

'The World Economic Forum shares the view that the agenda of topics to be considered is as important as the solutions themselves'

Klaus Schwab, Founder and President of the World Economic Forum

This collection of four booklets published by the *Fondation pour Genève* Observatory describes the changes taking place in world governance.

N°1 «Soft governance». The starting point for understanding new practices in international relations. What are they?

N°2 «Multi-stakeholders». New players have entered the international arena, and change the balance of power. Who are they?

N°3 «Social responsibility». New governance leads to new negotiation processes, but also to experimenting with new working methods. How?

N°4 «Agenda». What are the relevant topics for international relations in «Soft governance», and why?

www.fondationpourgeneve.ch

O
Stakeholders
Multi
- Multi
- Fondation pour Genève
- Observatory
- Booklet n°2



Fondation pour Genève

Xavier Comtesse

MULTI-

STAKEHOLDERS

Preface

Interview

Forums

Soft laws

Laurent Moutinot

Klaus Schwab

World Economic Forum

World Social Forum

The Aspen Institute

TED

Women's Forum of Deauville

New regulations

Booklet n°2

Booklet n°2

Multi-stakeholders



Translated by Peter March

Preface ||

French author Molière's character Monsieur Jourdain in the play "The Bourgeois Gentleman" finds out that he has been speaking prose all his life without knowing it. International Geneva was doing much the same, creating multi-stakeholder partnerships before Klaus Schwab actually pointed it out.

The adoption of the initial Red Cross conventions in 1864 came about thanks to the idealism and dedication of Henri Dunant and his friends, who had enough drive to convince nation-states to lay the groundwork for humanitarian law through inter-state conventions. A private association bringing together just a few dedicated individuals succeeded in imposing norms for international law on states, and gained recognition for the ICRC as a major player on the international humanitarian scene.

Although some actions undertaken internationally appear to have been initiated at the state level alone, they are nonetheless governed by underlying public opinion and past experience. "Never again" was the catch cry after the First World War ended, and although the League of Nations was set up because states wished to avoid future conflicts, there can be no doubt that public opinion in the former belligerent nations played a role, if only in terms of the speed with which the parties agreed to create this precursor of the United Nations.

Other international organizations involved social partners from the outset. The International Labour Organization with its tripartite composition includes the trade unions and employers' organizations alongside state representatives. The International Telecommunications Union has delegates from the major telecommunications companies within its own organization.

However it took the Cardoso report and the iron will of the United Nations Secretary General of the time, Mr Kofi Annan, for the importance of non-state actors on the international scene to be fully recognised. This evolution, which opened up the possibility of international action to an infinite number of players from the economic world, from universities, associations, from the trade

unions and from any other group with a specific or more general cause to defend, has both its upsides and downsides:

- On the upside, non-state actors question reasons of state – which some qualify as the irrationalities of state – and in this way guarantee civic rights and freedom, but on the downside lobbies serving particular interest groups become too powerful and work to the detriment of the public interest, due the state's inability to resist.

- On the upside, a wind of democracy blows through international authorities thanks to the wide range of opinions non-state actors propose and to the debates which ensue, but on the downside there is a real risk of the democratic decision process based on the rules and procedures of international law being flouted by groups or individuals with no proper claim to democratic representativity.

- On the upside, non-state actors tend to intervene as a legitimate stimulus when the state fails in its duties, whether for lack of political will or due to inadequate means being available. On the downside, however, if care is not taken private interests, whether ideological or economic, can divert state action to their sole advantage, thus leading it astray.

My position is that in such situations there is no alternative to making non-state actors participants in international affairs. This ensures that public opinion has a voice, especially for issues where states are unwilling to be examined, such as human rights. It also helps prevent the law of the jungle, which is always opposed to public interest and has no democratic support, from undermining the efforts of the community of nations to lay down rules of international law that are likely to guarantee peace and prosperity.

I share the view of Jakob Kellenberger, President of the ICRC, that "states remain, or in some cases are regaining their status as the principle actors in international affairs, in particular due to their responsibility for the security of citizens" (Soft Governance,

Fondation pour Genève, 2007). For me the state has no purpose if it is not at the centre of democratic debate, if it does not listen to the people - without of course being reduced to becoming a weathervane subject to the whims of public opinion. And what is true for states also holds true for international organizations.

Laurent Moutinot

State Councillor of the Republic and Canton of Geneva
Head of the Department of Institutions

Foreword ||

«Multi-stakeholders» ... does globalisation give us, as politicians, businessmen, academics, or quite simply as private individuals mindful of the necessity for proper management, the feeling of involvement in the problems and challenges facing the world and hence the desire to become stakeholders in its governance?

The classical approaches for handling international relations between nation-states are nowadays increasingly accompanied by complex processes where the other stakeholders in society (e.g. business enterprises and the NGOs) play leading parts.

This tremendous change gives rise to new challenges. Who governs, and how? Who legislates, and how? Who exercises control, and how?

In our first booklet «Soft Governance», we gave an overview of how a new and remarkably effective form of global governance was emerging, even if based only on voluntary and non-binding agreements. Here in this second booklet we will take a closer look at the origin and nature of these initiatives, as well as the innovative mechanisms they have set in motion.

As one of the founding fathers of the multi-stakeholders concept and a leading proponent of the changes taking place around us, Klaus Schwab will guide us through this process. His thinking, his experience and vision have contributed greatly to the approach we propose to share with you as the authorities, institutions, business enterprises or as private individuals.

In this second booklet, we offer you the opportunity to gain a better understanding of:

- Who the multi-stakeholders are and the process they have initiated, bringing a new form of pressure to bear on the management of global affairs.
- The global forums where the multi-stakeholder actors gather, and the changes they bring about.

- The «soft laws» of globalisation, which regulate behaviour on a voluntary, non-binding basis.

As Geneva Cantonal Minister Mr Laurent Moutinot points out, we are not advocating the replacement of one form of authority by another, but rather to fine-tune our understanding of the changes underway not only to familiarise ourselves with these new mechanisms for governance, but also to better appreciate the roles falling to each party.

Likewise, we take the opportunity to invite everyone, whether they are in Geneva, elsewhere in Switzerland or abroad, to consider together what needs to be done to enable «Geneva», that citizen of the world *par excellence*, to play the role expected of it. The attractiveness of Geneva depends on its capacity to proactively assemble the various forces and to stimulate cooperation between these multi-stakeholders. Therein lies its magnetism.

As you are no doubt aware, this booklet is but one of four. It therefore only covers one of the aspects of the phenomena observed. While each booklet is designed to be autonomous, with its own logic and content, we suggest you to read all four booklets in order to gain the full overview.

We wish you every enjoyment in reading this booklet.

Guillaume Pictet
President
Fondation pour Genève

Tatjana Darany
Director
Fondation pour Genève

Multi-stakeholders ||

(Summary)

Two kinds of power bring force to bear on the management of world affairs. «Hard power» as represented notably by nation-states, the Security Council, the G8 and the various international bodies associated with multilateralism, and «soft power» as exemplified by the multi-stakeholder players, namely civil society, business enterprises and the public authorities.

These two forms of power live side by side. They differ, however, in terms of the kinds of players involved in the decision processes and the binding or non-binding, the compulsory or voluntary nature of their practices. The emergence of «soft power» during recent decades, and with it the advent of joint management by multi-stakeholders, has given birth to the concept of «soft governance».

This concept remains largely unknown to the public even if it increasingly contributes to the regulation of global practices of business and of government as well as of the action of civil society.

By observing stakeholders today, one can understand their relationships with the authorities in the management of world affairs. Beside nation-states, civil society and business have thus become the key players in the changes and transformations we see in the world today. Let us keep a eye on the situation!

A changing world

On July 31, 1969, American astronauts Neil Armstrong and Edwin Aldrin walked on the moon. They sent us superb pictures of the Earth, blue and small at the same time. These photos were splashed across the world's media, and the message was clear: "One planet for one humanity". And it was to stay that way.

The wave of globalisation that followed undoubtedly conveys much of the same symbolism, even though it is not directly linked to the conquest of space.

Prior to lunar exploration, the following phenomena or issues had not been identified:

- The question of the environment and of preserving the Nature, subsequently developed under the concept of sustainability.
- The acceleration of the globalisation of financial markets driven by electronic transactions.
- Concern about health and pandemic diseases (AIDS, H5N1) affecting the daily lives of billions of people.
- Telecommunications bringing the inhabitants of this planet closer to each other, through the internet and mobile phones.

Since 1969 our very existence has undergone fundamental change, our daily lives have been transformed.

By changing people's behaviour, globalisation has also changed relationships between the various authorities and particularly those involved in the management of world affairs.

For example, although «multilateralism» remains the preferred approach of states for the management of international affairs, one has to recognise that, out in the field, a strong tendency towards participatory management of global matters has emerged - one which simultaneously involves - NGOs, business enterprise, unions and corporations as well as the different elements of civil society.

