microsoft. WELCOM is designed to allow instantaneous, but also continuous collaboration through multiple channels such as video-conferencing, instant-messaging, and file-sharing. It is worth noting that although online debates and polling have been widespread since at least 2005, Google's Wave software (the most similar publicly available program to WELCOM) was first introduced in late 2009. WELCOM's technology allows for each GAC to have its own portal restricted to its members, while also accessing the content (such as draft proposals) of other GACs in order to cross-reference. As documents can be built in collaborative fashion like Wikipedia entries, there can be evolution or continuity in proposals even as a particular GAC's membership changes.

The GRI's timeline was driven by the schedule for convening the GACs and generating outputs from them in a manner which quite noticeably mirrored the consultative approach of UN commissions. Over the course of 2009, regional-level hearings were held in Singapore, Doha, and Geneva, with participation driven by members of diverse GACs from each region and additional selected participants and speakers invited from host governments and

international organizations. These multi-stakeholder gatherings served several purposes: to bring together members of various GACs in an inter-disciplinary fashion, to assess differences in regional perspectives on key global issues, and to provide an opportunity for the WEF to engage the GRI's sponsoring governments and other official figures to generate buy-in for the GRI.

The WEF was very careful to keep the GRI sponsoring governments and G20 ministers apprised of the content of each hearing to build momentum towards the release of the final GRI report at Doha in May 2010. To this end, Mark Malloch Brown, the senior advisor for GRI, and WEF managing director Richard Samans, traveled regularly to G20 capitals to brief officials on preliminary GRI findings.

The draft GRI report presented in Doha in May 2010 titled *Everybody's Business: Strengthening International Cooperation in a More Interdependent World*, contains an essay authored by WEF Managing Director Richard Samans and GRI Senior Advisor Sir Mark Malloch-Brown which sketches the available building blocks for renovating the international system.²³⁰

- High-level political commitments and objectives
- Multi-lateral legal frameworks and institutions
- Plurilateral, often multistakeholder, coalitions of the willing and able
- Information metrics to help anticipate risks, shape priorities and benchmark progress

Importantly, the GRI report was balanced across a spectrum of issues pertinent to the global agenda without excessive bias towards business sector priorities. Instead, it was organized according to the portfolios of G-20 governments and cabinets. The economic track featured proposals for Finance, Labor and Trade ministers on systemic financial risk, monetary cooperation, benchmarking economic growth, sustainable free trade, employment and social protection, and migration and skills policies. The development track targeted Development Cooperation, Economic Planning and Foreign Affairs ministers with recommendations on humanitarian business models for fragile states, universal education, under-two nutrition, anti-corruption partnerships, intellectual property rights reform, and development assistance

²³⁰ World Economic Forum, *Everybody's Business: Strengthening International Cooperation in a More Interdependent World*, 30 May 2010, p. 26.

and philanthropy. The sustainability track addressed Environment, Energy, Water and Fisheries ministers and offered proposals on low-carbon investment, energy efficiency and smart grids, ocean governance, regional water partnerships, product sustainability and awareness. The security track spoke to Foreign Affairs and National Security ministers on civilian nuclear energy, preventing the spread of weapons of mass destruction, human rights, internet protection, and peacekeeping.

At the May 2010 GRI summit in Doha, Qatar, recommendations in each of these areas were presented to a multi-stakeholder gathering of close to four hundred people who participated in GACs and representatives from governments and international organizations and groups such as the G-20. Two important ministers confirmed that the spirit of GRI was accepted by leading states. Ahn Ho-Young, Korea's deputy minister of foreign affairs and ambassador-at-large for the G-20, said that his country (as host of the G-20) is "in the market for new ideas." He Yafei, the permanent representative of China to the United Nations, stressed that leading states "also need to embrace the multi-dimensional contributions of non-state actors such as the private sector and civil society." In this sense the linkage between the GRI's ambition to provide new ideas on a multi-stakeholder basis to the G-20 and leading global decision-makers was met with official approval. However, the overall lack of specificity and depth in the GRI/GAC proposals and the closeness in timing to formal G-20 deliberations made it unlikely that G-20 governments would take-up GRI recommendations in the short-term. Paradoxically, the active inclusion of G-20 ministers and officials in the GRI process was still unable to result in meaningful influence over them.

6.6. FUTURE OF THE GRI AND GACs: THE GLOBAL AGENDA PARTNERSHIP (GAP)

As discussed earlier, the relationship between the GACs and the GRI was fuzzy from the outset. Shortly before GRI issued its main report in Doha, Qatar, in May 2010, it was announced that GRI would not continue after that summit. Klaus Schwab notes that, "GRI has become such an integral part of the WEF's DNA that it almost shouldn't be called a separate initiative."²³¹ The GACs, which predate the GRI, would continue much the same.

²³¹ Interview with Klaus Schwab, Executive Chairman, WEF, New York, February 17, 2010.

GRI did not disappear, however: In its place came the Global Agenda Partnership (GAP). The GACs, which have functioned as a platform and social network for multi-stakeholder experts and decision-makers, would now contribute not to a GRI report, but an active process of building partnership and coalitions to operationalize their proposals and problem-solving approaches and policies through GAPs. Unlike the GRI process, which aimed more to “sell” GAC ideas to the G-20 and other international leaders, GAPs would be driven by the WEF itself and by various other actors brought in based on their interest and resources. This then resolves the original tension within the GRI about proposing solutions but hesitating to act on them.²³² The WEF decided that it could construct GAPs much as it had assembled diverse stakeholders to participate in specific initiatives (see Chapter 5).

The GAP concept paper, released by the WEF in April 2010 on the eve of the GRI Doha summit, claims that GAP is the “natural evolution” from the GRI, that is, moving from encouraging coordinated action to actually generating “mechanisms for global cooperation.”²³³ The paper further claims that, “Currently, there is no network in place which can distil the best expertise and experience to serve as a basis for all stakeholders to make timely and informed decisions.” This would be the purpose of the GAP. The WEF’s credibility for initiating the GAP builds on its previous claims regarding its legitimacy in launching the GRI: It is the “world’s foremost convener of leaders” from across all stakeholder groups of global society, it has instilled “a greater sense of purpose in its communities” through its myriad initiatives and task forces, and it has “built a base of internal and external expertise and tools” to foster knowledge-generating interaction.²³⁴

GAP’s value-proposition to global society is that it offers:

- A true multi-stakeholder approach integrating experts, governments and business into a joint multi-disciplinary and multi-cultural effort;
- The integration of the world’s most knowledgeable and most relevant organizations and people through the GACs;

²³² Interview with Richard Samans, Managing Director, WEF, April 15, 2010; via telephone.

²³³ WEF, Global Agenda Partnership (GAP) Concept Paper, April 2010.

²³⁴ The GAP’s mission statement is: “The Global Agenda Partnership unites the world’s most relevant experts, business and government leaders in an on-going, comprehensive and co-creative process to monitor and address global, regional and industry challenges.”

- A systemic approach to the Global Agenda looking at all the inter-linkages and cause-effect relationships;
- A real time, continuously updated and co-creative approach to mapping global issues;
- The use of a dedicated, secure technology and knowledge platform (WELCOM) which serves an information sharing/collaboration function as well as a situation room/crisis management function;
- An integrated, three-dimensional approach of global, regional/country and industry issues, creating more relevant impact and response mechanisms; and
- The integration of scenario planning (particularly worst-case) and response mechanisms permitting any individual member to determine more pro-active strategies.

While a number of these value propositions—such as the collective intelligence of the GACs and the real-time collaboration of WELCOM—overlap with those of GRI, GAP intends to move beyond GRI in putting the WEF in a more commanding position to initiate partnerships that will advance the recommendations of its GACs. GAP also addresses another weakness criticized by GRI participants, namely the lack of a WEF secretariat to support the GACs. To this end, the Global Insights Team²³⁵ hired a knowledge and support team based in India. Additionally, the Global Situation Space promised by GAP would result from cooperation with scenario-development teams already active in the Global Risk Network (GRN).

For the WEF, the GAP represents a genuine milestone even though it was conceived somewhat in haste as GRI came to a close. It sees GAP as the ultimate integrator and synergizer of all its diverse activities into one holistic and self-reinforcing framework. “The GAP represents the evolution the World Economic Forum into an even more indispensable international organization in the 21st century, making a distinctive positive impact on the global, regional and industry agendas, and taking the necessary steps to ensure another 40 years of successful Forum development.”²³⁶ As the GAP was only established in 2010, it is too early to tell whether it will be able to translate the GRI/GAC process into successful approach to shaping global policy.

²³⁵ This team is part of the Center for Strategic Insight which houses the other institutional initiatives such as the Global Competitiveness Report (GCR) and the Global Risk Network (GRN).

²³⁶ WEF, Global Agenda Partnership (GAP) Concept Paper, April 2010.

6.7. ASSESSING THE VALUE-ADDED OF GRI

To what extent did the GAC/GRI process add value above and beyond existing efforts? Two particular tests are essential to assess: (1) whether the GRI shifted specific policies in given issue areas (2) whether GRI was able to shift the global procedural norm towards multi-stakeholder deliberation. The WEF's goal was not to compete with existing global governance mechanisms but rather to (1) provide a collective intelligence function for them, (2) bring new actors into the process, and (3) stimulate cooperation across these stakeholder groups. Adam Bly, a science journalist and chairman of the GAC on the Future of Innovation, felt that the GRI process "doesn't compete with system, but serves as a supply chain of new ideas."²³⁷ The intended mechanism of influence for the GAC/GRI process is that the GACs, as a "network of networks," would stimulate their members to promote GAC findings into the participants' respective communities. At the same time, the overall GRI report would generate high-level attention on systemic recommendations emerging from the GACs.

Numerous factors complicate the extent to which the GAC/GRI process can be viewed as a consistent, systematic approach to global governance reform. First, the number of GACs fluctuated from an initial 40 to up to 100. Some original GACs continue to exist, while others have been dropped. The cancellation of certain GACs was due to myriad reasons such as lack of a committed leader, stable participation, or a coherent agenda. At most the GACs represent a high-level but partial group of leaders on a given issue and partially reflect the overall efforts underway in the total regime complex of that issue.

Secondly, the taxonomy of issues was not limited to systemically relevant "global issues" as originally foreseen and declared. Some GACs on issues such as the Role of Sports, Empowering Youth, and the Skills Gap were only tenuously linked to other GACs and to global governance as a whole. The lack of consistency and continuity among some of the GACs indicates a third problem, namely the challenge of demonstrating increasing returns to participants to avoid abandonment of the process itself after one or two iterations. Did the GACs generate sufficient interest to retain broad cross-stakeholder participation? This would

²³⁷ Interview with Adam Bly, Editor, *Seed* magazine, Dalian, China, September 9, 2009.

be essential to proving that GRI did indeed move beyond ad hoc, one-off interventions towards increasing returns.

Additionally, the WEF's willingness to promote the recommendations of the GACs was uncertain. The WEF has been reluctant to put its name on too many scattered proposals, focusing instead on choosing those that it feels are most sound and which can be married to champion governments, companies, international organizations, or NGOs from its network in order to (1) focus on a few rather than too many ideas, and (2) focus on proposals most likely to win external support and succeed. But these criteria were unevenly applied. This was due both to bureaucratic as well as political reasons. Bureaucratically, the WEF did not devote significant staff towards liaising with and managing the GACs. According to the chair of the GAC on Humanitarian Assistance, "The WEF doesn't seem to know what to do with the products of the GACs when they are produced, and doesn't provide guidance to the GACs on how to promote the results themselves."²³⁸ After the devastating earthquake in Haiti in early 2010, this particular GAC wanted to publish its recommendations for humanitarian coordination. The WEF did not wish to publish this document even though it would be made in the name of the GAC and its members rather than the WEF. One of the GAC's organizational members, the NGO International Alert, therefore published and circulated the recommendations.

