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Everybody's Business: Accountability, Partnerships, and the Future of Global Governance¹

Governance has gone global – and so have questions of legitimacy and accountability. The old ‘club model’ of international politics as a closed shop involving just governments is defunct. International organisations, non-governmental organisations (NGOs), transnational companies – all play vital roles alongside national officials in global policy-making.

Companies and NGOs increasingly work with governments and international organisations in cross-sectoral networks and partnerships that have emerged as key institutional innovations in the expanding global governance toolbox. From protecting the environment, fighting diseases such as malaria and HIV/AIDS to combating corruption: partnerships can work as coalitions for change, bridging the gap between policymakers, citizens, entrepreneurs and activists seeking to demonstrate that successful collective action is possible in an ever more complex and interdependent world. Yet, such new forms of governance raise many questions regarding their legitimacy and accountability.

With the ranting and raving about the ‘democratic deficit’ in global governance so often heard in recent years, many partnerships have also come under attack. The Global Compact, for example, initiated by UN Secretary-General Kofi Annan in 1999, is regularly challenged not only by NGOs but also by many governments (particularly from the South) who complain that it does not have any traditional accountability structure or monitoring system in place. Critics assert that the Global Compact amounts to no more than corporate whitewashing. Similarly, the many public–private partnerships that were initiated as a result of the World Summit on Sustainable Development in Johannesburg in 2002 have also been criticised for the lack of a rules-based framework or monitoring

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system. Such partnerships, critics assert, will simply open Pandora's box, providing endorsement for corporations by the UN without accountability. Sceptics argue that it is questionable whether cooperation between what they regard as 'essentially unrepresentative organisations – international organisations, unaccountable NGOs and large transnational corporations' (Marina Ottaway) will contribute to promoting effective and legitimate global governance.

The challenge is clear: partnerships are bound to fail if policymakers do not find new approaches that address the pressing issues of accountability and legitimacy. Yet, this challenge presents an opportunity. Like a microcosm, partnerships illustrate many of the complex problems of accountability in global governance. They highlight the fact that we need to address the accountability not just of the actors involved in global policy-making processes – it is crucial that the accountability of policy-making processes is also put to the test. For an effective system of accountability to emerge, we need to develop new approaches to address the dual challenges of actor and process accountability in global governance.

Rethinking accountability in global governance

Standard approaches to accountability do not offer any satisfactory answers to the above challenge.

Traditionalists argue that there is no real problem with accountability in global governance. Actual decision-making capacity, they maintain, continues to rest exclusively with public officials delegated by national governments. To use their preferred idiom, the 'chain of legitimacy' may be stretched, but it is not broken.

Cosmopolitans, in contrast, argue that the current practice of global governance results in the disenfranchisement of citizens as decision-making capacity is effectively transferred to unaccountable international forums. For cosmopolitans, the only solution to this predicament is a thorough democratisation of global policy-making, either through the installation of a world parliament (presumably incorporated in the UN system) or by means of the extension of new forms of direct deliberative democracy that empower the individual citizen to make his or her voice heard in a new order of cosmopolitan democracy.

The *new sovereignists* also regard global governance as a threat to traditional notions of sovereignty and democracy. They advocate a ‘putting back into the box’ of globalisation that puts a premium on minimising international entanglements.

All three positions are short-sighted: traditionalists hide behind their claim that nothing has changed while the day-to-day reality of global policy-making tells a different story. The cosmopolitan answers to the problem of legitimacy and accountability lack political feasibility and practicality, while the new sovereignists offer little more than a defence of their absolutist views of national sovereignty.

There is a need for ‘more imagination in conceptualizing, and more emphasis on operationalizing, different types of accountability’ (Robert O. Keohane/Joseph Nye). What does this mean for taking the concept of accountability to the global level?

In many respects, partnerships escape traditional mechanisms and conceptions of accountability. They are diffuse, complex and weakly institutionalised collaborative systems that are neither directly accountable to an electoral base nor do they exhibit clear principal-agent relationships. Devising a pluralistic system of accountability with a multitude of often competing actors, relationships and mechanisms is far more challenging than relying on simple hierarchical command and control conceptions of accountability that used to inform policy-making in a simple state-centric model.

A pluralistic system of accountability needs to rely on checks and balances between different actors and different mechanisms of accountability. We need to complement individual actor accountability of the participants with mechanisms of ‘collective accountability’. Robert O. Keohane has pointed out the general problems of devising systems of collective accountability in partnerships: the politics of ‘blame avoidance’ and the difficulties of assigning responsibilities for failure.

A pluralistic system of accountability

What then are appropriate accountability mechanisms for partnerships? Partnerships can only be as legitimate as the actors involved. For that reason, mechanisms need to be devised that can be used to hold the individual actors in global governance – governments, international organisations, companies, NGOs, etc. – to account.