The spirit of one humanity is driving all these players, henceforth all stakeholders in the shared, though often conflictual, management of world affairs. But we should not be naïve.

The emergence of a joint management process²

Under our very eyes, nation-states, business enterprises and civil society are inventing a new way of managing global, regional or local affairs. What was formerly the exclusive domain of nation-states is now open to anyone. We all take an interest in matters that formerly only business enterprise used to handle. Issues that were previously the responsibility of the civil authorities have now become «public domain».

Given these radical changes in the organization of our societies, we shall try to highlight the possible consequences for the management of world affairs in this booklet. All these upheavals will have an effect on other areas of social organization, but we will limit ourselves to the changes affecting international relations. More specifically we will consider the behaviour of the main actors in governance and the interaction of their relationships, without dwelling on the consequences for the existing structures.

We will focus our interest on the dynamics of the processes set in motion rather than looking at reforms of the existing institutions. The transformations underway in the global system are still in their infancy, so it is more useful to observe and describe

these changes rather than to imagine an alternative institutional structure. Let us not forget that legitimate action always precedes the legislative decisions that formally establish regulations.

We shall concentrate on what changes are taking place. And even more so because the roles in global governance of the three key players – the state, business enterprises and civil society – are themselves rapidly evolving. In the following pages we will look at the evolution of these three actors individually before reaching conclusions regarding their collective future.

² Wolfgang H. Reinicke, «Global Public Policy: Governing without Government?», Brookings Institution Press, Washington D.C. (1998)

A Nation-states: from multilateralism to multi-stakeholders

Setting up a new world order without conflict was one of the concerns of philosophers during the Age of Enlightenment. Basking in idealism, they viewed peace as a positive idea and envisaged setting up suitable institutions responsible for universal government, able to change mankind and to improve living conditions. Multilateralism no doubt inherited this humanist spirit to some extent, thus strengthening relationships between states. Hence the treaties of Westphalia (1648) and Vienna (1815) between the nations of Europe may be viewed as the first forms of this nascent multilateralism. However, the Industrial Revolution certainly also stimulated the need for ever-increasing coordination between the various industrialised countries.

It was already clear by the middle of the 19th century that inter-state organizations needed to be set up to decide how to work together on the development of commerce, but also regarding arbitration for peace and more generally for international affairs. The first multilateral institutions of this kind were the International Telegraph Union and the Universal Postal Union in 1865. Emerging from the first international forums, these institutions were asked with solving the problems due to individual countries' differing telegraph and postal systems. Their first task was therefore systems standardisation. Little by little, nation-states were to experience the slow erosion of their national sovereignty by multilateral power.

Multilateralism was originally limited to the industrialised European countries. It was only when the League of Nations and the International Labour Organization (ILO) were set up in 1919 in Geneva that multilateralism began to expand rapidly on a global basis. Nation-states delegated high-level diplomats who over the years became real specialists in multilateral relationships. It was a fundamental change for diplomacy. But it was above all after the Second World War that the evolution of international relations started to accelerate. This new movement began when the Bretton Woods institutions were set up, responsible for ensuring some of the stability needed for international economic and financial development. This was followed by the establishment of a United Nations system made up of a variety of more or less independent institutions. Multilateralism as a modern principle was born; it was adopted widely in diplomatic circles around the world.

With the advent of multi-stakeholders, a new page in international relations is turning

Today, the *Dictionnaire de la Science politique et des institutions politiques*³ defines multilateralism as "a system for worldwide cooperation where each state seeks to enhance relations with all the others, rather than giving priority to unilateral or bilateral action that may be viewed as dangerous or destabilising". However, this definition omits to mention the normative aspect of contemporary multilateralism (in the strict sense of the term, i.e. defining norms and regulations), and particularly in evidence at specialised UN institutions such as ISO, ITU, WIPO, all typical standardisation organizations.

³ Dictionnaire de la science politique et des institutions politiques, 1988, Paris, A. Colin, p. 174

Four principles define the conduct of states in their relationships with each other. They are important for understanding the phenomenon: non-discrimination, indivisibility, reciprocity and continuity. In plain language this means that states are obliged to carry out tasks decided collectively. The object of the agreements is considered to be indivisible by each signatory state. It is impossible to break up these agreements. The effect of reciprocity is to oblige states to consider the advantages and obligations as also being the same for their partners. Lastly, continuity de facto excludes from the concept of multilateralism any agreement between a reduced coalition of states or one that is limited in time.

For 30 years at least, the concept has suffered considerable strains due to the acceleration of globalisation and to the burgeoning importance of civil society and of business in international multi-stakeholder relations. It is obvious today that both of these two concepts, multilateralism and multi-stakeholders, continue to exist.

We will treat them separately, rather than grouping them as one and the same approach, and this for at least two reasons.

First, state-run multilateral institutions have generally integrated the other global governance stakeholders in their decision-making processes only to a limited extent. For example, the UN Security Council handles world affairs exclusively with its member states. And then the multi-stakeholders have modified the very precepts of the governance process mentioned above. The three basic principles of the multi-stakeholders are: voluntarism, the non-binding nature of agreements and accountability⁴; these have absolutely nothing to do with the rules of multilateralism.

⁴ Certain authors prefer to use expressions such as "responsibility" or the "obligation to provide progress reports...".

The multi-stakeholders concept seeks to take account of the growing presence in international relations of non-state organizations and of individuals. The concept's strength is that it clearly states in international circles that the realities of our new world call for new approaches to global regulation, and that the management of international problems cannot only depend on states or on the market economy. This greater interdependence on the world stage brings a new level of complexity to governance relationships.

While the utopia of the two previous centuries consisted of building multilateral governance structures to include the community of nations, the utopia of our century could well be a multi-stakeholders governance encompassing the whole community of mankind and the social, political and economic organizations they have created.

You could say a new page of governance has been turned.

B Business enterprises: greater social responsibility

Business enterprises have clearly positioned themselves as active partners in international governance since the 1992 “Earth Summit” in Rio de Janeiro, held to discuss the future of the environment and sustainable development. They were the ones who actually coined the phrase “sustainable development”. Nation-states, business enterprise, the unions, the media, NGOs and other players from civil society participating in the summit

began an informal dialogue that has since broadened. A host of initiatives, such as the «Global Fund» or the «Global Compact», bear witness to this evolution.

Klaus Schwab was the first to appreciate the consequences of global management on the governance of business enterprises

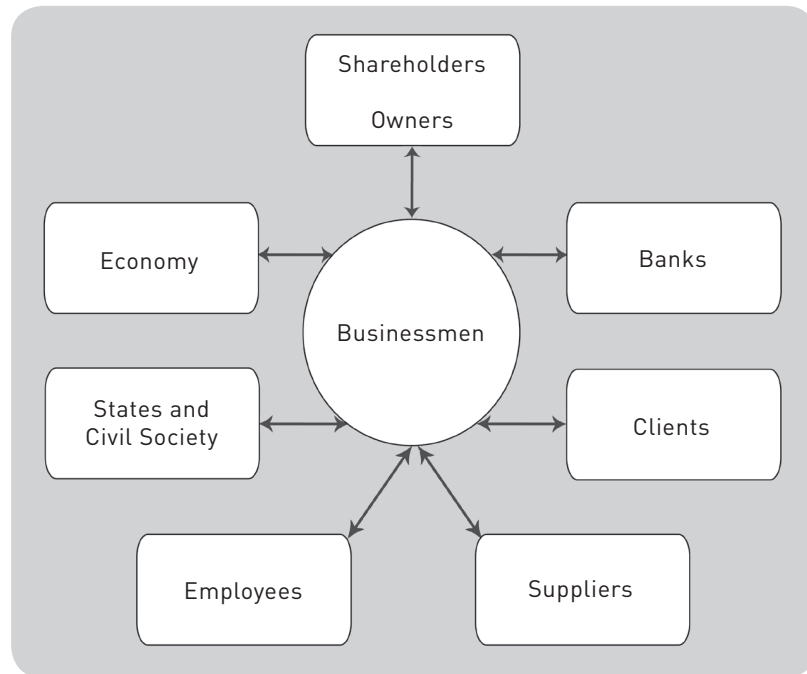
It is appropriate to review this new form of governance that has led business enterprises to be so active in a field that was once the sole preserve of diplomats.

The diversity of the stakeholders and the complexity of their relationships with business enterprise make it necessary to understand, analyse, summarise and anticipate the rapid evolution of global governance which is now establishing itself and reorienting earlier processes. Business enterprises are affected by these changes and they too must understand the future.