GRI brought together a high-level and multi-stakeholder set of individuals, but these individuals were not asked to commit institutional resources, leaving it unclear as to where the momentum would come from to push the GRI agenda forward. As one GAC chair put it, "The WEF seems to have an infinite capacity to draw on others' pro bono time. But committing time and resources over the long-term is the key to actual implementation." While all of the GACs had a designated chair, the chairman position was not synonymous with being an institutional champion and collective resource base for the GAC and its promotion. Furthermore, some GAC members, including chairs, were involved for only one year before rotating out. On the one hand, this meant that a larger set of individuals was involved in GACs, but the lack of a designated "champion" meant that momentum was not generated.

²³⁸ Interview with Simon Maxwell, Director, Overseas Development Institute (ODI), February 16, 2010; via telephone.

Furthermore, a clear process for implementation of GAC proposals was not set forth. Throughout the GRI process, there was an uncertain balance between content and diplomacy. Was GRI set-up only to develop fresh ideas for global governance reform, or to lobby and promote specific proposals? One WEF director is skeptical of the WEF's ability to be prescriptive about global reform. "The GRI is an X-Ray of the world. But doctors need to analyze it and prescribe the medicine. The WEF can be a catalyst but is not part of the actual chemical reaction."²³⁹ The establishment of the Global Agenda Partnership (GAP) in 2010 is intended to rectify this deficiency, but it has no track record which can be evaluated at the present time.

Has the WEF heeded recommendations to involve individuals for longer time frames, to ensure continuity of each GAC's agenda in order to build substantive relevance, to designate champions within each GAC to promote the results, and for the WEF to more proactively support GAC proposals? Klaus Schwab contends that the GRI/GAC process has been refined in order to address these concerns. The integration of GRI into the 2010 Annual Meeting demonstrates an effort to push the GRI's thematic agenda consistently. Additionally, the WEF recruited notable figures to serve as rapporteurs for each cluster of GACs, while also assigning in-house staff to serve as something of a secretariat for GAC coordination. However, Schwab defends the non-equal promotion of GAC findings: "It is dangerous to float ideas that don't have any backing yet by the international political or business communities because that creates expectations and disappointment."²⁴⁰

On the whole, GRI has struggled to move beyond some of the obstacles which have plagued most of the UN-led global governance processes mentioned above. While GRI deserves credit for its ambitious, inclusive multi-stakeholder process, its output to date very much resembles UN efforts in that its main product thus far has been a report. Within this report, many proposals are superficial and underdeveloped. To the extent that institutional shifts are recommended, in most cases this seems to take the form of proposals for the creation of new public-private supervisory bodies to monitor a given issue area (e.g. financial flows) or provide resources to innovative actors in an issue area (e.g. social entrepreneurship). But none of these proposals has been developed into a robust "road map" which would indicate that they have a higher likelihood of adoption and implementation than pre-existing proposals

²³⁹ Interview with Lee Howell, Director, Annual Meeting, Davos, February 26, 2010; via telephone.

²⁴⁰ Interview with Klaus Schwab, Executive Chairman, WEF, New York, February 17, 2010.

which remains unimplemented. Furthermore, the aftermath of the global financial crisis spawned numerous other high-level, issue-specific efforts to tackle the impact of the crisis on matters such as food security and access to credit, some that may prove to be more successful than the GRI.

GRI was thus unable to resolve the paradox of attempting to move beyond conferences and meetings through technologically enabled interactions, but only being able to generate momentum for such activities through the promise/proposition of major conferences at which to stake claims to substantive progress. Ultimately, the unique composition of the GACs led to numerous participants feeling that the process was necessary even as it became increasingly tedious. Between GRI and its new incarnation as the GAP, the WEF has signaled its intention to continue to promote a multi-stakeholder architecture for global policy processes. GRI may be the beginning of the WEF's institutional effort to catalyze this shift in procedural norms, but it has not yet proven this in any specific instances.

6.8. CONCLUSION

With the GRI, the WEF continued to position itself as an authoritative broker between business, government, and civil society, deriving specific resources and inputs from each but generating a unique collective output. In this way, GRI represents a shift for the WEF beyond convening and facilitation into norm entrepreneurship on a global scale. Also, the WEF's ability to control the content of the GRI report demonstrated its growing autonomy from both its private sector or government stakeholders and constituents.²⁴¹ At the same time, GRI cannot be confused for an effort to mobilize actual resources towards the resolution of challenges in the dozens of issue areas for which it assembled multi-stakeholder expert groups, for there is not a single instance in which it was able to do so, and the subsequent Global Agenda Partnership (GAP) has yet to prove its ability to follow-on the ideas generated by the GRI. It has therefore had more of an impact on the WEF's self-perception and internal evolution than on global governance.

²⁴¹ According to WEF Managing Director Richard Samans, "The published results of GRI are determined and finalized internally, not handed to governments first for their consideration of drafts. To some extent, governmental representatives have been involved through the Global Agenda Councils. But these are the proposals that we think are in the best shape." Interview via telephone; April 15, 2010.

There are numerous prominent examples of multi-stakeholder efforts to alter global substantive or procedural norms. In terms of shifting international treaties and policies, two prominent examples include the multi-stakeholder coalitions which lobbied for the passage of the Ottawa Protocol banning the sale of anti-personnel landmines and the Jubilee 2000 movement which lobbied for debt relief for the world's poorest countries. With respect to changing processes of global policy-making, multi-stakeholder coalitions also successfully pushed for the World Bank to require client governments to consult with civil society and private sector groups in formulating poverty reduction strategy papers (PRSP) as a condition of continued aid, and sub-state groups have won the right to address the UN Security Council as concerned parties.

These examples increasingly appear to be the tip of the iceberg of efforts to promote multi-stakeholder processes and arrangements at various levels of world society. Checkel (2005) argues that norm entrepreneurs pursue "the right thing to do." Does the growing list of examples of such initiatives demonstrate that multi-stakeholder global policy-making has become "the right thing to do"? If this is indeed the case, then the WEF in general and the GRI in particular can be seen as a contributor to this norm shift, even if the material outcomes have yet to be proven. The next chapter will assess to what extent multi-stakeholderism has indeed taken root in a system traditionally dominated by inter-state modes of global governance.

CHAPTER 7

GLOBAL POLICY VS. INTERNATIONAL POLICY: **SIGNIFICANT CASE STUDIES**

7.1. INTRODUCTION

This chapter evaluates the extent to which the WEF is representative of the broader shifts in diplomacy and global governance currently underway. Is the WEF unique in the global diplomatic landscape, or is it a microcosm and harbinger of an increasingly wide and deep multi-actor global policy domain?

The answer lies in distinguishing as much as possible the realms of global policy and international policy. Recall that international, or inter-state, governance is one of several major pillars of global policy, which contains a heterarchy of approaches such as private regimes, public-private partnerships, and other modes. While global policy is largely coterminous with the “regime complex” framework used here, international policy remains limited to inter-state diplomacy and intergovernmental organizations alone. In other words, all international policy is global policy, but not all global policy is international policy.

Yet because global policy subsumes and is strongly constituted by international policy, disentangling the two requires a delicate qualitative approach that analyzes the depth and scope of activity in various issue-areas (e.g. climate, security, poverty) and based on the extent to which particular actors (states, intergovernmental organizations, corporations and NGOs) serve as hubs and drivers of global governance processes. Across these dimensions, which actors are the key conveners, facilitators and norm entrepreneurs? Which actors play the most significant roles in agenda-setting, policy formulation, implementation, and monitoring/evaluation?

In the previous chapters we have seen that the WEF is a transnational organization increasingly defined by a multi-stakeholder orientation, seeking to integrate diverse actor-groups into activities spanning a broad range of issue areas. The WEF today remains the largest standing body devoted to multi-actor convening, community-building, and diplomacy.

Measured in terms of the budget and staff size of the organization, number of activities it facilitates, the volume of state and non-state participants, its geographic and sectoral scope can increasingly be compared to small inter-governmental organizations rather than other non-profit foundations. Indeed, the WEF has grown beyond a single headquarters in Geneva to opening offices worldwide which enjoy special recognition by host governments, while also exchanging personnel and sharing resources with corporations and NGOs. In these respects it can be considered something of a prototype of a forum which brings together the elemental actors (those mature enough to have standing) of an emergent world system in a way similar, though on a different scale, than the role played by the UN in the international society of states. It can therefore be used to some extent as a proxy or mirror of the landscape of (new) actors and processes now operating in the global policy realm.

At the same time, the WEF is no longer the sole actor actively engaged in multi-stakeholder relations, and potentially no longer the most decisive one. While paving the way and setting an example for multi-stakeholder diplomacy, it could be that the WEF has also been overtaken in crucial respects such as resources and effectiveness. It is therefore essential at this stage to look beyond the WEF to the model the WEF represents and which actors have taken on similar roles.

This chapter begins by providing a contextual evaluation of the transnational neopluralism (Cerny 2010) highlighted in chapter 2. It then describes instances of significant new global governance nodes which have as their hub governments (G-20), international organizations (Global Compact), the private sector (International Chamber of Commerce), NGOs (Clinton Global Initiative), and a truly multi-stakeholder body (Global Reporting Initiative). Each of these cases is used to demonstrate how diverse actors can play leading roles in global policy across the spectrum of global governance activities. The chapter concludes with a discussion of the multiple equilibria of global policy.

7.2. HOW MULTI-STAKEHOLDER IS GLOBAL POLICY?

To what extent has global policy shifted from strictly inter-state to plurilateral? The growing co-dependency among inter-governmental institutions and non-state actors, the increasing volume of non-state/private interactions and coalitions, and the blurring of boundaries among

the representatives of the public and private domains all point to accelerating mutation of global policy from the former to the latter.

The pillars of inter-state/inter-governmental diplomacy such as bilateral relations and multi-lateral and regional institutions remain deeply rooted and extensive. As the number of states in the international system has grown, so too have the combinations of bilateral ties among them. The number of international organizations stands at 244 as of 2006.²⁴² Regional organizations have recently increased in number with the birth of the African Union and Development Bank of Southern Africa, and Asian bodies such as the East Asian Community and Asian Monetary Fund. These entities have taken on prominent roles in matters ranging from security to economic governance.

But inter-governmental diplomacy and international can no longer capture the spectrum of global policy activity rooted in international society but including actors beyond its scope. As Mathews (1997: 53) argues, states and IGOs both have become dependent on civil society and the private sector for implementation of norms and objectives because NGOs, for example, possess “financial resources and—often more important—their expertise, approximate and sometimes exceed those of smaller governments and international organizations.” NGOs deliver more humanitarian assistance than the entire UN system: “Civil society organizations are now the main international providers of direct services to people in developing countries, be it foreign aid or humanitarian assistance, and whether funded by government agencies, international organizations, or self-funded” (Ruggie 2002: 5-6). Mathews concludes that, “In using business, NGOs, and international organizations to address problems they cannot or do not want to take on, states will, more often than not, inadvertently weaken themselves further” (1997: 66). Though she sometimes conflates states with their designated inter-governmental organizations, the point remains that states increasingly rely on non-state actors to achieve their stated transnational goals, including them ever more in the mainstream global governance process. Today it is widely recognized that some NGOs have more influence in the global policy domain than many poor states of the G-77 or the World Bank-defined 48 Least Developed Countries (LDCs) (Florini 2003, Fonte 2004).