Reputational accountability is of prime importance for guaranteeing the accountability in and of partnerships. Naming and shaming is a key strategy in this context – one that often works well if the credibility of a company, a brand, a government, an individual or a civil society organisation is on the line. Since not only information but also sanctions have to be part of our understanding of accountability, the loss of credibility is one of the most effective negative sanctioning mechanisms to further accountability in and of partnerships.

Peer accountability is also a crucial component of the accountability puzzle. Partners from a similar sector (e.g. experts, NGOs, business, governments) might be subject to peer accountability by other experts, NGOs, members of the business community, or government representatives.

Finally, partnerships and their participants also have to account for the use of funds for their activities. Mechanisms of *financial accountability* therefore matter a great deal.

How can we put these mechanisms to work? Transparency is the key here. Internal procedures and governance structures have to be open to public scrutiny. This applies to government agencies, international organisations, corporations and foundations as well as NGOs. Information on the internal division of responsibilities, voting rules and procedures – and most of all on funding (sources and spending patterns) – is crucial in this context. The Internet offers a powerful medium with which such information can be made widely available, thereby enhancing the ability to identify inappropriate behaviour.

Often NGOs themselves form advocacy coalitions and networks that in turn participate in partnerships. Whereas some NGO networks regularly question the legitimacy of global policy processes and the actors involved, their own accountability has come under attack. These new demands for transparency about legitimacy and representation are emerging from within NGO networks – and most prominently from NGO critics. Many civil society organisations still do not provide sufficient information about their operations, funding sources and expenditures. Given the rise of gongos, bongos and dongos (NGOs organised by governments, business and donors), financial accountability is a particularly important element.

Certification, self-regulation and codes of conduct will also ensure greater transparency. A good approach might be to use the model of the Global Reporting Initiative (GRI) (which seeks to provide a common umbrella for different approaches of social and environmental reporting of companies) and extend it to NGO certification. Social and environmental reporting mechanisms themselves are important additional sources for information on businesses.

A broad number of codes of conduct, social and environmental reporting mechanisms have sprung up in recent years. These are attempting to establish benchmarks for good corporate citizenship and seek to enhance the accountability of firms not only vis-à-vis their customers but also vis-à-vis the public at large. These reporting requirements and the voluntary implementation of codes of conduct considerably strengthen the accountability of companies. Only the future will show whether the consolidation of reporting criteria and codes of conduct will help to create a more level playing field and improved reporting.

Finally, accountability is required just as much from states as it is from NGOs, companies and international organisations. All too often, some of the greatest impediments to successful partnership are to be found in inefficient, un-transparent or outright corrupt state institutions and actors.

Process accountability

The accountability of the individual actors involved in a partnership is important; but so is the accountability of the governance process of partnerships if they are to be perceived as legitimate by outside observers and the public at large.

A number of partnerships have made attempts to make sure their work conforms to widely accepted accountability standards, and a first review of the experience to date suggests that the following dimensions of process accountability are important.

Open governance structure

Partnerships require careful design of internal management and governance structures to ensure accountability – to insiders as well as outsiders. The World Commission on Dams (WCD), for example, established a forum that brought together stakeholders who were

not direct participants in the WCD process. The WCD forum served as an institutionalised mechanism to receive feedback and input from these stakeholders who otherwise may have felt shut out of the process. Of course, when such opportunities for participation are established, it is also important to find ways and means to actually respond to and work with the input that is provided. That seems to have been a challenge for the WCD, at least in the early phase of its existence.

Selection of participants

Many initiatives start out by welcoming all those who express an interest in the stated objectives of an initiative. While such an open approach should be encouraged, there are limits as to how many actors can sit at the table. Selection is therefore key. However, these partnership selection processes must be transparent and individual actors need to live up to high standards of transparency and accountability. The criteria for identifying and selecting participants (e.g. competence, representation) should be openly communicated and applied consistently. The WCD, for example, instituted a very elaborate system of participant selection that delegated decision-making to the individual sectors (public, private, and not-for-profit); forums were created in which they negotiated who would (and would not) sit at the table.

Clear terms of engagement

Common goals and guidelines for cooperation, as well as clear timetables and decision-making procedures are not only important for the effectiveness of new forms of networked governance; they are also absolutely critical for their accountability. Many partnerships fail to address these issues in the early phases of their existence. Partnership brokers have proved useful in putting collaborative ventures on the right track, sorting out objectives and the basic rules of the game.

Broad sourcing of knowledge and positions

The inclusion of actors in the core of a network or partnership must of necessity be limited, but additional broad consultations with a variety of stakeholders will ensure a wider sourcing of openness about consultations and debates in collaborative ventures.

The GRI, a multi-stakeholder process whose mission is to develop and disseminate globally applicable sustainability reporting guidelines, has convened a variety of open forums during the development phase of its guidelines in order to provide all interested parties with a chance to comment and offer input.