Decades ago, the debate on governance focused on multilateralism, as we have just seen. The concept of sovereignty and representativity of each nation was respected. Business and civil society were excluded from the debates. It was only in the mid-1960s that new ideas began to filter through, probably encouraged by the heightened media and political muscle of NGOs busy asserting themselves. The WWF, Amnesty International and later Greenpeace innovated by upsetting the established order. This new line of thought was supported by some outstanding personalities who made significant contributions: France’s Bernard Kouchner, Ralf Nader from the United States and also Switzerland’s own Klaus Schwab.

Klaus Schwab was one of the first intellectuals to envision the basis for what was later to become the concept of stakeholders or multi-stakeholders (these terms mean the same thing: originally people talked about stakeholders, and it is only more recently that the term multi-stakeholders has been introduced in order to make a clear distinction with the concept of «multilateralism»). In a joint publication⁵ written in 1971 for the German machine tools industry, he showed a structure (reproduced below) that may be considered today as the first sketch of a multi-stakeholder environment for business enterprises. He already introduced the idea of interest groups, later becoming “*parties prenantes*” in French or the equivalent term “stakeholders” in English.

⁵ “Moderne Unternehmensführung im Maschinenbau”, VDMA-Arbeitskreis



The first diagram of a stakeholder structure, proposed by Klaus Schwab in 1971

There is no doubt that this is the first known diagram expressing the paradigm shift that was largely still to come. Klaus Schwab's activities, particularly at the «World Economic Forum», and his intellectual input have never ceased to help refine this concept and its implementation in business enterprises. We also owe it to him to have upset the then established order of responsibilities, that only states should handle world affairs.

Klaus Schwab was the first to foresee the rapid evolution of globalisation and its consequences on the governance of world affairs. He was also the first to have clearly anticipated the growing strength of the business community in the context of soft governance and multi-stakeholders. Much is already owed to him for that. But his contribution did not stop there; we will come back to it later.

The multi-stakeholders theoreticians

R. Edward Freeman developed the basis of the stakeholders theory in a paper⁶ published in 1984. He was defending a point of view with regard to business enterprises. This new approach represented a complete change because, until then, the classical theory of the inputs and outputs of business enterprises had been perceived as a linear flow. The shareholders always sought to optimise the value of the output of their enterprise based on a flow starting with efficient manufacture though to customer satisfaction, and including the elements of the production process (financial and human resources, subcontractors). Freeman's model introduced a dynamic and non-linear vision.

Freeman clearly explained that it was necessary to take account of a non-linear environment made up of governmental and political entities, of professional bodies, of the unions, of consumer protection societies, of local communities, of companies whether competitors or not, of employees, of consumers and of the public in general. This broader vision would enhance the standing of the business enterprise, improve its integration in community life in general and force it to shoulder greater social and political responsibility, even for the good of its own shareholders. From then on, shareholders and stakeholders were to share a common destiny.

The more recent work of T. Donaldson and L. Preston⁷ (1995), of Mitchell, Agle and Wood⁸ (1997), of Friedman and Miles⁹ (2002)

⁶ Strategic Management: A stakeholder approach, R. Edward Freeman, 1984, Boston, Pitman

⁷ Donaldson, T & Preston, L, 1995. The stakeholder Theory of the Corporation Concepts, Evidence, and Implications. Academy of Management Review, v20, n1, pp 65-91

⁸ Mitchell, R.K., Agle, B.R., & Wood, D.J. 1997. Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. Academy of Management Review, V22, n4, pp 853-886

⁹ Friedman, A.L. & Miles, S. 2002 Developing Stakeholder Theory. Journal of Management Studies, v 39, n1, pp 1-21

or of Phillips¹⁰ (2003) have taken this idea further, significantly enhancing its structure. Today several hundred scientific papers exist on the subject. Some of the authors prefer the term stakeholder rather than multi-stakeholder, but these terms are actually the same. We have deliberately chosen to systematically use the prefix "multi" in order to better underscore the multiple dimensions of the phenomenon.

A rethink by Klaus Schwab

At the beginning of the 1990's, Klaus Schwab commenced a process of reflection that would lead him to a truly Copernican revolution. With a turnaround of which only he has the secret he suddenly decided to focus on global society. The business enterprises that were at the centre of his preoccupations became no more than satellites around planet Earth - the new focus of his attention. Klaus Schwab changed his vision totally, notably influenced by the burgeoning internet and the growing strength of civil society. The «World Economic Forum» was reoriented and greater efforts were made to invite to Davos the various players and stakeholders in the management of global society.

Global governance is increasingly dependent on initiatives taken by outstanding personalities

The new strategy started to take effect, with the multi-stakeholders present as the overt demonstration of the change. From then on, the Forum became a place closer to a "world parliament" rather like the "*salle des pas perdus*"¹¹ of a future parliament. More and more informal forums began to take place

¹⁰ Phillips, R. 2003. Stakeholder Theory and Organizational Ethics. San Francisco: Berrett-Koehler Publishers

around the world, but opposition to the Davos Forum was building and in 1999, the World Forum in Porto Alegre became its direct antithesis.



Second structural diagram proposed by Klaus Schwab

Nowadays, governance is largely based on initiatives emanating from these forums and their participants. We will return to this subject in the second part of this booklet. For now, let us examine in detail how these two new main forces - business enterprise and civil society - have organised themselves given the prospect of global governance.

¹¹ The «*salle des pas perdus*» is a hall in the French Assemblée Nationale (parliament) where the deputies, representatives of civil society and business enterprises meet informally to discuss laws and budgets.

From shareholder value to stakeholder value

How exactly should a business enterprise spread over different locations manage its relationships with local stakeholders involved one way or another in its daily management? This is the question Klaus Schwab has put to business enterprises present at the Davos summit since 1971.

His vision was that enterprises would evolve in a complex and non-linear environment. Unions and local, national or even international authorities were concerned by this change, but nowadays so-called civil society, the media and other partners play an increasing part in the decision processes of business enterprise. These new partners have become essential to the mechanism; they cannot be ignored. For example on issues related to the environment or sustainable development, NGOs active in these fields will question business enterprises about their production choices, their construction plans and even their strategic choices. This group of stakeholders, with their varying degrees of involvement in business life, has received crucial support in recent years from inter-state organizations such as the UN. Looking at the international scene, certain programmes such as the Rio Declaration (1992), Kyoto (1997), the Global Compact (1999) or the Millennium Development Goal (2000) have not only persuaded nation-states to work together, but have also encouraged business enterprises to do the same.

This paradigm shift is not self-evident for the business community. Its concern for social responsibility holds firm, but the business is run in an environment with multiple, complicated and often divergent interests. This entirely new situation implies that business enterprises must consider a new form of action, largely based on a «soft governance» approach. A grey zone, shaped and influenced by a host of players, has developed alongside the law, agreements and contracts, the rights and obligations of a defined legal framework. In this environment that is no longer only based on formal constraints («hard laws»), but also on moral limitations («soft laws»), business enterprises

find themselves forced to evolve. However the combination of these two forms of control, «hard laws» and «soft laws», places business enterprises in a new quandary that is often difficult to handle. To achieve a balance between harmonious and profitable development, business enterprises have no choice but to build up a new and detailed know how in «soft governance», namely the influence brought to bear by stakeholders on the management of the enterprise. Separating «soft» from «hard» allows business enterprises to do this, and at the same time to open up to the sophisticated and complex world taking shape around them. This new duality requires business enterprises to look beyond their previous horizons.

Certainly companies have in the past set up public affairs and/or public relations departments and have been able to assume some of the changes, above all in the context of their partnership with public authorities and the media. But nowadays these represent only one element in the cohort

of multi-stakeholders, since what is really new today emanates from a civil society wanting to augment its influence in the management of public affairs. Consumer protection organizations are typical examples. For several decades, Anglo-Saxon business enterprises have looked at various options for dialogue via «think tanks» (research and communication centres which base their strategies on the influence they bring to bear).

These institutions are the very essence of «soft power» and many of them have built up experience with civil society, governments, the media and business enterprises. In the vanguard of this new governance, think tanks have shown considerable skill in «navigating» between the various stakeholders while still maintaining their status as powerful independent thinkers. They are much in demand in their role as «conveyors of ideas» or as centres of influence, even in the international forums where the multi-stakeholders gather. Klaus Schwab and the

Moral constraints are driving business enterprise to seek stakeholder value.

«World Economic Forum» draw on their skills continuously. The same is true for the Social Forum of Porto Alegre, though from a different perspective. In this way the various stakeholders in the management of world affairs have over time equipped themselves with ad hoc tools and organizations to jointly manage their interests. Public authorities have created task forces, civil society has witnessed the emergence of numerous NGOs and business enterprises have financed think tanks. All these partners represent a kind of soft governance, where currents of thought ebb and flow in the search for consensus. This recent evolution has given birth to a new concept, that of multi-stakeholder affairs, which is the joint management of local, national and international affairs by very different players who are all stakeholders in the process. The role of these players is to find solutions which reflect a global consensus. The business enterprise is only one, albeit essential, element of this ecosystem.