²⁴² Union of International Associations, *Yearbook of International Organizations* (Munich: Saur Publishers, various years).

This informal co-dependency between official and private actors has gradually led to more formal recognition of multi-stakeholder relations within the inter-state/multilateral context. At the Bali climate summit in late 2007, it was remarked that the old “corridor diplomacy” of diplomats convening outside the Security Council chambers had been replaced by a new one in which NGO expertise changed British policy on the summit’s declaration and influenced its final wording.²⁴³ By the time of the Copenhagen climate summit of 2009, 2315 NGO representatives were formally accredited. Today over 3000 NGOs are accredited with consultative status at the United Nations, recognized not by their nation of origin in a manner subservient to that nation’s diplomatic representation at the UN, but with an independent standing and recognized right to address both member-states and bodies such as the Economic and Social Council, and to offer expertise in the drafting of international legal documents, charters, and declarations (Anheier, Glasius and Kaldor 2001: 3-5; Willets 2006: 1). Betsill and Corell (2007: 196) also track growing role of “Stakeholder Forum” events around UN summits and NGOs’ usage of private events with governmental figures to influence state positions.²⁴⁴ In this manner, NGOs have become more involved in international agreements both at the formulation and implementation stages. Such formal links between the inter-governmental and non-state spheres complicate the notion of a distinct international society versus a non-state constituted world society, since in reality they intersect ever more densely in a common “world political system” (Bull 1977).

Importantly, non-state actors not only augment inter-governmental diplomacy in a world political system but also disintermediate it. Saner (2006) depicts cases of a new “development diplomacy” whereby the traditional pattern of developed/donor-developing/recipient country relations has been challenged and partially supplanted by the presence of independent NGOs openly pursuing their own interests and positions with respect to development policy. In this manner, NGOs have become functional equivalents of the private sector “CEO statesmen” highlighted in international political economy literature dating to Strange (1982, 1996).

Another weakness of the IGO-centric view of global policy is that it neglects the private-private governance modes highlighted here (Risse 2004). In a manner reminiscent of the 15-

²⁴³ Andrew C. Revkin, “Bali update: Pushing for action, not talk, on climate change,” *International Herald Tribune*, December 7, 2007.

²⁴⁴ See also Keck and Sikkink (1998), who discuss the “boomerang effect” whereby NGOs influence national policies by lobbying at the international level, and Leguey-Feilleux (2009: 105), who refers to this phenomenon as “hallway diplomacy.”

16th century period of emerging state self-representation, private actors are developing ever more formal relations between themselves and across the system beyond the confines of the state and inter-state relations (Langhorne 1998: 158). Their recognition of each other's authority is constitutive of new governance patterns not captured by inter-state conceptions of sovereignty. Some examples of this include the WEF's partnership with the Gates Foundation on global public health, Oxfam's relationship with Action Aid on economic development matters, and Greenpeace's partnership with the World Wildlife Fund (WWF) on environmental sustainability, including their joint coalition *against* specific WTO legislation (Saner 2008: 225-231).

Another layer of plurilateral global policy which is often neglected is the increasing frequency of exchange of personnel among public and private actors. So-called "postmodern diplomats" (Neumann 2008, Saner 2008) move between employment in governments, international organizations, the private sector and NGOs, often intuitively seeking to build partnerships across these sectors as their careers evolve. In this sense, it is not surprising that two of the WEF managing board members who have overseen the largest multi-stakeholder initiatives are Robert Greenhill, a former CEO of Bombardier, partner at McKinsey, and head of Canada's development agency CIDA, and Richard Samans, a former Morgan Stanley banker and member of the U.S. National Economic Council in the administration of President Bill Clinton. The WEF regularly takes secondments from its strategic partner member companies such as McKinsey and Microsoft, government agencies from Singapore, industry groups such as the Confederation of Indian Industry (CII), and international agencies such as USAIDS. The WEF is thus multi-stakeholder not only in its activities but in its staffing.

Taken together, co-dependency among inter-state and non-state actors, the growth in intra-non-state diplomatic arrangements, and shifting personnel across stakeholder groups indicates a gradual blurring and blending process through which global policy subsumes inter-state governance alone. Multi-stakeholder policy-making remains a sub-set of global policy today, but it has generated the most marked proliferation of activity at a time when the traditional inter-state instruments have reached a plateau (Saner and Michalun 2009).

Sharp (2009: 291) captures this period of flux as international and world societies increasingly intersect, overlap, and compete:

“Quite what such an international society would look like, and on what terms these new actors would participate in it, will remain open questions for now, and might possibly remain so indefinitely. It is difficult to imagine, for example, Oxfam, Microsoft, or the Campaign to Ban Landmines acquiring something like sovereign status.... It is much easier to imagine, however, a world in which such questions do not get resolved, and yet in which different types of actors enjoy some sort of diplomatic standing and representation. That, after all, has been the normal state of affairs for all but a relatively short period of international history.”

This description of a postmodern diplomatic era in which there is a diversity of actors, multitude of fora, increased complexity, and an overlap of linear and non-linear processes (Saner and Yiu 2005: 30) strongly corresponds to the regime complex and global policy definitions employed here. Having discussed why and how this shift towards an increasingly plurilateral domain is occurring, we now turn to specific examples of diverse actors serving as hubs of multi-stakeholder policy.

7.3. GLOBAL POLICY, DIVERSE HUBS

To deepen this examination of the relationship between global and international policy, this section explores recent examples of institutional innovation drawn from major stakeholder groups, emphasizing the extent to which stakeholder integration or cross-pollination is increasingly the norm in global governance.

Governments, international organizations, the private sector, and non-state/civil society groups are the foundational groups most heavily represented in existing and new global policy instruments. The key shifts from the strictly inter-state and multilateral era of global governance institutions are: (1) the extent to which non-state groups have become regular participants and drivers of official inter-state and inter-governmental processes, and (2) the rising instances of non-state groups (such as the WEF) themselves becoming anchors of global policy processes.

The first two cases below, the G-20 and the United Nations Global Compact, focus on governmental and inter-governmental actors. Both embody the trends discussed in the

previous section related to the co-dependency of public and private actors and increasing volume of interaction among their representatives. Has this evolution away from strict multilateralism made the governmental sector more effective as a global governance hub?

The next three cases—the International Chamber of Commerce, the Clinton Global Initiative, and the Global Reporting Initiative—deal with non-state actors taking the lead in establishing global policy instruments. Each illustrates how the resources and expertise available outside the governmental domain are used both to fill gaps in the existing global governance architecture as well as to innovate new mechanisms altogether. Can these new entities claim to be more effective than traditional institutions, or be substitutive, additive or innovative beyond them?

Governments as Hub: the G-20

Intergovernmental policy-making traditionally takes place on the bilateral and multilateral levels but increasingly involves non-state actors as well. The G-8/20 inter-governmental forum is an interesting case in this regard. Keohane and Nye (2001) characterize international economic clubs such as the WTO, IMF and World Bank as largely “invisible” to the public, leading to lack of effective linkage between politicians and constituencies sometimes referred to as a “democracy deficit.” Their weak legitimacy in terms of transparency and participation hampers institutional accountability and effectiveness. Both the inclusion of less developed countries and non-governmental groups in club decision-making can address this legitimacy gap. The G-20 is exceptional in that it is increasingly considered the premier inter-governmental club in world politics, and is simultaneously an example of structured inclusion of less developed countries and private actors.

Two factors distinguish the G-20²⁴⁵ from multilateral fora such as the United Nations and World Trade Organization. First, the G-20 is not a legal, treaty-based body with a standing in international law. It is essentially a ritualized working group that began with a first meeting of finance ministers and central bank governors in 1999. It is a mechanism for cooperation

²⁴⁵ The G-20 members are Argentina, Australia, Brazil, Canada, China, the European Union, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, and the United States.

rather than a legal instrument of international cooperation. Second, the G-20 has informal rather than formal rules. It has no charter or standing secretariat, but rather has alphabetically rotating chairmanship and an protocol of promoting continuity of agenda through a “troika” comprised of the most recent, current, and next country chairs. These two factors make public-private collaboration among G-20 governments and non-state actors potentially more feasible than for formal international organizations. Indeed, the G-20 itself declares that “Experts from private-sector institutions and non-government organizations are invited to G-20 meetings on an ad hoc basis in order to exploit synergies in analyzing selected topics and avoid overlap.”²⁴⁶

Slaughter (2004) praises such trans-governmental networks at the sub-state level as examples of strong global governance emerging from disaggregated cooperation but still limited to state actors. She speaks of informational, enforcement, and harmonization networks among ministries such as central banks and securities regulation agencies that together reinforce international norms. Because these networks are inter-state, they carry their own legitimacy despite their informal status. Five years later, Slaughter (2009) expanded her analysis to include non-state networks that leverage the “power of connections” such as the International Coalition to Ban Landmines. Writing from the foreign policy standpoint, she urges government officials not to merely outsource government functions to private actors, but rather to learn to “orchestrate networks of these actors and guide them to collaborative solutions (2009: 112).

The G-8/20 has exhibited several cases of such orchestration. First, as discussed in Chapter 5, the G-8 tasked its “official partners” the WEF and World Business Council for Sustainable Development (WBCSD) with devising private sector driven strategies to input into the Gleneagles process in 2005. Second, at the London G-20 meeting in March 2009 which took place in the wake of the global financial crisis triggered in 2008, then U.K. Prime Minister Gordon Brown announced the creation of a parallel group of “B-20” business leaders who would advise the G-20 on financial regulatory reform. Actors such as the WEF and private sector operated Financial Industry Regulatory Authority (FINRA) were recruited for this effort which is still underway.²⁴⁷ Lastly, G-20 members also made a three-year, \$22 billion pledge to support small farmers in developing countries, including an explicit earmark of

²⁴⁶ See http://www.g20.org/about_what_is_g20.aspx.

²⁴⁷ Interview with Carina Larsfalten, Manager, International Organizations, WEF, Geneva, October 15, 2009.

additional funding for the public-private Consultative Group on International Agricultural Research (CGIAR), a consortium of agencies and institutes devoted to increasing agricultural productivity and reforming global food supply-chains and markets.

It is important to note that in the core issue areas that have dominated the G-20's agenda since its rise to prominence—climate change, financial regulation, and food security—the G-20 has proactively incorporated influential non-state parties to define and implement its agenda. The socialization process among the Sherpas of G-20 countries has been complemented by a socialization of the Sherpas with key non-state partners. According to Robert Hormats, the first ever U.S. Sherpa who returned to a similar role in the Obama administration, “NGOs and corporations are now part of the dialogue among governments. The policy process has become more inclusive.”²⁴⁸ Interestingly, even as the WEF is one of the main non-state actors in dialogue with the G-20, as the G-20 broadens this outreach it could be seen as a venue that boosts the visibility and legitimacy of NGOs far more than the WEF's annual meeting or initiatives.