Transparency about sources and uses of funding

Sources and uses of funding in partnerships need to be clearly documented and available to the public. The Forest Stewardship Council, for example, provides very detailed documentation of its internal decision-making structures and work programmes through its website; it fails, however, to provide any details on its financing and use of funds. If public money is being poured into a partnership, it is of particular importance to give the broader public sufficient access to such information.

Performance accountability

Partnerships should also introduce systems for performance-based evaluations. Currently, we often lack even a basic accounting let alone a thorough evaluation of what partnerships do and to what extent they live up to their self-proclaimed goals. Given the development of increasingly sophisticated evaluation tools, it seems reasonable to use them as key references in assessing a partnership's performance.

The drive towards greater accountability in partnerships is met with some resistance from all sides. The private sector, for example, fears overregulation and the imposition of bureaucratic structures on new collaborative ventures. Björn Stigson, the Executive Director of the World Council on Sustainable Development, argues for example that 'Partnerships are voluntary; we go into partnerships because we want to achieve certain objectives – we don't need bureaucratic burdens or monitoring by the UN or otherwise.'

Improving accountability is neither easy nor without trade-offs. For many partnerships, such concerns over accountability crowd an already full agenda. Individual actors have their hands full simply getting the process off the ground and ensuring that it produces tangible results. Accountability is costly – both in political as well as financial terms. At the same time, we need to be acutely aware of the limitations of accountability.

A pluralistic system of accountability will not single-handedly resolve the democratic deficit in global policy-making. It can only work if there is an adequate control of the decision-makers at the local and national level. And that, for example, also means a greater involvement of parliaments that are often sidelined by the executive branch.

What can be done?

At this point, it seems clear that any further delay in addressing the pressing issues related to partnerships will inevitably result in a sustained political backlash. NGOs will campaign against what they perceive to be predominantly an effort by governments to abdicate their responsibilities and a shrewd strategy of multinationals to whitewash their reputation. Governments will come under pressure not to participate in any more partnerships. And businesses will go on the defensive, trying to fend off any possible attempts at what they perceive to be a possible overregulation or bureaucratisation of partnerships. Therefore it is all the more important to swiftly develop and implement the 'rules of the game' and evaluation mechanisms for partnerships that will not let governments and international organisations off the hook, that will prevent companies from simply 'free-riding' and also hold NGOs accountable for their contributions.

One way to make the most of these new forms of governance is to create a 'learning forum' to link the work being carried out in cross-sectoral partnerships in think tanks, NGOs, companies, international organisations and public-sector agencies. By bringing together the rigour of academic research and the wealth of experience of practitioners, the learning forum could help to devise ways to scale up partnerships' experience, increase their resources and evaluate their work. It could also provide training services for partnerships supporting social and political entrepreneurs.

Why bother with partnerships? A more appropriate question should be: What other useful mechanisms are available? Traditional intergovernmental diplomacy *alone* has failed to provide solutions to the most pressing problems. Partnerships are certainly no panacea for the world's problems; but neither are they useless or necessarily dangerous. Many partnerships have found innovative ways of dealing with today's governance challenges. Yet we are only at the very early stages of a long experimentation and learning process to better understand what partnerships can and cannot achieve.

Currently, the rhetoric surrounding partnerships too often presents a skewed picture: both expectations and criticisms are far ahead of reality. We need a politically astute and empirically informed view of partnerships. Partnerships are about enlightened self-interest, not about charity. Successful partnerships rely on the *different skills, resources, opinions and expertise* of their participants: NGOs do *not* turn into profit centres and companies do *not* become charities.

Our prime concern should be to ensure that partnerships do not degenerate into the equivalent of diplomatic declarations without results. As Jeffrey Sachs reminds us, the key question is whether there is ‘real finance behind these goals, behind these high aspirations. If there isn’t real financial help and new financial help from the rich countries, these problems are not going to be solved in the poorest of the poor countries, no matter what partnerships are signed.’ We need to make sure that action on the ground lives up to the grandiose rhetoric that often emanates from the corridors of power and the major institutions. We need to take G8 countries, the leaders of the World Bank, the UN as well as representatives of multinational companies at their word. Taking the G8 pledge to ‘promote innovative solutions based on a broad partnership with civil society and the private sector’ seriously means investing *real* resources in new forms of governance to scale up their ability to tackle the most pressing challenges – from security to health and the environment – in an efficient and accountable manner.

If executed appropriately, partnerships can be the wave of the future in global governance. The loss of this timely and useful device for international problem-solving could take us further away from success in tackling the world’s pressing problems. Our task is to transform partnership approaches to global governance from a necessary evil to a virtuous institutional innovation. This can be done only if there is political will and dedication on all sides. If we want to improve global governance, accountability is everybody’s business. At the same time, global governance is bound to fail without strong societal backing and involvement. All too often in political debates on global issues, oversimplification and parochial notions of the ‘national interest’ remain unquestioned. In order to move beyond the parochialism of many policy debates we need an active public involved in global public policy-making, holding policymakers to account.

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