Civil society: a new thrust

Each era sees its social organization evolve. The growing strength of new non-governmental organisations (the NGOs and virtual communities) is now part of our modernity. Civil society itself is changing. Although the importance of civil society in the organization of our societies has never ceased to grow, having taken centre stage during the democratic revolutions in England, Holland and then in France in the 18th century, this notion has today assumed a very different dimension.

During the 1920s, Antonio Gramsci¹² developed an in-depth analysis of the emergence of civil society as an independent power and focusing on its opposition to the state and its institutions, especially the judiciary. He saw two levels in the structure of nation-states: political society and civil society. He developed a relatively coherent concept for civil society built around the family, religious communities, the unions, school, universities, citizen societies and associations (sports, musical, cultural, etc.). He placed civil society in a position of strength between the economic structure and the state (with its legislative, executive

¹² Italian writer, an intellectual reference for the Italian communist party. During his long imprisonment he wrote «30 Pamphlets from Prison» (Quaderni del Carcere) between 1928-1934. He notably developed the idea that there is a political society (political institutions and controlling authorities such as the police, the army, the judicial system) and a civil society (private or non-state sphere, the economy). The former is regulated by force, the latter by consent.

and judicial power). He also made a clear distinction between civil society and elected political power, i.e. the members of parliament and the political parties. The elected political power is to some extent an outgrowth of civil society, but dissociates from it as soon as the nation state becomes stronger. He differentiated representative political organizations, whose members have been elected, from a broader civil society of a more participatory nature.

Since then society's organization has considerably evolved, particularly with the emergence of new categories of actors such as social movements (feminists, ecologists, etc.), NGOs, think tanks, virtual communities, internet forums and lobbyists. These new players have fundamentally restructured modes of behaviour and the equilibrium in force between the social partners.

The NGOs and internet-based «virtual communities» are assuming their roles as stakeholders in governance

While deliberately placing the perspective on the emergence of these new social elements and their participation in global governance, this booklet also recognises that this is just one element involved in overall social change.

These civil stakeholders in governance sometimes seem like a nebula of independent and relatively unstructured players, a kind of overlay superimposed on more or less autonomous social blocs. What differentiates them is that they defend specific causes. What they have in common is their capacity to influence political procedures and agendas. And what motivates them is the desire to go beyond borders and the political divisions. But this collection of organizations has recently invested in powerful communication tools, resulting in an often surprising degree of overall efficiency. For now, a rough topology of the actors can help us to understand this participatory ecosystem.

Civil society can be defined as the sum total of the groups, associations or organisations in society, which are independent of or to some extent autonomous from the state.

To begin with, individuals constitute the first independent entity (the targeted approach used in marketing in our consumer society makes this perfectly clear). Then comes the family, the bedrock of our social constitution and a highly active part of our society.

But there are also the various kinds of social organizations involved in the areas of work (guilds, unions...), of education (student societies, alumni...), of culture (choirs, bands, literature societies...), of religion, of leisure activities (sports clubs, holiday clubs...), of the local area (the neighbourhood, the village ...). All this generates a sense of belonging, creates a social tissue for individuals and for society as a whole.

In this way, the tighter the social network the greater the cohesion, depending on the countries, territories and cultures. State structures remain on the sidelines of this process. Beyond this clearly perfunctory description, two influential contemporary movements need to be mentioned, as they are changing the image of civil society.

Let us take a closer look at these two groups, on the one hand the NGOs and virtual internet communities.

The NGOs

NGOs already made their appearance in the middle of the 19th century with «peace societies» in England, and above all the Geneva «Red Cross». They continued to grow in the second half of the 20th century. The “NGO” expression as such appeared officially for the first time in 1946 in Article 71 of the United Nations Charter. This article invites the United Nations Economic and Social Council (ECOSOC) to consult NGOs as part of the processes of global governance. There can be no doubt that this

was a key step supporting the consultative role of civil society, giving it increased recognition.

Yet even after this decisive step the definition of NGOs remains unclear. The UN offers the very broad definition as «a voluntary, non profit-making group of citizens, organised internationally». Such an interpretation includes de facto quasi-governmental organizations such as the ISO, or the international institutions based on agreements between nations such as the ICRC. If that is the case, can one say that religious communities are NGOs? That terrorist organizations are NGOs? Of course not.

To simplify things, we will accept that several different types of international, non-state organizations have certain similarities to NGOs. So international religious communities, ecological movements, associations providing medical and humanitarian aid, foundations for children or for minorities, organizations against warfare, torture, world hunger, sports federations as well as the innumerable structures defending all kinds of causes throughout the world, are NGOs. Not on this list are professional organizations, guilds, union organizations, business enterprises and the think tanks. Obviously non-state military or terrorist organizations are not on the list either.

Having said this, the financing and the “self-styled” character of certain NGOs remain unclear. If states are financing them directly, then there must be some question as to their true autonomy. In the same way their legitimacy as representatives is often put in doubt by the elected representatives of the people, who feel they do have a proper claim to legitimacy. Faced with these two dilemmas, the UN has still not decided and the consultative status of NGOs is accorded on a case-by-case basis. Relationships between nation-states and NGOs never cease to evolve.

But if we consider the specific roles played by NGOs in the global management of world affairs, we have to concede that they do have one crucial function. NGOs are invited to the largest international conferences and forums not only as “observers”, but

are now consulted, listened to (like the Clinton Global Institute¹³) and sometimes take part in negotiations or even become alliance partners. As we have already stressed, Rio was a turning point in the multi-stakeholders management role, and NGOs were able to make their voices heard. Porto Alegre was the consecration of their status. NGOs are now authentic stakeholders in the management of world affairs.

Virtual communities

For more than a decade the internet has invaded the day-to-day lives of individuals around the world. International communications have changed style; anyone can communicate instantly with anybody else. This major change has led to the emergence of social relationships. Individuals organise themselves irrespective of territories or borders; the structure and hierarchy of politics disappears. Space and time, two fundamental elements on the nation-state, take on a new dimension. As for civil society, everything has to be re-thought and re-done.

“Virtual communities” or “online communities” interact using information and communication technologies (ICTs), mainly the internet. These communities are primarily groups of people who are not normally involved with each other in daily life, either because they apparently have nothing in common or because they are too far away from one another.

There are many reasons for joining virtual communities, but some hypotheses may be advanced. First of all, joining a virtual community is voluntary. You start out as a visitor before becoming an active member. A community is non-binding, there are no obligations and you may leave at any time. Finally, it is cumulative and non-exclusive. Anybody may belong to several communities, without any particular limitations.

¹³ Voir www.clintonglobalinitiative.org

The motives of those setting up virtual communities are also highly diverse. The approach may be oriented towards communication like OhMyNews or YouTube; it may be commercial like Amazon or Ebay; or political as with BlackPlanet or CyWorld. But a community may also quite simply consist of a platform like Yahoo or AOL, a search engine like Google or MSN, or indeed take the form of social networks such as Facebook or MySpace. Setting up numerous virtual communities generally leads to the emergence of new forms of expression in civil society. Contrary to earlier types of organization, the internet changes everything for civil society, from top to bottom, and hence for all other forms of social structure.

Two good examples are offered to support this view:

The Wikipedia operation is entirely dedicated to having a world encyclopedia of knowledge compiled by its own users. This phenomenon has never previously occurred in the history of humanity. This global adventure of altruistic creation and sharing of knowledge has led to the first "common good" of the 21st century. Even with chaotic organization, collective intelligence produces a knowledge "good" of unprecedented value. The contributors are volunteers and provide their skills and abilities to others at no cost. This collection of knowledge is salutary, to say the very least. Halls of knowledge such as schools, universities, business enterprises, public administrations have to face up to this new reality and in turn are becoming users of a fount of knowledge they had completely overlooked. These institutions are no longer the only creators, depositaries or arbiters of learning; their ranking in the hierarchy of those possessing knowledge has weakened. This virtual community of creators made up of ordinary people has instigated a revolution without seizing political power, and in the course of a few years has become the essential reference throughout the world. It is an incredible demonstration of the new power of virtual communities.

A second interesting example exists, which illustrates the paradigm shift in the redistribution of power. "Communities of practice" are based on the idea of an instant exchange of

know-how in order to provide an immediate solution to a problem. To a degree, these "communities of practice" represent an extension of the Wikipedia spirit. They were invented in the late 1990s by a Swiss citizen, Etienne Wenger and his french colleague Jean Lare, as a response to the needs of researchers, professionals and the general public to be able to call on the know-how of people they don't even know. To solve a problem immediately you no longer just talk to your colleague in the office, but to the whole planet. Here too, no money exchange takes place; instead a virtual centre of competence is established and available to all. Other communities with specific focus on "learning-by-doing" complete the picture.