On the whole, the addition of non-state actors into the G-20 process has been innovative in important ways. First, the informal legal structure of the G-20 allows for such opportunistic collaborations more efficiently than other multilateral clubs. Secondly, the inclusion of such actors has bolstered the G-20's transparency and legitimacy, thus addressing the “democratic deficit” inherent in many such “club” bodies. Lastly, consistent with Keohane and Nye (2001) and Keohane and Victor (2010), partnering with non-state groups which have the necessary resources and influence to contribute to issues such as climate change and food security increases the likelihood of output effectiveness of the G-20's policies.

International Organizations as Hub: The Global Compact (UNGC)

On matters such as climate change and food security, G-20 resolutions have committed to greater funding for World Bank programs such as the Clean Development Mechanism, and looked to the World Bank as a hub for multi-stakeholder collaborations on major global issues. In recent years, the World Bank itself has moved towards requiring the participation

²⁴⁸ Interview with Robert Hormats, U.S. Under-Secretary of State for Economic Affairs, Washington, October 7, 2009.

of labor unions, women's groups, and business associations in the formulation of national Poverty Reduction Strategy Papers (PRSPs) submitted to the World Bank for funding (Saner 2006: 35). Direct and indirect interactions with NGOs have also shaped World Bank policy on issues such as micro-credit, mineral extraction, and environmental management (Park 2006). At the same time, the World Bank's heavy inter-governmental culture has been criticized for its slow adoption of multi-stakeholder processes, continuing to favor the distribution of grants and credits over focusing on enabling private investment through risk mitigation insurance, for example.²⁴⁹

More broadly across the UN system, most agencies such as UNICEF and the World Food Program (WFP) have private sector liaison offices, while UNAIDS and the Global Fund actually have NGO heads on its board of directors. This follows on the report of the Commission of Eminent Persons on the United Nations and Civil Society (the "Cardoso panel"), which also urged that the UN Secretariat use its "convening power" to "initiate multi-stakeholder advisory forums" on its work (United Nations 2003: 50). The UN's approach to multi-stakeholder relations seems to incorporate three distinct normative arguments for enhancing NGO participation in policymaking: the functionalist appeal for the use of expertise, the corporatist desire to involve the affected interests, and the pluralist belief in democratic policymaking (Willems 2006: 2).

The first and most widely analyzed such effort is the United Nations Global Compact (UNGC). As discussed in Chapter 4, then Secretary-General Kofi Annan launched the UNGC at the WEF annual meeting in 1999. Prior to his speech at Davos, there were no plans to operationalize the concept were it not for the enthusiastic response he received from business leaders and labor unions present (Khagram and Ali 2008: 240). Annan's office undertook first to bring together the International Labor Organization (ILO), UN Environment Program (UNEP), and High Commissioner for Human Rights (UNHCR), which together represent the nine principles of the Global Compact.²⁵⁰

Over the years, the UNGC has evolved into a cross-sectoral, multi-level global governance network that claims to be the world's largest corporate citizenship initiative geared towards implementing the GC's principles as well as catalyzing business support for broad UN goals

²⁴⁹ Interview with Richard Samans, Managing Director, WEF, April 30, 2009; via telephone.

²⁵⁰ The 10th principle of anti-corruption was added in 2004.

such as the Millennium Development Goals (MDG) (Hall 2007). However, one of its principal architects, UN special advisor John Ruggie, claims that it is not a regulatory instrument or a formal code of conduct; instead it is a “social learning network” that relies on public accountability, transparency, and the enlightened self-interest of companies (Ruggie 2001).

The UNGC’s activities include policy dialogues, a learning forum, partnership projects, and regional/country outreach, all of which bring together representatives from business, NGOs, policy-makers, and research/advocacy organizations to develop collaborative solutions. The first dialogue track, beginning in 2001, focused on business operations in zones of conflict and spawned a number of multi-actor, multi-level working groups. This was also the case with subsequent dialogues related to sustainable development and HIV/AIDS. Recruitment of ever more transnational, regional, and national corporations for participation was a priority for each dialogue and outreach program. To date over seven thousand corporations have become signatories to the UNGC and fifty country-level Global Compact Networks have been established around the world (Sagafi-Nejad 2008).

The role of the UNGC secretariat is revealing as to what extent the Compact is a UN-centric global governance instrument of the traditional international variety versus a more multi-stakeholder global policy mechanism. It defines its role not as a supervisory body but as a clearinghouse and coordinator to ensure delivery of resources to the four sets of activities. Furthermore, its funding comes from UN member-states as well as from philanthropic foundations, and in 2006, it set up its own non-profit foundation to raise additional funds. The UNGC’s chief governance and strategy body, its 20-member board, is comprised of representatives from the business, civil society, labor and UN sectors (Khagram and Ali 2008). These aspects of the UNGC’s executive composition and funding reveal that while its hub is indeed the UN, it is very much run as a multi-stakeholder mechanism.

Importantly, the success of the UNGC as a multi-stakeholder vehicle for cross-sectoral learning even in sensitive areas such as business activity in conflict zones has allowed for a certain escalation of the UN’s mandate with respect to deliberating on the regulation of corporate activities. Specifically, one outgrowth of UNGC has been the Business and Human Rights Norms process, which deals with hard security questions of sovereignty and conflict. As the draft norms pass through stages of multi-stakeholder consultation, they have been

strengthened beyond voluntary principles to include mandatory audits, information disclosures, community petition channels, human rights impact assessments, and social reporting.²⁵¹ In this manner, the purely voluntary, “soft law” nature of the UNGC might be evolving into a more formal global administrative law (Kingsbury et al 2005).

Unlike the WEF, then, the UNGC process carries the possibility of formalizing business-government-civil society relations into a legal framework. As such, participation in the UNGC and Business and Human Rights Norms could carry a public legitimacy (an increasingly core component of shareholder value) greater than the WEF’s anti-corruption focused PACI initiative (Oppenheim et al 2007). Between G-20 and UNGC, we can see how the adoption of multi-stakeholder global policy-making vehicles expands the opportunities for non-actors to engage in global governance through official channels that potentially carry greater visibility and legitimacy than the WEF, in effect challenging the WEF at its own game. In terms of its own effectiveness, a recent survey report shows that a full 93 percent of companies participating in the Global Compact feel that it has helped to boost the integration of sustainability into their strategic decision-making (Lacy et al 2010). At the same time, given the absence of a standing regulatory framework for business actors, UNGC, the WEF’s PACI, and other such initiatives should be considered complementary in advancing the overall project of promoting good corporate citizenship and effective collaborative governance.

Private Sector as Hub: The International Chamber of Commerce (ICC)

In contrast to the intentionally multi-stakeholder WEF, the International Chamber of Commerce (ICC) describes itself as “the world’s only truly global business organization,” and is often referred to as the “United Nations for business.” Also unlike the WEF, which hesitates to take political positions, since its founding in 1919, the ICC has had as its fundamental objective “to open the world economy with the firm conviction that international commercial exchanges are conducive to both greater global prosperity and peace among nations...All [ICC] activities aim to promote international trade, to promote a market economy system, and to foster economic

²⁵¹ Interview with Christine Bader, corporate social responsibility advisor, BP, New York, February 26, 2009.

growth...”²⁵² The ICC’s Court of International Arbitration is the world’s leading body for resolving international commercial disputes by arbitration.

Even as the largest member-based organization of national chambers of commerce, the ICC’s activities have also migrated away from exclusively conducting coordinated lobbying for business interests with respect to competition, tax, and investment policy towards the organization of and participation in multi-stakeholder policy activities. Among the first of these was the UN Global Compact. The ICC’s early support for UNGC led to its national chapters serving as vehicles for the establishment of UNGC country-level networks, an important vehicle for the spread of UNGC norms. Also with respect to the UN, the ICC has formally participated in the preparatory processes for recent UN summits such as the Conference on Financing for Development, the World Summit on Sustainable Development, and the World Summit on the Information Society. Most formally, the ICC has launched a partnership with the UN Conference on Trade and Development (UNCTAD) to create an Investment Advisory Council for under-developed countries to attract greater foreign direct investment. It has similarly partnered with the New Economic Partnership for Africa’s Development (NEPAD) for the same purpose. While these activities are consistent with the pro-commercial expansion philosophy of the ICC, they also represent a mode of partnership with public sector bodies which were not previously undertaken.

The ICC has also established partnerships with other non-governmental bodies. In 2004, it launched Business Action to Stop Counterfeiting and Piracy (BASCR), linking over one hundred different trade associations in a set of projects designed to combat the illicit piracy of goods through information sharing and awareness programs. In 2006 it partnered with the non-profit International Business Leaders Forum (IBLF) to oversee the annual “World Business Awards in support of the Millennium Development Goals.” These serve as important examples of the emergence of private-private linkages in the realm of global public goods (Risse 2004). However, as with other initiatives falling under the rubric of corporate citizenship, evaluating the ICC’s effectiveness hinges on a situational analysis of each initiative along metrics such as the size of participation and change in participant actors’ policies.

Taken together, the innovative activities undertaken by the ICC indicate a shift towards greater inclusion of public interest activities in partnership with public and private entities

²⁵² For the full history and text of the original 1919 ICC charter, see: <http://www.iccwbo.org/id93/index.html>.

above and beyond the ICC's formal mandate to promote free trade and commerce. While a certain sense of rivalry exists between the ICC and the WEF, this stems mostly from the fact that the ICC's Executive Director, Maria Livanos-Cattai, is a former managing director of the WEF, rather than from competition among their activities, which are largely complementary.

NGOs as Hub: The Clinton Global Initiative (CGI)

A number of transnational NGOs such as Amnesty International, Greenpeace, and Oxfam have become household names for their global scale and influence over national and international political processes. With its founding in 2002, the Gates Foundation quickly rose to prominence as by far the wealthiest non-profit foundation in the world. In Chapter 4 it was discussed how some of the early decisions related to the founding and orientation of the Gates Foundation were shaped through encounters at the WEF annual meeting, and Chapter 5 explained how decisive the Gates Foundation has been in funding of the WEF's Global Health Initiative. Worldwide, the Gates Foundation has directly shaped national health policy in dozens of donor and recipient countries alike, and has provide a substantial component of the World Health Organization's annual operating budget.

It is the Clinton Global Initiative (CGI), however, which due to its membership structure and broad thematic scope which is more comparable, and potentially competitive, to the WEF as a multi-stakeholder global policy instrument. Indeed, it is undeniable that former U.S. president Bill Clinton generated much of his template from how to structure and carry-out CGI from his frequent attendance at the WEF's annual meeting in Davos. At the same time, Clinton saw CGI as an antidote to Davos because it intended to actually "do something." Like the WEF, CGI hosts a high-profile annual meeting, but timed for late September in New York City to coincide with the UN General Assembly. This meeting, occurring every year since 2005, has been described as "Davos with a conscience."²⁵³

Like the WEF, CGI has a tiered membership structure. In the case of CGI, membership denotes having made substantial financial and/or in-kind contributions to CGI vetted public-private partnerships in the areas of poverty alleviation, education, job creation, environmental sustainability, or public health. In this way, it is the projects and beneficiaries of the projects

²⁵³ Carl Pope, President, Sierra Club, quoted in, "The New Establishment," *Vanity Fair*, October 2007.

which gain from CGI rather than CGI itself, which is funded by voluntary contributions from diverse actors including individual philanthropists (e.g. Tom Golisano), major foundations (e.g. Gates Foundation, Fisher Fund, Broad Foundation), corporations (e.g. Citigroup, Procter & Gamble, SwissRe), and foreign governments (e.g. Sultanate of Oman). NGOs are not charged any fees for attending the CGI annual meeting, but preference is given to those which are recipients of funds from CGI member-companies. As with the WEF, corporate members have no automatic right to renewal in CGI, forcing them to make commitments and pledges to development projects each year to maintain attendance privileges.

Similar to the WEF's annual meeting in Davos, the prominence of CGI's annual meeting masks the reality of an organizational structure that is in fact a year-round operational entity. CGI provides continuous brokering services to connect donors and suppliers with recipients and users.²⁵⁴ In 2009, Clinton announced that in its first five years of operation, CGI members had made "nearly 1200 commitments to action valued at \$46 billion that have already improved more than 200 million lives in 150 countries."²⁵⁵ These commitments cover activities ranging from providing clean water and sanitation to mobile banking services and support for SMEs.

CGI's geographic expansion also parallels that of the WEF. As both sponsors and NGOs have increased their desire to forge partnerships to confront local and regional public goods challenges, CGI has been welcomed to the Middle East and Far East as a broker, with meetings held in Dubai and Hong Kong in 2008. As a multi-stakeholder broker focusing on generating active pledges and commitments to address global challenges, CGI is clearly an example of an important new broker in the global policy landscape that both overlaps and competes with the WEF but also complements its mission to "improve the state of the world." However, CGI tackles specific economic development challenges and does not attempt to mediate conflict and devise security architectures, or revise global financial regulations the way the WEF does.

There is some evidence that, given the weak reception of UN member-states to the Cardoso report on UN-civil society interactions, efforts such as CGI provide an alternative venue for

²⁵⁴ CGI commitments can be registered and tracked at: www.mycommitment.org.

²⁵⁵ Clinton Global Initiative press release, September 30, 2009. These figures reflect activities undertaken by companies that are members of CGI but goes beyond commitments made only at CGI.

NGOs to pursue alliances with each other, fundraise and establish partnerships with corporations, and access the international media—all more effectively than through government sponsored conferences (Rossi 2008). In addition to the tangible accomplishments of CGI on diverse issues and geographies as discussed above, this would indicate that CGI and similar NGO-driven partnership vehicles are gaining momentum as they innovate private-private global policy instruments beyond the state. In this sense, CGI has risen to occupy a similar niche to the WEF as a standing authority for the brokering of multi-stakeholder relations and partnerships, but in a manner that yields complementary outcomes towards their similar missions.

Multi-Stakeholder Hubs: The Global Reporting Initiative (GRI)

While the WEF is a business membership body that increasingly devotes itself to multi-stakeholder initiatives, the Global Reporting Initiative (GRI) has truly multi-stakeholder origins, funding, and operations. It was founded in 1997 as the collaboration among two U.S.-based non-profit groups, the Coalition for Environmentally Responsible Economies (CERES) and the Tellus Institute, together with the UN Environment Program (UNEP). The first iteration of its Sustainability Reporting Guidelines were issued in 1999, and it became a permanent organization headquartered in Amsterdam in 2000. Over the past decade, GRI has developed the world's most widely used sustainability reporting framework that sets out the principles and indicators organizations can use to measure and report their economic, environmental, and social performance. These so-called "G-3 Guidelines" can be used to produce the necessary reporting required of all members of the UN Global Compact, and have been rated the most influential reporting standard in the world (Brown et al 2007; Khagram and Ali 2008).

GRI is not a participant in other multi-stakeholder processes but has itself become the pole of attraction for diverse actors and the source from which various sets of reporting standards are radiated outward into and among all stakeholder groups. GRI's board of directors consists of sixteen members who hold ultimate fiduciary and governance authority. There is also a stakeholder council made up of 46 diverse individuals who advise the board and technical advisory committee comprised of 12 experts who assist in maintaining overall quality and coherence in the reporting guidelines. Additionally, organizational stakeholder are those

bodies which provide funding for GRI, including transnational corporations such as BP, GM, Microsoft, Shell, Hewlett-Packard, and Deutsche Bank, the governments of the Netherlands, U.K., Sweden, Germany, Australia and the European Commission, governmental agencies such as the U.S. Environmental Protection Agency, non-profit organizations such as the UN Foundation, Mott Foundation, MacArthur Foundation, Gates Foundation, and international organizations like the World Bank.

Beyond these core bodies, however, GRI is in fact a massive multi-stakeholder network of thousands of experts in dozens of countries who contribute to developing the guidelines by adapting them to local contexts and supply chains. As mentioned earlier, GRI's G-3 guidelines are used by the UN Global Compact as its reporting standard. The World Resources Institute (WRI) also uses GRI guidelines in its "New Ventures" project which helps SMEs worldwide access funding. In 2007, Sweden became the first country to mandate that all of its state-owned companies file an annual sustainability report based on the G-3 guidelines.

As with the UN Global Compact and Clinton Global Initiative, GRI can measure its effectiveness based on the number of companies or governments participating in and using its framework, many of which explicitly seek its partnership and guidance to implement its guidelines (Waddell 2006: 9). Yet by providing a reporting framework used by companies and governments alike, GRI has proven itself to be an innovative approach that opens the possibility for a multi-stakeholder mechanism to actually substitute, or at least subsume, the many distinct existing guidelines.

7.4. CONCLUSION: MULTIPLE EQUILIBRIA

This chapter has argued that multi-stakeholder global policy is in an increasingly prominent global procedural norm that increasingly subsumes the strictly international component of global governance. Some reasons for this shift include the growing co-dependency among inter-governmental institutions and non-state actors, the increasing volume of non-state/private interactions and coalitions, and the blurring of boundaries among the representatives of the public and private domains. Recent examples of innovation from the inter-governmental sphere (G-20) and international organizations (World Bank, UN Global

Compact), as well as from the non-governmental sphere (International Chamber of Commerce, Clinton Global Initiative, Global Reporting Initiative), indicate a broad shift towards multi-stakeholder approaches becoming a de facto approach for new global governance instruments. The heterogeneity of these mechanisms in turn both validates the WEF's approach but also challenge its unique role as a multi-stakeholder authority.

This broad evolution in global policy-making patterns towards a regime complex that lacks a single institutional focal point also indicates an environment of high uncertainty which demands adaptability and flexibility among existing institutions. Lacking a single global authority, multiple equilibria now characterize the global governance landscape. It remains to be seen whether this emerging neo-pluralism meets the tests of coherence (mutually reinforcing), effectiveness (compliance and measurable benefits), determinacy (clear long-term normative content), sustainability (withstanding shocks), accountability (to multiple relevant audiences), and epistemic quality (consistency between rules and knowledge) (Keohane and Victor 2010: 18-19). At the same time, the cases discussed in this chapter collectively point to an accelerated diffusion of norms across stakeholder groups due to the high "dynamic density" of the overall regime complex environment (Ruggie 1998).

While the WEF remains the most prominent embodiment of multi-stakeholderism, this status is not guaranteed. If indeed multi-stakeholder approaches are increasingly the norm in global policy, then it raises the question as to how central the WEF shall be in a more broadly poly-lateral global governance sphere in the future. This is the main question which the final chapter shall address.

CHAPTER 8

CONCLUSION

8.1. INTRODUCTION

At the WEF's 2009 Annual Meeting of the New Champions in Dalian, China, Klaus Schwab declared that the WEF had become the world's "premier multi-stakeholder organization."²⁵⁶ This dissertation has sought to evaluate to what extent the WEF has, over the course of its forty year history, lived up to this ambition.

This chapter begins by reviewing the claims and findings from this investigation of the WEF. It then prognosticates on the future of then WEF, followed by a discussion of key counter-arguments against these conclusions. The third section steps back to assess to what extent the WEF can be taken as a symbol or symptom of systems change in world politics today and what future global governance architectures might be expected, including a critique of multi-stakeholder approaches. Finally, this chapter offers recommendations for further academic research into multi-stakeholder global governance.

8.2. PRINCIPAL FINDINGS AND CONCLUSIONS

This dissertation has explored what the WEF is, what it does, and what it represents.

In terms of what the WEF is, we have seen how a business-funded and business membership non-profit foundation has also gradually emerged as a standing site of multi-stakeholder interactions and negotiations. From its early years focused largely on European business strategy, the WEF has generated ever more expansive mission statements focused on fostering cross-stakeholder collaboration in the "global public interest." While a corporate membership base continues to provide the largest share of its budget, this has diversified somewhat as governments and foundations provide substantial financing for signature WEF

²⁵⁶ Interview with Klaus Schwab, Executive Chairman, WEF, Dalian, China, September 9, 2009.

initiatives. Similarly, it has expanded from a small headquarters on the outskirts of Geneva to having several large offices worldwide which manage both membership and public sector relations. Internally, the WEF has also evolved substantially from primarily employing staff for member relations and conference facilitation to hiring subject matter experts in technical fields pertinent to sectoral and global priority issue areas. In the words of WEF Chief Business Officer Robert Greenhill, the WEF “has moved from conference organizer to community builder.”²⁵⁷

This dissertation provides ample evidence to validate this claim. As Chapter 4 demonstrated, the WEF annual meeting has played an important role in defining communities such as academics, labor unions, scientific organizations, mayors, and civil society into coherent groups and structuring their interactions with other stakeholders. Furthermore, it has sought to aggregate these into a certain epistemic community around a common “global agenda.” The WEF’s embrace of technology has even allowed it to serve epiphenomenally as a “global town hall,” an important component of the deliberative software of global governance. In all these ways, the WEF’s unofficial nature has been an asset rather than a liability in contributing to new forms of global policy-making.

This growth in the WEF’s self-directed mandate also opens the door to understanding how what the WEF does has evolved over time. This dissertation has shown how the WEF has shifted from purely convening functions towards intensive engagement in facilitation and norm entrepreneurship activities as well. In terms of convening, the WEF’s Annual Meeting at Davos and its regional summits afforded it opportunities to move beyond merely hosting towards becoming an active venue that shaped specific agendas for business, government, and civil society actors alike, even intervening tactically in inter-governmental processes related to peace and trade negotiations. Further evidence that the WEF has become an actor in its own right is visible in its facilitation of multi-stakeholder initiatives related to climate change, public health, and anti-corruption. As discussed in Chapter 5, in these initiatives, the WEF has served both as a hub as well as a driver of policy innovation. Lastly, the WEF’s self-driven undertakings include norm entrepreneurship efforts such as the Global Redesign Initiative (GRI) which sought to promote the procedural norm of multi-stakeholder consultation at the highest levels of business, government, and civil society strategy. As

²⁵⁷ Interview with Robert Greenhill, CBO, WEF, Doha, Qatar, May 30, 2010.

discussed in Chapter 6, even though the GRI did not immediately shift specific policies in across a range of issue areas, the WEF's adoption of a Global Agenda Partnership (GAP) platform demonstrates that it has deepened its ambition to autonomously curate multi-stakeholder partnerships, bringing greater and more diverse internal resources to bear towards this goal moving forward.

The WEF's success has lay more in presenting specific models for voluntary replication by others than in achieving substantial breakthroughs with its own individual efforts and initiatives. Much is therefore at stake in whether the WEF not only embodies multi-stakeholderism for itself but also represents a new model for global governance. This dissertation has explored to what extent the WEF can be seen as a microcosm of a multi-actor world society that transcends but also subsumes the international society of states. The WEF can only play this role as an informal proxy. It is not a United Nations for the world system as it lacks both universal membership and legal authorities. As a proxy for a multi-actor world system however, it does succeed in flexibly integrating leading groups such as powerful governments and inter-governmental clubs such as the G-20, the most powerful multinational corporations, and the most influential non-governmental/civil society groups.