Wikipedia is a work of collective intelligence unique in the history of mankind

These new approaches to creating groups in society illustrate our point, since they highlight the underlying philosophy of these new forms of social behaviour. Thus the true "common good" is knowledge, with secondary effects notably on the question of property. The concept of "creative common" has become very real. It totally upsets the concept of intellectual property, a bastion of industrial society.

The stakeholders’ representatives

In seeking to briefly describe the various representatives of «soft governance», we would like to offer a more tangible view of how power is changing. Today, it is important to properly identify the actors bringing about change in order to understand the implications. Rather than stick with over a restrictive definition, in the table below we will show the kinds of actors in charge of change, and the movements they represent. In this sense, managing global affairs by adopting the multi-stakeholders approach needs to be viewed as a dynamic phenomenon, one that is in perpetual evolution, and even more so since the various multi-stakeholder players themselves are permanently evolving. Among these players are personalities with key roles, who are as it were the "architects" of these new structures. These people, who meet up periodically at the major multi-stakeholder forums at Davos, Porto Alegre, Aspen, Deauville or Monterey, shape, frame and imagine tomorrow's world. Beyond the interest groups or stakeholders they represent, their common goal is to invent reliable structures of governance. With no official mandate, forum after forum, these modern-day heroes prepare the framework for transition, taking initiatives that will affect the lives of individuals around the world.

The table below shows a diagram indicating the new "representatives" of global society. It provides an overview for readers unfamiliar with the situation.

«Stakeholders» representatives¹⁴

	The few	Intermediaries	Global players
Paradigm shift	Innovators	Connecters	Committed "celebrities"
Initial application	"Early adopters"	New ideas salesmen	Entrepreneurs
Communication	Bloggers	Journalists	Media gurus
Reflection	Think Tanks	Professors	Nobel prize-winners
Adoption by civil society	Private individuals	Militants	NGO leaders
Decision	Experts	Diplomats	Political leaders
Implementation	Lobbyists	Civil servants	Lawmakers

¹⁴ This diagram is largely drawn from a contribution by Malcolm Gladwell, formalised in «The Tipping Point», Edition Little Brown, Boston, 2000

Looking at this table, the various multi-stakeholders can be identified, but the active contributors to «soft governance» are also highlighted.

States are thus represented by:

- Multilateral diplomats
- Specialised high-level civil servants, or appointed experts
- Leading politicians (Heads of State, Prime Ministers, Ministers)
- Politicians (lawmakers)

Civil society is made up of:

- Advocates for specific causes
- Intermediaries and militants
- Committed "celebrities"
- Leaders of NGOs

Business enterprises are represented by:

- Innovators and "early adopters"
- Innovation salesmen and lobbyists
- Entrepreneurs

Intellectual circles are structured with:

- Professors and researchers
- Think tanks
- Nobel prize-winners

These groups work together like "leaders" in a participatory world which remains largely undefined. Several questions remain open, such as those regarding the link with the world of political representation, involving democratic election systems and sovereign parliaments voting for legislation. We will come back to these two questions in detail in the second part of this booklet, while examining the role of global forums, the weight of their influence and also their new status as "quasi-

world parliaments", as well as to the matter of «soft laws» which will be handled in the last part of the booklet.

To conclude this section on the emergence of multi-stakeholders, we need to go back for a moment to the position Klaus Schwab takes, as shown in his second diagram (see page 29). In this diagram he proposes a Copernican change of perspective in that he places global society rather than the business enterprise at the core, and from there leads us towards a broader frame of reflection. If each stakeholder in the new system of governance were to be in orbit around "global society" at the core, the latter would no longer have any of its constitutive elements. One way of resolving this paradox would be not to name the core "global society", but rather "global common goods". Our position, which is to identify knowledge as the "first common good" in this new core, could lead to new reflections on soft governance. We will return to this in the conclusion. Global society as represented by its constitutive elements would seek to put goods that can be shared at the disposal of everyone. This goes back to Klaus Schwab's thinking which, through his action at the World Economic Forum, has allowed that most precious good, knowledge, to be spread. Today the example of the internet, and the spontaneous actions of sharing knowledge via the internet, underpin this almost obvious fact.

Forums ||

(Summary)

For several years the multi-stakeholder actors have been accustomed to meeting at regular intervals during informal global forums. These forums currently play a major part in the management of world affairs, even though they are never formally associated with decision-making bodies. Forums are, however, the place where new ideas for the management of world affairs are formulated, and many initiatives are freely discussed between the stakeholders before going on to take the form of regulation or norms. In this way, global forums such as the World Economic Forum or Porto Alegre have become antechambers of the power traditionally held by nation-states, a kind of "*salle des pas perdus*" of a virtual world parliament. However their role does not stop

there, since thanks to the emergence of soft governance, forums embody «soft power» and are capable of implementing their own propositions. Initiatives such as the «Agenda 21» or the «Global Compact» are there to show how they can instigate change. The growing power of global forums attracts an increasing number of players, the stakeholders in this new power. They can no longer be ignored. In dispatching their delegates in large numbers, nation-states have taken realised that change is underway.

Introduction

For several decades, the various actors (multi-stakeholders) in the management of world affairs have been handed a vital tool, namely forums.

This tool consists of meetings for reflection and discussion on subjects of concern to global society. Structured to include plenary sessions, conferences, discussion panels or workshops and informal meetings, these forums all work in a more or less similar way, aiming to maximise possible contacts and optimise

Forums bring significant influence to bear on global governance

the benefits of meetings between participants and speakers. Questions on geopolitics, economics, environment, the digital divide, the role of women in society, world poverty, terrorism, the limitation of weapons of mass destruction, even pandemic disease ... are all covered. From then on, forums represent an opportunity to make proposals, to seize the initiative. In this way they become a kind of antechamber of a virtual world parliament. Although no legislative decisions are ever taken, they can exert significant influence on world governance decision processes. Global representative organizations such as the UN, the Security Council and the various G7, G8, G12, G15, G20, G77¹⁵... always

have some informal representation at these forums, and at their own summits one or the other of the multi-stakeholder propositions is taken up. Ideas flow this way from one seat of power to the other.

These forums have become places for reflection and discussion, and at the same time venues where propositions are developed that ultimately lead to decisions affecting the public. Hence the importance nowadays of global forums for governance.

The various forums are organised very differently. Some are permanent with meetings annually or every few years, others like the various "Earth Summits" only take place rarely. Their impact also varies greatly: sometimes it is universal, sometimes regional. The topics can be highly specific or on the contrary more general. Likewise, admittance can be very selective or open to a wider audience. Thousands of these conferences take place, be they local, regional, global, private or public. They are so diverse that it would be impossible to give an overview. One thing is certain: they all aim to exert significant influence on global governance.

It would be pointless to list them all, or to analyse their specificities, which is why we have chosen to take a few examples. Based on some typical cases, we will be able to get to the essence and appreciate their impact. The aim here is to give a global overview of the phenomenon rather than a detailed analysis.

To do this we have looked at the World Economic Forum of Davos, the World Social Forum in Porto Alegre, the Aspen Forum, the TED (Technology Entertainment Design) conferences in Monterey and the Women's Forum in Deauville. We sought to properly

¹⁵ Summit meetings organised by the coalition of the most industrialised countries of the world (G7), on the initiative of Heads of State and of governments (G8) and (G12), by the non-aligned nations (G15), by the central banks and the Ministers of Finance (G20), by developing countries (G77)

understand the intrinsic reasons for these different initiatives. It is clear that this selection has to be somewhat arbitrary, given the sheer number of forums taking place around the world, but that too constitutes yet further proof of their necessity and also of the urgent need to find solutions outside the classical forms of global governance - represented by multilateralism and its institutions. Beside these five portraits, ten text boxes will provide snapshots of other forums that are fairly representative of the relevant issues of our times.

The «*salle des pas perdus*» of world governance

World Economic Forum

The World Economic Forum is one of the most influential global forums. Going back over more than forty years, this entirely private organization has been able to make a significant and powerful contribution to the management of world affairs. Very close to economic circles, there can be no doubt that the Forum plays a leading part in what we call soft governance, by inviting each year the key players on the world stage to Davos. While these discussions do not lead to concrete decisions, they set in motion the processes and new technologies of global regulation. Year after year, the importance of the Forum has never ceased to grow. Today, there can be no doubt that it has become a 'must' for leaders in political, economic and university spheres. The quality of the topics proposed and the freedom of expression accorded to participants ensure the quite unique character of this gathering. The growing number of non-binding initiatives (Global Compact, Young Leaders Programme) taken during the forum push the participants - and more notably the "celebrities"-to spontaneously put new ideas on the table (for example Sharon Stone's live speech in 2006 which brought in \$1m for mosquito nets to combat malaria in Tanzania). Little by little, the forum has moved on from analysis and discussions to become a breeding-ground for propositions and initiatives. The Davos Forum has evolved and now constitutes a new hall of governance ("*pas perdus*").