In this way, the WEF does represent a breakthrough in how the international society of states and its concomitant institutions can be supplemented through tangible new arrangements. As Chapter 7 demonstrated, each stakeholder group—governments, international organizations, the private sector, and civil society—all increasingly serve as hubs of multi-stakeholder global policy instruments. Even if these compete with and weaken the WEF's ultimate influence, they are symbolic of the broader shift underway towards more WEF-life patterns and coalitions. It remains to be seen, however, whether this additional layer of global policy will remain only a supplement or whether it will be more widely replicated throughout the system. (Section 8.5 explores prospects for such alternative global governance models in greater detail.)

A major puzzle that has been addressed throughout this analysis of the WEF is the question of whether any organization can be neutral among its stakeholders and constituents. The WEF's evolving mission statements again suggest that the WEF is attempting to bridge the entrepreneurship of the private sector with the public interest of government and social purpose of civil society. One WEF managing directly recently described the WEF as “an

independent, neutral, multi-stakeholder platform.”²⁵⁸ However, even though the WEF has demonstrated that it can undertake activities that are neither in the core interest of its member companies nor mandated by them, this does not yet mean that it is completely neutral. At the same time, the increasingly diverse and balanced representation of non-business stakeholders in WEF activities such as the Annual Meeting (Chapter 4) and the deep engagement of these stakeholders in the WEF’s initiatives (Chapter 5) indicate a growing degree of neutrality by the WEF. The fact that governments, business, and civil society alike approach the WEF as vehicle for advancing each of their respective agendas and interests (Chapter 6) is also suggestive of a growing perception of the WEF’s neutrality, which represents a marked shift from earlier understandings of the WEF as a corporate front group.

The growing complexity of a multi-actor world system challenges conventional notions of power while also making the analysis of power and influence more difficult. This study has sought to avoid biased understandings of nature and practice of power and instead assess the WEF’s influence in the specific contexts of its operations. Where the WEF has sought to directly intervene in inter-governmental negotiations such as with respect to peace processes in the Middle East, South Africa, or Korean peninsula, its contributions have been unique but marginal. In the economic and environmental arenas, its efforts have been somewhat more original and important as they have shaped the outcomes of certain treaties and frameworks within the context of the GATT/WTO and the G-8’s climate proposals.

Rather than measure the WEF’s influence solely in comparison or with respect to existing, inter-governmental processes however, the WEF’s influence lies in the demonstration effect of constructing a new multi-stakeholder process and encouraging the replication of that norm among other hubs in the global governance arena. Because it seeks to create a consistent public-private approach to global policy-making, it has blended away some of the hard distinction between official and non-official processes. Indeed, as Chapter 7 argued, multi-stakeholder vehicles are increasingly common and emanate from all different actor-groups in their roles as hubs of global governance processes.

Overall, the WEF proves to be a useful case study in understanding how non-state actors claim and attain sufficient authority to be considered anchors of global policy in a multi-actor

²⁵⁸ Interview with Richard Samans, Managing Director, WEF, Singapore, December 1, 2009.

world system. The WEF's role as a knowledge creator through curating public-private interactions and publishing reports, its broad and representative multi-stakeholder participation, increasing perceptions of its neutrality among those stakeholders, expanded capacity to pursue dialogue and initiate partnerships on a range of critical global issues—all have contributed to its steadily increasing authority and recognition as an anchor of global policy processes. The next section discusses various scenarios for the future of the WEF.

8.3. THE FUTURE OF THE WEF

The WEF has been called ahead of its time, right on time, or dismissed as peripheral to the times in equal measure. Yet it has proven itself adaptable to changes in power balances among nations and regions, the growing prominence of non-state actors, the expansion of the global agenda in terms of norms, priorities and themes, and the incorporation of technologies that facilitate global cooperation. In this sense, it is a laboratory of global policy. The WEF is a unique but small-scale model for the aggregation of multi-level, multi-actor global governance networks. But it is more a role model than itself a leader; it is as much a method as it is an actor. The WEF's inspiration of multi-stakeholder practices will be its lasting legacy rather than any one specific success. The future might look more like many small WEFs rather than one big one.

What then can we prognosticate about the future of the WEF itself? The most current and forward-looking document available for the present study is the *Strategic Roadmap 2012*. This paper begins with an interpretation of the WEF's own history: "The World Economic Forum built its reputation on being the foremost global convener of leaders from business and its stakeholders. It then created a base of sustainability and loyalty by integrating those leaders first into business communities and later into non-business communities, becoming the foremost global multistakeholder organization." It declares five strategic objectives for the near future:

- 1) Be the foremost multi-stakeholder organization integrating distinct communities, including business and non-business groups;

- 2) Be the foremost global, regional and industry-related convening place for our communities through the annual meeting, regional meetings, industry meetings and working groups;
- 3) Be the catalyst for knowledge-generating interaction related to global, regional and industry agendas through the creation of a “Global Situation Space” which includes Global Agenda Councils (GACs), academic experts, the WELCOM network, and programs on competitiveness, risk, and scenario-building;
- 4) Be committed to improving the state of the world through shared problem definition, shared search for solutions, and cooperative action in the form of taskforces and initiatives;
- 5) Continually reinforce the position of the World Economic Forum as a respected global institution by maintaining a mission oriented culture, protecting and strengthening our institutional brand, promoting corporate global citizenship, ensuring high institutional governance, and creating a flat internal leadership structure.

Judging from this ambitious agenda, Pigman (2007: 62) is correct that the WEF sees itself as nowhere near reaching the full extent and range of its potential activities. Yet the substantial volume and depth of interviews with WEF management and staff undertaken for this study reveal a collective internal narrative of surprise at the organization’s prominence. This can be attributed to the WEF’s humble origins, its non-sovereign, non-profit status, the unplanned nature of its evolution, and its relatively small overall size. One managing director conceded: “The WEF succeeds despite itself.”

Two prominent scenarios which we can discern for the future of the WEF involve its continuation as an experimental venue for multi-stakeholder partnerships on the transnational and international levels, and/or its growing attachment to the G-20, in which case it both seeks to develop ideas for the G-20 to implement or to gain G-20 endorsement for its proposals for multiple constituents and stakeholders. We have seen already the interplay of these two approaches in that the WEF has sought to use the private IGWEL track at its Annual Meeting (Chapter 4) to influence G-20 deliberations, has partnered formally with the G-20 on issues of global public health and climate change (Chapter 5), and has sought to influence G-20 consultation and decision-making procedures to be more inclusive of non-state groups (Chapter 6). Yet the WEF’s desire to remain an independent hub for global policy formulation and partnerships means that it will not rely solely on the G-20 as its

vehicle for implementation. Indeed, the G-20 itself, while increasingly habituated as a regular mechanism for coordination among leading states and non-state partners on an ad hoc basis, has yet to demonstrate robust coordination on matters others than financial stability in the wake of the 2008-9 financial crisis.

The unclear future of the Global Agenda Partnership (GAP) mechanism, intended to be the WEF's flagship vehicle for engaging in global policy formulation and implementation, as well as the increasing prominence of action-oriented non-state bodies such as the Gates Foundation and Clinton Foundation, also make it difficult to prognosticate whether the WEF will remain a central player in multi-stakeholder global policy. The next section evaluates whether the WEF has in fact been a success, and how to measure its ultimate impact.

8.4. COUNTER-ARGUMENTS ABOUT THE WEF

This dissertation has argued that the WEF has served as an important bridge between the widening scope of diplomatic interaction and the broadening sphere of actors and norms in global governance. But this is an incomplete project, and the WEF's role in it is uncertain and often difficult to trace. This section presents multiple lines of critique as to the pertinence and relevance of the WEF and its role in global governance.

The first critique concerns the WEF's nature as a private sector membership body. Avant (et al 2007: 4-5) raise important questions about the increasing role of the private sector in global governance: Who benefits from the shift of authority towards corporations? What are the sources of their legitimacy and how are they held accountable? Does the blurring of public-private divides that this shift represents enhance the quality of the resulting governance? How do we measure the relative public/private power balance and contributions towards effectiveness? It has been asserted that the WEF is private and thus undemocratic, and the delegation of public tasks to private experts and corporate leaders which it represents denies any liability towards citizens (Graz 2003). The opposition to alleged WEF corporatism sees it as part of a new and hegemonic "disciplinary neoliberalism" (Gill 2003).

This particular critique must be viewed in the context of the anti-globalization movement which emerged in the late 1990s in response to the growing lack of state control over

transnational capital flows. As a highly visible venue for corporate leaders (and others) to gather, the WEF became a lightning rod for such criticism. As Chapters 3 and 4 demonstrated, however, at no point was the WEF a controlling force or even monolithic representative of corporate interests, and its influence over corporate agendas has been quite limited. To the extent that it has been able to augment or steer corporate priorities, it has been in the arena of promoting good corporate citizenship earlier than other even progressive actors, thus quite a different direction than these allegations suggest. Importantly, as Chapters 5 and 6 showed, the WEF is not a private agent to whom specific functions have been delegated or outsourced, thus cannot itself be taken as part of the privatization wave which is the object of such criticism. Instead, it has been a facilitator of multi-stakeholder partnerships and itself played a role in them. On the whole, rather than the WEF being driven by “hard” business interests, it has if anything contributed to leading the corporate sector away from conventional concerns and towards a more socially oriented agenda.

The WEF’s lack of democratic structure is certainly a fact, but this is quite different from it being a capitalist conspiracy. Its inclusion of non-state actors into its deliberations has been portrayed by some as a move to provide sufficient patronage to keep protestors at bay (Graz 2003: 334). Yet as discussed in Chapter 4, the WEF did seriously engage these actors several years before the creation of the rival World Social Forum (WSF) in Porto Alegre, Brazil. Furthermore, when given the choice, leading NGOs have participated in both WEF and WSF rather than choose the latter over the former. Importantly, the WEF has continued its socially oriented activities despite the dissipation of the anti-globalization movement and the WSF.

The deeper issue of a democratic deficit in the WEF—and indeed, in all international/inter-governmental organizations as well—speaks to a broader question about the inputs necessary for accountability in global institutions. While it is true that the WEF’s own ambiguity about its private nature but public purpose give it a Janus image and encourage it to be judged in a manner similar to international organizations (Pigman 2002: 297), in fact it should be evaluated according to criteria more appropriate for non-governmental organizations. In this sense, peer, market, legal, reputational, delegated and other forms of accountability can be

applied to analyzing agents operating at the transnational level, while democratic metrics alone are insufficient (Keohane and Grant 2004).²⁵⁹

One important consideration with respect to the WEF's degree of accountability is its level of transparency and openness. Technologies such as the Internet are a vital medium of information sharing as well as an ever more dense transactional space for global diplomacy. As discussed in Chapters 4 with respect to the Annual Meeting and Chapter 7 in the case of the WELCOM network, the WEF has always sought to leverage information technologies to enhance exchange among its constituents. Its public outreach in the form of an annual "Davos Question" and a "bloggragator" to compile online comments on global issues to help WEF staff shape discussion topics at its summits are further examples not only of technological adaptation but also openness to non-direct members and constituents. These public rather than only private information brokering roles facilitated by technology have often gone unrecognized by the WEF's critics, and yet the WEF today has 1.6 million followers on the online social networking site Twitter, far more than any other non-governmental or inter-governmental organization in the world.

Transparency, however, is a principle, not an institutional foundation of global governance. In Chapter 4 it was discussed how the WEF's technologically savvy, multi-stakeholder dialogues allowed it to play a "software" role in deliberative global governance (Brassett and Smith 2006). Yet because it has no legal enforcement capacity, there is a severe limit on the extent to which it can contribute to the project of representative cosmopolitan democracy (Held 2004). The WEF can provide an avenue for the self-expression of new political communities, but it cannot itself embed them in a new political architecture or "hardware." It thus contributes to a cosmopolitan diplomacy, but not necessarily a cosmopolitan democracy. Network structures might be efficient and inclusive but they are not necessarily democratic (Aggestam and Jerneck 2009: 246). In the WEF's defense, senior advisor and INSEAD professor Subi Rangan states, "The WEF does not create and enforce contracts; it is much more about creating a new consciousness of what it is to be a world citizen."²⁶⁰

²⁵⁹ For another perspective on legitimacy and accountability in international institutions, see: Francis Fukuyama, "The Paradox of International Action," *The American Interest* (Spring 2006).

²⁶⁰ Interview with Subi Rangan, Professor, INSEAD, September 28, 2009; via telephone.

Paradoxically, there is an equal and opposite critique of the WEF's supposed importance in world affairs, namely that the WEF remains a mask for state interests, or that it is merely a sideshow to states who use the WEF to convey the illusion of inclusion of non-state actors into their official discourse. Ironically, this undermines the previous assertion about the hegemonic status of corporate neo-liberalism and the WEF as an agent thereof. Beyond this, it is important to remember that the WEF was created as a non-profit foundation with corporate members and thus has a free-standing existence independent of state policies. It has never required a mandate from states. Furthermore, it was created during a period when private interests increasingly shaped government interests in the international political economy rather than the reverse. However, it can still be argued that state participation in WEF events does not constitute equal recognition of the WEF, that WEF-style discussions, advocacy, or lobbying does not constitute diplomacy, and the WEF's convening power does not denote staying power. In this regard, the recounting of the WEF's interventions into inter-state politics in Chapter 4 supports the notion that the WEF has not been and need not become a decisive actor in inter-governmental diplomacy related to international security and trade matters.

The deeper question pertains to the assessment of power. According to Sharp (2009: 173-4), diplomacy is often silent about power relations and imbalances, focusing instead on negotiations conducted with the knowledge of power lurking only in the background. In this sense, the construction of global governance arrangements takes place despite inequities in power, including those arrangements which involve non-state actors such as the WEF. If the world remains state-centric, with non-state actors only peripheral, then the style or appearance of diplomacy has little correlation to the substance of power (Gilpin 2002). In this sense, a sectoral analysis could be used to determine how influential non-state actors are in spheres such as the military, financial, environmental, and others (Buzan 2004). While states continue to dominate certain arenas, it is increasingly the case that states do seek partnerships with private actors in pursuit of agendas such as technological advancement and economic development. In this sense, private actors demonstrate some independent capacity or agency as non-sovereign actors which can influence the ability of states to access international markets and resources. As described in Chapter 4, the WEF's ability to shape the investment profile of sub-Saharan Africa, India, and Central Asian nations would be examples of its influence in this regard, for which the WEF has earned the gratitude and long-term relationships with sovereign governments.

A realist power critique of the WEF largely places it in the same category as functional international institutions which are seen as having little independent agency beyond the scope of what is allowed by state actors. The other relevance of this argument is that it reminds that the WEF is perhaps becoming nothing more than a junior partner to international organizations, adding little additional value beyond them. There are two elements to this logic: first, because international organizations increasingly conduct their own private sector outreach, they have displaced the WEF, and second, the WEF is becoming overly bureaucratized like its international organization peers, further diminishing its uniqueness. The first argument was addressed in Chapter 7, which found that despite the expanding norm of multi-stakeholder partnerships led by multilateral bodies, such efforts remain complementary rather than competitive. But has the WEF also experienced the kind of mission creep that has led other international organizations to spread themselves too thin and therefore lose relevance by their own accord? As both Chapter 5 and Chapter 6 demonstrate, while the WEF has grown in size, budget, and scope of projects and initiatives, this growth has been organic and comprehensively funded by private and public participants. Where funds have dried up, such as for public health and climate change related programs, the WEF has not sought to maintain projects or staff solely at its own expense, thus avoiding the bureaucratic overhang which plagues many UN agencies.

Much as international agencies can often be shaped largely by the tenure of powerful leaders, there is also the critique that the WEF already suffers from founder's syndrome, even before the passing from the scene of Klaus Schwab. The notion that succession would not be transparent is of less concern here if only because the selection of leadership for international organizations almost universally involves back-room horse-trading among Western powers. Instead, the suspicion here is that the WEF will be able to sustain consistent membership, loyalty, and leadership upon Schwab's departure. It remains to be seen who will replace Schwab at the helm of the WEF, but it is worth noting (as pointed out in Chapter 3) that the WEF has experienced periods of membership vacillation due to financial turbulence but persistently managed to re-brand itself for changing times. The rising number of industry and strategic partnerships provide important evidence that companies and governments engage with the WEF for its substantive initiatives and not only for the visibility and charisma that Schwab brought to the organization. Furthermore, very high ranking international figures such as Jose-Maria Figueres, former president of Costa Rica, and Mark Malloch-Brown from

the British government, have been recruited to the WEF's managing board over the past decade, indicating that running the WEF could be an attractive role for someone with a global reputation superior to that of Schwab himself.²⁶¹

Ultimately, answering the question of whether the WEF matters cannot be answered by looking at measures of coercive power alone. Instead, the answer may be that the WEF does matter if only in that the world is becoming more and more like it. Indeed, it is both the WEF's strengths and weaknesses that make it an interesting case study for today's shifting global governance landscape: It is inclusive but not democratic, efficient but not always results-oriented, and broad in its interests but also often shallow. The next section provides a deeper prognosis as to whether the WEF is indeed a harbinger of future global governance architectures.

8.5. THE WEF AS A SYMPTOM OF SYSTEMS EVOLUTION

Khagram (2006: 97) laments the lack of "creative scholarship on broad, future global governance architectures." This investigation of the WEF can open the door to a broader conceptual inquiry into the nature of continuity versus change in world politics. Over the past decades, as the WEF has expanded its formal interactions across stakeholders, has it also come to represent the gradual re-constitution of the world system? Put differently, can the WEF (and similar multi-stakeholder bodies) move beyond being considered supplements to the existing inter-governmental organizations which anchor the international society of states towards being the main legitimate sites for world society interactions?

This dissertation has argued that indeed a paradigm shift has occurred in system structure. Approaches such as transnational neo-pluralism (Cerny 2010), regime complexes (Keohane and Victor 2010), hetero-polarity (Der Derian 2009) and global policy (LSE, 2009) provide a more accurate account of the nature of units and types of interactions in the world system today than traditional international relations theories. As Buzan and Little (2000) argue, advances in physical and social technologies system-wide and the intensification of processes

²⁶¹ For example, names that have been floated in conversations with WEF directors about the organization's future leadership include former UK prime minister Tony Blair and current French finance minister Christine Lagarde.

among old and new actors raise questions about which units in fact dominate the system, and even raising the question means that some shift is underway. The dominant idiom for the governance of world political space could continue to change as we advance into a new era.

History demonstrates how global governance architectures emerge not through smooth, self-regulating processes, but rather in episodic ways, with origins both in endogenous social processes and exogenous systemic shocks. And yet a process of institutional selection (Spruyt 1994) is underway towards a more diffuse, decentralized and cross-cutting structural pattern premised on Durkheim's notion of the division of labor (Cerny 2010: 13). The comparative advantages of such an evolutionary trajectory include the expansion of resources available for the provision of global public goods and greater competition and accountability among actors contributing to universal goals (Edwards and Zadek 2003, Ruggie 2003).

Even in an uncertain environment of multiple equilibria, we may still ask normative questions as to the animating vision for emergent world orders and architectures. Cerny (2010: 175, 289) argues that a "transnational world rationality" or *raison du monde* is a normative frame which appreciates the growing global dimension of problems, values, interests and solutions, and calls for the management of globalization in a manner which increases the legitimacy of the global governance project itself. This in turn requires not governmentalization (the strengthening of existing inter-state institutions) but rather an emphasis on achieving greater governmentality through increasing the density of formal-informal mixed approaches that include inter-governmental institutions, private regimes, and multi-stakeholder networks (Cerny 187, 191). Such a multi-nodal system includes many diverse points of access such as international regimes, state agencies, epistemic communities, and business associations, collectively forming a fluid, dynamic, and inter-meshed set of relations among politics, markets, culture and society (Stone 2008). It is the advance of these new forms of feedback loops and path dependencies which can contribute to the achievement of quasi-democratic visions for global governance such as cosmopolitan democracy in which heterarchy is embedded in universal law (Held 2004: 109-114), world federalism (Jacobs 2007), or a global parliament (Falk and Strauss 2003). Indeed, according to the United Nations (2007: 14), even "soft law," which does not in itself create legally binding obligations, generates social expectations which chart possible future directions for the international legal order.

At present it remains unclear what system might replace American hegemony or inter-governmental multilateralism in a world which demonstrates no clear desire for either, nor for an uncertain multipolarity (Buzan 2010). This brings us back to multi-stakeholder global networks, whose functional replication based on these principles can be seen as a primary driver of the re-constitution of world politics towards a multi-actor system. Khagram and Ali (2008) argue that such networks “have themselves become sources of novel organizational scripts for the reconstruction of global governance—they have put into play the possibility that multi-stakeholder networks as opposed to either unilateralism or multilateralism will or could be the future of world affairs.”

There remain, however, manifold reasons why a new multi-stakeholder global policy order may not be immediately forthcoming. The first set of obstacles involves inertia: institutional stickiness and entrenched interests. The second set of hurdles is more ideational: are multi-stakeholder approaches genuinely more legitimate, or just more confusing? Multi-stakeholder theory is less parsimonious than reductive approaches such as realism, and is difficult to simplify. What works in one situation may not work in others. It is therefore more descriptive than analytical, making causal analysis difficult as well. Khagram (2006: 112) concedes that multi-stakeholder groups can “wield enormous power *and* authority often invisible to most.” This implies that despite their greater inclusiveness, they may yet remain more opaque than traditional inter-governmental structures. Risse (2004: 7-17) similarly faults multi-stakeholder processes for their uneven process of determining participants and uncertain trade-offs between transparency and achieving consensus.

For multi-stakeholder networks to advance in theory as much as they have in practice, it will be necessary to establish what threshold of diversity of participation and legitimacy of process is necessary for multi-stakeholder approaches to be preferable to the alternatives. They could prove their robustness by deepening our understanding of relational approaches to power, and specifying which types of legitimacy and mechanisms of accountability need to be in play for success. Only then would the evolution of global governance in that direction be justified on normative and strategic grounds.

Fundamentally, irrespective of the merits of multi-stakeholder approaches, there is as yet no definitive replacement for the post-war multilateral order. The current climate is characterized not by a clear dichotomy between traditional inter-state versus multi-

stakeholder approaches, but a more complicated landscape in which rising powers seek greater influence in existing institutions while also forming their own on the international (e.g. “BRICs”) or regional (e.g. ASEAN, African Union) levels, imperial strategies have been resurrected (e.g. USA), and mercantile policies have been revived in the guise of state capitalism and pursued through sovereign wealth funds (e.g. China). Multi-stakeholder modalities are therefore just one of several currently contending approaches to understanding the new emerging world order, and are not guaranteed to succeed as the dominant norm.