What better person to talk to than Klaus Schwab about this transformation in the management of world affairs.

Interview with Klaus Schwab

You are about the first person to have recognised the importance of multi-stakeholders in the management of world affairs, bypassing states whose action in this context had become bogged down. How did you reach this conclusion?

I grew up in Baden-Württemberg where my father was the "boss" of a large company in Ravensburg. As a young person, I was therefore able to see for myself the impact that such a company could have on the neighbourhood and particularly on the life of the city. A multitude of relationships link a company with its environment. These relationships are interdependent. Later on when studying at Harvard, I continued to be fascinated by these strategic questions of company governance, but also those of nation-states. At that time, the German machine tools employers association had asked me to write a book¹⁶ about modern management concepts. It was in this book that I first developed the theory of multi-stakeholders. This means that company management must not only serve the shareholders' interests, but also those of the stakeholders, who are the other partners in permanent contact with the company and who often depend on it. By this we mean the customers, sub-contractors, employees and shareholders, but also the public authorities (local, national), all of whom are affected by the company. It is actually a whole system. My theory is that the key task of company management is to take a long-term view and aim for quality and prosperity, resisting short-term interests of share-

¹⁶ In 1971 Klaus Schwab published the first known description of the "multi-stakeholder" in "Moderne Unternehmensführung im Maschinenbau". His thinking preceded that of Professor Edward Freeman during the 1980s, who is nonetheless considered to be the father of the "multi-stakeholders" theory.

holders. To go even further, companies should not only serve the various multi-stakeholders, but today companies are stakeholders themselves. This is a significant change of viewpoint. It's like knowing whether the sun turns around the Earth, or the Earth around the sun. That makes a big difference. The problem is that despite this high level of interdependence between the various stakeholders, nobody is really in charge of this new space! Certainly there are a large number of organizations efficiently handling this or that specific problem, such as health, security, intellectual property, etc. But in my view it is extraordinarily fragmented, nobody assumes overall responsibility in a holistic or global sense. Today the business community, an important stakeholder, has a certain new responsibility for improving world affairs. This is not an idealistic view, it is purely pragmatic. For example the question of AIDS in Africa is a collective responsibility, which ultimately will improve the situation for everyone. This obligation to act is now the underlying philosophical tenet of the World Economic Forum.

In your view what are the main factors bringing changes to society today?

When you are living through a period of transition, you have to ask yourself the question: "What real change will occur in the timeframe of a century"? It is then easier to identify the new trends, the truly fundamental ones. I'll take three to illustrate what I mean.

If you look back through time to the creation of nation-states in the 19th century, the construction of railways was opening up local perspectives to include the country as a whole. For example, the Swiss cantons began working more closely with the Confederation. Constitutions changed. Then it was the turn of telecommunications (telegrams and telephone) to intensify international relations and above all to speed them up. But today with the internet revolution, and placing the phenomenon in the long-term context, we have changed our perspective yet again from international to global. It gets more complex because it will need to work in a multi-cultural, multi-lingual, multi-traditional,

multi-historical environment, and so on. We have come a long way from the creation of nation-states, which were generally set up on territories where the people shared a common history. This partially explains the problems encountered by multilateral international organizations like the UN. Organizations such as these, based on multilateralism, will be forced to evolve still further towards multi-stakeholders. If you take Thomas Friedman's book «The World Is Flat», not only does he point out

A major revolution is taking place around us: vertical structures are giving way to horizontal structures, which are much faster!

that borders no longer exist, but he also says that the world tends to resist setting up infrastructures for centralised governance.

And so to my second premise: we are going through a major revolution because the vertical structures for command, control and organization tend to be eroded and progressively replaced by horizontal networks of social communities and common project platforms. This movement brings with it a reorganization in all areas, including production. However, for the time being we are still under the previous organization, which is incapable of reforming itself. The blockages that characterise our times are to a certain extent the expression of this dilemma.

My third premise concerns the processes, the holistic vision of the development of world affairs. Let us take an example. Many businessmen coming to Davos are not convinced that climate change is the top priority. We don't blame them for that. We merely try to get the debate going, but it is clear that this is also how we initiate the process of deliberation. The World Economic Forum shares the view that the agenda of topics to be considered is as important as the solutions themselves. Since we are in a multi-stakeholder environment, all that matters is that the stakeholders should be aware of the issue, since nobody can impose his views or decisions on the others. These approaches to achieving consensus are vital in the emerging new form of

governance. This is why I think that today we need new, complex procedures for negotiation; we need to approach problems with new mindsets and new working methods. I proposed a method at Davos called the 3B's (Bounding-Binding-Building). That means that you have first to create a framework, then a commitment and finally a joint and constructive action plan. It is a sort of universal method for soft governance. Where you have no coercive method to force people to act according to predefined rules, you have to develop a three-stage process as I have described. So the high-level delegates attending Davos start discussions on this or that topic. They have already accepted the framework of the discussion and together look for new or alternative solutions to the problems posed in the management of world affairs. In a certain way they have accepted the start of a process under their responsibility and to which they are committed. This type of approach is most successful when the people work together on a voluntary basis.

Would it be appropriate to say that the Davos Forum is the new global parliament?

I prefer to talk about a global community. However if we were to adopt your perspective it would need to be a Senate, like with the "House of Lords", because the idea of a parliament suggests to me a legal basis ratified by a constitution. It is not like that at the Forum. It is no more than a legitimate activity undertaken by people of influence and also wisdom, rather like what you find in sanctums such as the «House of Lords». But the concept merits further thought. Let us take for example what happens in international organizations made up of multilateral representations. Well, the national representatives always go into the discussion with the mandate to defend their national interests. The result is that you have to look for compromises, consensus, which represent the minimum acceptable for everybody. In general you do not obtain the best possible agreement, i.e. the one representing the higher interest over that of nation-states! The World Economic Forum cannot help here. That is the job of ad hoc international organizations. However it is clear that they do

have to take into account civil society and business enterprises. The multi-stakeholders are just as pertinent for international organizations. By offering a platform for informal discussion, the World Economic Forum escapes the constraints inherent in government. This is the logic behind its quest for the higher interest, the only condition for success in world governance.

The Rio summit

In 1992, 172 governments, 7150 NGOs and several hundred business enterprises represented by some 20'000 people met in Rio de Janeiro under the auspices of the UN. It was the largest multi-stakeholders meeting ever organised so far. The summit marked a turning point in the history of world governance, by mobilising thousands of people around the world to express their concerns regarding the future of the planet.

The main results were:

- The declaration of Rio: a set of 27 principles defining rights and responsibilities regarding the environment. As the text was non-binding for nation-states, it took the form of a «soft» declaration.
- The convention on climate change: it committed governments to reduce emissions of greenhouse gases to the same level as in the previous decade. Implementation was voluntary.
- The convention on biodiversity: as with the previous convention it was available for signature by the nation states at Rio, and committed the community to preserve biological species.
- The principles regarding forests: of a non-binding nature, these principles sought to create a consensus on the preservation of forests and to make the world "greener".
- Agenda 21: a programme for action on "sustainable development" concept, used for the first time at Rio. Political and economic circles sought to reverse the course of history by associating the economy and the environment in harmonious development. No doubt that this was Rio's most important contribution.

Rio was a high point in a process started in Stockholm in 1972 and pursued further at Kyoto in 1997.

The Kyoto protocol

The Kyoto negotiations in 1997 on climate change are in no way comparable with the Rio Forum (1992). Above all, it was a meeting between states. Several camps held opposing views on the procedures to be adopted. There were at least four groups:

- The «Carbon Club» (Japan, United States, Canada, Russia, etc.).
- The European Union, which was more active on environmental matters.
- The «G77» which represented the majority of developing countries.
- The «countries directly under threat» due to the rising water levels such as the Netherlands, small countries in the Pacific, etc.

Despite the diversity of viewpoints and the multiple instances of opposition to the solutions, the Kyoto protocol emerging from this forum was ambitious. For this reason it did not come into force until 2005, and in a less binding form by no longer proposing a reduction in greenhouse gas emissions, but simply their stabilisation. It has to be said that even today, the controversy as to the causes of global warming still remains fairly acrimonious. Claude Alege, the former French Minister for Research and himself a geophysicist, even claimed that the causes of this climate change are largely unknown, and declared "historical archives show that climate is a capricious phenomenon".

The mechanisms of "negotiable licences", a kind of stock exchange of pollution "rights", were the principle contribution of Kyoto. This system is the key element for the improvement of polluting systems, which will result in more efficient systems and lower levels of greenhouse gases.

The World Social Forum

The World Social Forum took place for the first time in 2001 in Porto Alegre, and from the outset was positioned as an alternative to the World Economic Forum in Davos. Subsequent forums have taken place on the same dates as Davos. It would however be incorrect to reduce them to this dimension alone, for these forums have become the main platform for civil society. Anybody may attend and the permanent secretariat does not fix the agenda in advance, which makes for an incredibly rich and diverse venue for discussions. Even if this concept may appear to be somewhat utopian, it must be recognised that the principal characteristic of these forums is the variety of the participants and the points of view expressed.

The World Social Forum thus attracts numerous associations, political or religious movements, unions, consumer protection bodies, NGOs and personalities. Every year, tens of thousands of people attend the Forum, which first took place in Porto Alegre (2001, 2002, 2003, 2005), and later in Bombay (2004), Caracas (2006) and Nairobi (2007).

Viewed from outside these forums appear to be chaotic, as if they were popular gatherings of people unable to express themselves properly; but such a view is certainly simplistic, for two reasons:

- Firstly, the representatives of civil society attending the World Social Forum are highly organised; most of them are from NGOs, unions or civil associations, all of which have well defined objectives.

- Secondly, they are driven by a common and properly structured vision around the highly attractive concept that «the world could be different».

The purpose of this annual discussion platform becomes considerably clearer. The objective is fixed as follows: to jointly look for alternatives to the way the world is run today. After the first Porto Alegre meeting in 2001, the World Social Forum moved from a reactionary, purely “anti-globalisation” stance to the more pro-active and creative positioning of “altermondialism”, advocating the search for a different way of running the world.

A charter setting out the broad road map for running the various forums accompanies this paradigm shift. This charter consists of 15 basic principles aiming to define the framework for the global discussion processes already initiated by certain representatives from civil society. Participants have to respect these principles in order to gain admittance to the annual forums. Principles such as openness, decentralisation, alternatives to “capitalisms” constitute the charter’s foundation.

By the choice of topics to be discussed and through its own organization, the World Social Forum seeks to exert alternative force vs. other global forums, particularly Davos, but also vs. the global decision-taking bodies such as the G8, the International Monetary Fund, the World Bank or the World Trade Organization.

Given the diversity of the exchanges and propositions tabled, it would be difficult to summarise all the discussions that have taken place during these forums over the last seven years. However, four major themes grouping the multiple areas of concern do emerge:

1. An economy based on solidarity.
2. Sustainable development.
3. Political power and the power of civil society.
4. Democratic world order, demilitarisation and peace.

Behind this simple classification lie the major debates of our times, those which the various forums will address: the struggle against neo-liberal society, against pollution and global warming, against poverty and exclusion, or the position to be adopted regarding freedom and human rights, participatory society, etc.

Once again, this listing may seem frighteningly simplistic, given the multiplicity of discussions that aim to treat all of civil society’s concerns.

It should be noted that numerous topics are discussed in parallel at other forums such as Davos or Aspen, though obviously from a different perspective.

This convergence of topics and divergence of perspective highlights both the similarities and differences in viewpoints between these major forums. To a degree, global forums work like complementary, though mutually opposed, schools of thought. It is of course true that the sometimes virulent criticism

from radical movements situated at political extremes appears to constitute an opposition with no middle ground. But a broader interpretation can find a place for all contributions from the various global forums in the wider framework of the debate on managing world affairs. This is the perspective that will lead to deliberations and discussions outside the circle of participants, to include the rest of the world.

Together, let us look for alternative approaches for global management

Topics such as corporate social responsibility, the growing strength of participatory society and the question of the environment are broadly echoed by public opinion, but they are also debated in the more hushed circles of political and economic power.

Three testimonies

Chico Whitaker contributed to setting up the World Social Forum, and in his book "*Changer le monde*"¹⁷ explains that the Forum's founders started with the idea of having a venue for discussion where civil society could express itself, but not in order to build a political movement. Chico Whitaker therefore claims that "the ideas discussed at the Forum are not the Forum's own ideas. They belong to the people who come to present, discuss and compare them, and who are seeking the means and alliances to make them more effective". The Forum's role is that of a facilitator, the original goal of the organisers. It positions itself as an organization to be managed by the participants themselves. This summarises the philosophy of the Forum in its entirety.

Ignacio Ramonet, chief editor of the "*Monde diplomatique*", is also one of the founding fathers of the World Social Forum. Opposed to the draft of the «Multilateral Agreement on Investment» (MAI) in 1998 and in favour of a tax on capital movements, Ignacio Ramonet is a strong advocate of the alter-mondialist cause. In an article entitled "*Le cinquième pouvoir*", he argues for setting up an opposition force to the established world order, one which he calls the "citizens' force for solidarity" ("force civique citoyenne"). In particular he attacks large media groups, pointing out that: "...it is quite simply necessary to create a 'fifth force'"¹⁸ which would allow a citizens' force to be fielded against the new coalition of dominant powers. This "fifth force" would have the job of exposing the excessive power of large

media groups, accomplices and disseminators of liberal globalisation....". While he was in Porto Alegre, he proposed setting up a media observatory (Media Watch Global) that would voice the concerns of citizens in the spirit of the World Social Forum.

Wilbert Gobbo from Tanzania, a missionary in Niger and a participant at the World Social Forum in Nairobi¹⁹, recounted his personal experience in an interview with the internet website of the missionaries of Africa²⁰ and stated: "...When measuring the importance of the World Social Forum, it is worthwhile remembering that it is a place for listening and sharing our moral certitudes, and an instrument for global change! The World Social Forum is not a body that takes decisions, nor does it implement them. It is a place where people without a voice can make themselves heard. Nevertheless, even at the World Social Forum the people with no voice (the destitute) hear each other through intermediaries, the rich".

¹⁷ Editions de l'Atelier, Paris, 2006

¹⁸ Published in the *Monde diplomatique*, N° 10, p. 26, October 2003

¹⁹ From 20 to 25 January 2007

²⁰ www.mafroma.org

The IPCC Forums

The Intergovernmental Panel on Climate Change (IPCC) is based in Geneva. It was set up in 1988, on the request of the G7²¹, by the World Meteorological Organization and the UN Environmental Programme. It is not really a “forum” type of organization, but it is well known by the public thanks to its recently Nobel Peace Prize, and due to the many declarations emerging from the major expert forums it organises.

The first warning report published in 1990 (two years before the Rio summit) in Sundsvall, Sweden, the shattering declaration of the Paris Forum (February 2007), or the accusation at the Bangkok Forum (May 2007) that mankind was responsible for global warming are some at its feats.

During these major forums, scientists from nation-states debate experts’ reports. In this way, the IPCC plays a key role in changing mentalities of the public, of civil service and also of politicians. It is a different sort of forum, which might be described as a “forum of independent experts”, with debates held behind closed doors. The media and civil society are informed of the outcomes only at the end of the forum, with the publication of the final report. This approach is now under review.

The Global Humanitarian Forum

This organization was only recently set up in Geneva (May 2007) in response to a widely felt need for an informal discussion platform to address the ever more pressing humanitarian challenges facing the planet. This forum seeks to bring together multi-stakeholders in order to pool relevant knowledge and experience and to find appropriate solutions. In choosing former UN Secretary General Kofi Annan to be the forum’s figurehead, the Swiss government, the main promoter, wished to demonstrate the importance it attaches to this issue. As currently constituted, this forum will devote its attention to humanitarian questions in the wider sense of the term, introducing issues such as the consequences of climate change, the prevention of natural disasters, the evolution of major pandemic disease, the protection of the most vulnerable, but also business enterprises’ corporate social responsibility and accountability, i.e. The forum will meet annually and gather opinion leaders, actors from civil society, from academic and scientific circles, from the media, from business enterprises and of course from governmental organizations. By taking a multi-disciplinary and multi-stakeholder approach, this forum will play a leading part in the current paradigm shift of soft governance.

²¹ Consisting of the United States, Japan, Germany, France, Great Britain, Canada and Italy

The Aspen Institute

The Aspen Institute was founded by Walter Paepcke in 1950 as an international, non-profit organization. The institute aims to provide a venue for open-minded dialogue and for sharing new ideas. Through its seminars, its research and development programmes, its conferences and activities aimed at enlightened leadership, the institute aims to promote non-partisan inquiry and an appreciation of timeless values through the development of basic ideals, away from the pressures of current affairs.

The Aspen Ideas Festival, the main gathering of the institute, takes place each year in the Aspen resort. During this annual meeting in Colorado, many personalities from around the world (more than 600 participants per day) gather to exchange ideas regarding the issues associated with the global management of international affairs.

Aspen Ideas Festival

For more than 50 years, this annual meeting has not only marked those present, but also the world's decision makers in many different domains. Hundreds of participants attend every year and the Festival is always fully booked (it is generally booked out on the first day the booking office opens!). The appeal of the «Ideas Festival» lies not only in the quality of the participants, the level of the discussions and the urgency of the topics discussed

but, as the organisers point out, may also be attributed to the absence of reasonable solutions emanating from the political authorities of nation-states.