Leveraging Buzan’s (2004) sectoral approach to understanding changing systems dynamics reinforces this mixed picture with respect to which global governance architectures are emerging around key global issues. For example, in the security arena, prospects for nuclear disarmament hinge largely on the bilateral US-Russia relationship, while non-proliferation efforts in the cases of Iran and North Korea are driven by inter-state diplomacy as well. In the economic sector, by contrast, private transnational firms have been integral to the process of global trade expansion increasing 70 percent in the past decade despite the failure of the WTO’s Doha Development Round.²⁶² In this sense, transnational globalization does not hinge on inter-state treaties alone, even as such negotiations are an important component. This is particularly the case in the environmental sector. Major inter-governmental summits ranging from Kyoto (1997) to Copenhagen (2009) have failed to deliver a global regulatory regime on greenhouse gas emissions. At the same time, multi-actor coalitions have generated mechanisms such as cap-and-trade frameworks, industry-specific self-regulations on emissions reductions, and investment funds to promote clean-technology transfer. Taken together, even though no dominant global governance mode clearly emerges, what is clear is that the current picture is that of a neo-plural or hetero-polar landscape featuring diverse regime complexes.

8.6. FURTHER RESEARCH

That the WEF has enjoyed such success and prestige is reason to urge additional research on it and similar bodies which undertake multi-stakeholder processes on the global level. Such a recommendation follows on the call from Strange (1996: 95) to take the “extent and limits of

²⁶² UN Conference on Trade and Development (UNCTAD) 2008 World Investment Report, available online at http://www.unctad.org/en/docs/wir2008_en.pdf.

non-state authority” more seriously, and from Betsill and Corell (2007: Chapter 8) for greater qualitative research into NGO influence to generate more cases for comparison.

Chapter 1 provided a critique of realism, regime theory, constructivism, functionalism and other approaches to world politics which fail to provide thorough explanations of why and how organizations such as the WEF emerge and sustain their roles. Instead, this dissertation has argued that neo-pluralist approaches can shed light on traditional theoretical concerns such as power dynamics as well as newer areas of focus such as accountability and legitimacy. Whereas neo-liberal institutionalism (Barnett and Finnemore 2004) points to the constraining effects of inter-governmental bodies on state behavior, this research has pointed to the role of non-state bodies in shaping preferences and generating path dependencies among governments and private actors alike. However, a deeper theoretical engagement with the conditions under which entities like the WEF can systematically set global norms is still necessary.

Khagram and Ali (2008: 252) argue that multi-stakeholder bodies “may be quite important in determining the directions of global governance...because they are the most creative producers of novel governance architectures in recent times, even if their models might not become instantiated in total.” In this sense, research on permanent multi-stakeholder bodies such as the Global Fund, Global Compact, and their impact on both substantive and procedural global policy-making norms deserve greater investigation, especially as ever more entities enter the fray in this context. Avant (et al 2010) similarly call for more research on how new “governors” can be “generative agents” in shaping global norms. Such research would contribute both to augmenting the empirical literature in the field while also deepening our understanding of institutional dynamics across actor groups in world politics.

Further study of the WEF would also be welcome in this regard. This dissertation has claimed that one of the WEF’s main legacies is its demonstration effect on the establishment of similar or offshoot multi-stakeholder processes, even undertaken by other stakeholder groups such as governments. A deeper tracing of this influence could potentially shed light on issues addressed partially here such as the manner in which cross-pollination of personnel across the public and private sectors affects policy choices within organizations, and the role of new actors’ influence on global norm cascades (Finnemore and Sikkink 1998).

The WEF clearly holds a unique place in the evolution of transnational global policy mechanisms. But these instruments evolve in an uncertain relationship with the widening and deepening international political economy. Indeed, the future role of organizations such as the WEF is intricately bound up with the future of globalization. The 2008/9 global financial crisis led many to decry globalization's unregulated nature. At the 2010 WEF Annual Meeting, French President Nicholas Sarkozy declared that the recession was "not a crisis *in* globalization, but a crisis *of* globalization." It is particularly in the wake of this crisis, however, that scholars have renewed efforts to generate an "affirmative globalization paradigm" that addresses the existing weaknesses in participation and accountability (Barber and Kim 2009).

As globalization and the instruments meant to steer it co-evolve, organizations like the WEF are likely to be ever more part of the global policy landscape. However, one WEF senior director concedes that "much of what the WEF does is ethereal and hard to grasp."²⁶³ The same remains true of global governance itself.

²⁶³ Interview with Lisa Dreier, Director of Development Initiatives, Geneva, September 24, 2009.

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APPENDIX A

LIST OF INTERVIEWS

Interviews have played a vital role in this investigation of the WEF's roles as a convener of summits such as the Annual Meeting at Davos, facilitator of multi-stakeholder initiatives, and norm entrepreneur through institutional initiatives. For each aspect of the WEF, a range of interviews were conducted with individuals involved from both within and outside the WEF. These subjects were selected based on their direct role in managing projects, participation in initiatives, or expertise in evaluating impact. All interviews were conducted on-the-record. All interviewees consented to citation in this dissertation; none requested anonymity. Many additional experts have been cited within the text from already published materials. As with Khagram and Ali (2008), interview findings have been woven together with other primary sources and materials to provide a composite reconstruction of the case and structured-focused comparisons across them (George and Bennett 2005).

The interviews were structured according to the subject, whether an administrative or management figure within WEF, project manager at the WEF, or participant in WEF events/activities, or external expert. Interviews with WEF leadership were focused on how institutional policies and priorities are determined, whether the WEF increasingly shapes its own agenda or whether it remains externally directed by its members, and the evolution of its relations with principal global actors such as governments. Interviews with WEF project managers specifically investigated whether initiatives are driven by internal priority setting and expertise or by member and constituent priorities, if the WEF is more a hub of multi-stakeholder initiatives or also a driver and participant in them, and whether the outcomes of initiatives match the expectations set by members and constituents. Interviews with WEF corporate members and non-business participants assessed whether the WEF is seen as a vehicle for promoting corporate branding and internal programs or a partner in shaping corporate citizenship policies, the extent to which the WEF is perceived as a driver of norm and behavioral change among other stakeholder groups, and whether it increasingly serves as a venue of choice for forming cross-stakeholder partnerships, and if the outcomes of WEF initiatives are deemed successful and influential.

INTERVIEWS FOR CHAPTER 3 (WEF FOUNDING AND STRUCTURE)

WEF Staff

- Richard Samans, Managing Director, WEF, April 30, 2009
- Klaus Schwab, Executive Chairman, WEF, New York, May 29, 2009
- Klaus Schwab, Executive Chairman, WEF, Dalian, China, September 9, 2009
- Kevin Steinberg, Executive Director, WEF New York, October 6, 2009
- Klaus Schwab, Executive Chairman, WEF, Washington, October 7, 2009
- Lee Howell, Director, Annual Meeting, WEF, Geneva, October 15, 2009
- Robert Greenhill, Chief Business Officer, WEF, Geneva, October 15, 2009
- Kevin Steinberg, Member of Managing Board, WEF, New York, October 28, 2009
- Richard Samans, Managing Director, WEF, Singapore, December 1, 2009

INTERVIEWS FOR CHAPTER 4 (WEF AS CONVENER)

WEF Staff

- Carina Larsfalten, Director for International Organizations, WEF, March 6, 2009
- Jeremy Jurgens, Director, WEF China, New York, March 6, 2009
- Alex Wong, Director, Center for Global Industries, WEF, Dalian, China, September 11, 2009
- Lisa Dreier, Director of Development Initiatives, Geneva, September 24, 2009
- Lee Howell, Director, Annual Meeting, Geneva, October 15, 2009
- Fiona Paua, Managing Director for Strategic Initiatives, WEF, Geneva, October 15, 2009
- Christophe Weber, Director for Europe, WEF, Geneva, October 15, 2009
- Mark Adams, Director of Media, WEF, Geneva, October 15, 2009
- Kevin Steinberg, New York, October 28, 2009
- Rabab Fayad, WEF, Dubai, November 22, 2009
- Richard Samans, Managing Director, WEF, Singapore, December 1, 2009

External Participants and Experts

- Georg Kell, Executive Director, United Nations Global Compact, New York, May 17, 2009
- David Morrison, UN Capital Development Campaign, New York, June 24, 2009
- Christine Bader, corporate social responsibility advisor, BP, New York, February 26, 2009
- Subi Rangan, Professor, INSEAD, September 28, 2009
- Gordon Smith, Director, Centre for Global Studies, University of Victoria, November 3, 2009

INTERVIEWS FOR CHAPTER 5 (WEF AS FACILITATOR)

Climate Change Initiative (CCI)

WEF Staff

- Dominic Waughray, Director, Water Initiative, Geneva, October 7, 2009
- Randall Krantz, Director of Environment Initiatives, Geneva, October 20, 2009
- Christoph Frei, Director, Energy Poverty Action (EPA), Geneva, October 20, 2009
- Brindiusa Fidanza, Manager, Task Force on Low-Carbon Prosperity, Dalian, China, September 11, 2009

NGO/Academic Anti-Corruption Leaders and Experts

- Jonathan Lash, President, World Resources Institute, Washington, May 24, 2010
- Vijay Vaitheeswaran, Global Energy/Environment Correspondent, *The Economist*, New York, April 10, 2010

Corporate Leaders

- Bennett Freeman, Chief Investment Officer, Calvert Fund, New York, April 10, 2010
- Samuel DiPiazza, Chairman, PriceWaterHouseCoopers, Dalian, China, September 11, 2009

Governmental and Intergovernmental Figures

- Rajendra Pachauri, Head of Intergovernmental Panel on Climate Change, New York, September 25, 2009

Global Health Initiative (GHI)

WEF Staff

- Kate Taylor, former/first GHI Director, April 5, 2010

- Kevin Lu, Chief Financial Officer, Multilateral Investment Guarantee Agency, Washington, April 9, 2010

INTERVIEWS FOR CHAPTER 6 (WEF AS NORM ENTREPRENEUR)

WEF Staff

- Kevin Steinberg, Managing Director, WEF, Dalian, China, September 11, 2009
- Klaus Schwab, Chairman, WEF, Washington, WEF, October 7, 2009
- Fiona Paua, Managing Director for Strategic Initiatives, WEF, Geneva, October 15, 2009
- Christophe Weber, Director, WEF in China, Geneva, October 15, 2009
- Richard Samans, Managing Director, WEF, November 20, 2009
- Tarrah Kehm, Scenario Planning Analyst, WEF, Geneva, October 27, 2009
- Mark Malloch-Brown, Senior Advisor, WEF, Dubai, November 20, 2009
- Robert Greenhill, Chief Business Officer, WEF, Dubai, November 22, 2009
- Sheana Tambourgi, Director, Global Risk Network, WEF, Davos, January 31, 2010

External Participants and Experts

- Ian Goldin, Director, 21st Century School, Oxford University, Dalian, China, September 9, 2009
- Adam Bly, Editor, *Seed* magazine, Dalian, China, September 9, 2009
- Paul Romer, Professor, Stanford University, Dubai, UAE, November 20, 2009
- Subi Rangan, Professor, INSEAD, Davos, January 29, 2010
- Simon Maxwell, Director, Overseas Development Institute, February 16, 2010