Aspen has thus become a "prerequisite" for any actor interested in the complex structure of the management of world affairs. It is where political and economic figures rub shoulders with the intellectual and scientific community. Aspen differs from the World Economic Forum due a higher proportion of participants from universities and think tanks. With this approach, discussions are of a more fundamental and timeless nature. With greater focus on the major principles of the management of global affairs rather than looking for solutions for immediate implementation, the emphasis is placed on the fundamentals of governance. This very clear desire to detach the debate from current affairs characterises the orientation chosen by those in charge at the Aspen Institute.

A fruitful output

The Institute supports progress made at the forum through a series of programmes whose abundant output reflects the themes discussed informally at the gathering. By giving the ideas that came out of the forum widespread publicity throughout the year, the Institute is also considered by many observers to be one of the planet's major think tanks.

The range of topics is huge, including subjects such as business enterprise and society, communication, education, health, justice, societal change, young entrepreneurs, energy and the environment, and abandoned children. For several years the deliberations and conference papers have been published in «The Aspen Idea». Over the past few years the Institute has developed local operations in Berlin, Rome, Lyon, Tokyo, New Delhi and Bucharest. This group represents a really constructive force in the world, and even more now that the head offices are located in Washington - the seat of power.

Three questions to Elliot Gerson, Executive Vice-President of the Aspen Institute

In what way does your forum differ from the other international forums, and in particular the World Economic Forum?

We do not seek to directly or explicitly influence the major topics currently under debate. We are neither a group of activists nor lobbyists, but rather a diffuse source of influence. Being strictly non-partisan, we try to avoid politics just for the sake

of it; our goal is to help to generate constructive ideas for the common good. We therefore support neither the business community like in Davos, nor civil society as in Porto Alegre, but rather the community of ideas and their necessary debate. Our horizon is long term. Participants generally leave our forum with still divergent views, but for

Particularly the American political institutions have failed! The system is a failure.

which common basic positions have nonetheless emerged during the discussions. Even if our role is closely linked with American politics, we now run discussion sessions in different parts of the world, especially in Europe.

How do you explain the success of Aspen?

Every day of the «Ideas Festival» of Aspen, we have about 600 participants who come for a few sessions and then move on. Others come for the week. There is no continuity, but the discussions are open and free. This feeling of liberty that every participant senses is the root of our success. The relaxed and participatory atmosphere brings with it a high level of reflection. There is far less media coverage than at other forums, and the freedom this brings contributes to Aspen's success.

How do you view the situation of the political institutions today?

Particularly the American political institutions have failed. The political debates are partisan. The system has failed. Look for example at what the American Congress has done with immigration reform. We have total frustration. Be it the government, Congress, the state, local government, nothing changes any more. The media have become nonsense. Most of them are now no more than entertainment, although there are of course exceptions. Having retreated into their ivory towers, the universities bear a large part of the responsibility for the threat this vacuum represents.

It is partly for these reasons that the politicians, lawyers, businessmen and civil servants come to Aspen and its neutral environment for serious discussions on the important problems confronting us.

Corporate Forums

For several years now, The Economist, Forbes, IBM, Microsoft, Nestlé and many others have set up their own forums. Based on the growing need both for keeping an open mind towards the issues of the other stakeholders and for reflection on corporate social responsibility, these forums play a key part in the multi-stakeholder approach initiated by business enterprise. Even if they still consist of closed circles and operate within narrow terms of reference, they are beginning to open up and address topics associated with the major problems of today. This change in behaviour of business enterprises, particularly those that are global, is due to their growing implication in the management of world affairs. By launching their own initiatives, these business enterprises have understood that the multi-stakeholder approach to management goes considerably further than merely bringing influence to bear, or lobbying. The question is now that of becoming stakeholders themselves in the evolution of an ecosystem for the global management of world affairs.

The Geneva Forum

The Geneva Forum was set up in 1996 as a joint undertaking of the Quaker United Nations Office (QUNO), the United Nations Institute for Disarmament Research (UNIDIR) and the Programme for International Strategic Studies and Security (PESI) of the Graduate Institute of International Studies and Development (IUHEID).

The objective of the Forum is to contribute to international peace and security through partnerships with governments, multilateral organizations and NGOs in order to address common concerns on disarmament and arms control. The Geneva Forum focuses on three major areas:

1. New disarmament policies.
2. Negotiations on verification procedures.
3. The implementation of agreements.

In cooperation with a large number of locally established organizations, the Geneva Forum organises or participates in numerous working sessions, seminars and conferences.

Its action has resulted in a highly significant contribution: «The Geneva Process on Small Arms». This initiative brought together nation-states, international organizations and NGOs in a joint effort to control and limit the use of small arms. In cases where the situation is particularly unstable, the forum is attempting to introduce a multi-stakeholder approach for dealing with the problem, so as to counterbalance state-run or purely coercive approaches.

TED

TED (Technology Entertainment Design) is a forum that was set up by Richard Saul Wurman and Harry Marks. The first conference took place in Monterey (California) in 1984, and gathered the main creative thinkers on the US West Coast. It was a runaway success. Since 1990, the conference has become an annual event to which the most unusual, innovative and creative personalities from around the world are invited. The forum is the worldwide venue for exchanging the most worthwhile ideas for future developments in technology, but also in artistic fields and society in general. Over the years the TED has grown to be a 'must' for innovators, early adopters, bloggers, for the media and switched-on journalists, for professors, CEOs and also for certain celebrities. Some political personalities such as 2007 Nobel Peace Prize winner Al Gore have attended these forums occasionally, because they are ideal for picking up on new scientific, commercial and social trends, as well as for meeting entrepreneurs and creative personalities.

Evolution

After the 2002 conference, TED passed to the «Sapling Foundation», a non-profit organization belonging to Chris Anderson. Richard Wurman left TED, and the new foundation quickly reoriented the focus of the Forum to the "power of ideas to change the world".

TED is considered to be the key contributor in the fields of technology and innovation for the soft governance of world affairs. Influential and non-coercive, TED's ideas spread rapidly around the world thanks to their appeal and their widespread publication throughout the media, particularly via electronic channels. Bloggers quickly picked up on this Forum and its innovative proposals.

TED, and its new element TED Global (a conference organised every two years in a different country) is today one of the principle conferences worldwide where "technology freaks" come together.

Online

TED developed the internet side of its activities as a matter of course, in order to extend discussions throughout the year and to broaden the audience. All the conferences are available on video to the wider public, and blogs have been set up to debate new ideas. The online presence is nowadays certainly as important as the annual forum, since it turns the event into an ongoing process. The platform has become an indispensable source of inspiration and competition for creative people as well as for journalists and bloggers. This ongoing stream of ideas represents an opportunity to publicise ideas and points of view, but it also guarantees an equally rapid feedback of comments, suggestions and disagreements. This system for the production and dissemination of new ideas is a kind of booming «e-science». After its launch in April 2007 this modern-day version of the «power of ideas» should, in the view of its initiators, make it possible to change our attitudes and ways of thinking. It sounds presumptuous because it is still too early to say, but by publicising the debate on the future agendas

Innovation is the cornerstone of modernity. It has become the principal constant in the globalisation process

for science, technology and society, TED achieves its goal of soft power very well. Viewed from this perspective, TED is beginning to play a key role in the emerging participatory society.

Prizes

For the past three years, TED has been promoting a new concept, awarding prizes annually to three outstanding personalities to allow them to make «One Wish to Change the World». Worth \$100,000, this prize not only allows the creative personality to promote an idea, but perhaps more importantly it mobilises the community to help the winner to follow through the project. This is unusual since awards are rarely made to stimulate the energies and creativity of others.

The prize serves as a catalyser, a launching pad and a tool to bring new ideas to reality. In 2005 the singer Bono chose to constitute a social movement for Africa with the help of at least one million Americans ("One Million American Activists for Africa"). The results were immediate. The Jane Addams Hall House offered the internet address of the new organization "www.one.org" free of charge. The Macromedia, Microsoft and Tribe companies developed the website. An anonymous donor offered \$10 million to Bono's organization. Sun provided an SMS system for automatic member registration, so that after a few months more than 1.4 million persons had joined the movement. Progress has since been made, particularly in the fight against endemic diseases in Africa.

This example shows how a single individual's idea can suddenly be approved by millions of people, and set in motion a movement that just might make a difference. This example would have us believe that a new era with a more participatory world has dawned. It has yet to take shape.

Three questions for Bruno Giussani, TED European representative

TED is an example of a participatory organisation. Given your experience of TED, how do you see the roles of participatory vs. legislative bodies?

Take Italy as one example. The president, who has only a vague representative role but a budget four times bigger than the Queen of England's, decides nothing. Huge demonstrations with millions of people have little effect in achieving progress on what matters to society. Today, one can state that one million people acting via the Web are a thousand times more effective than a million people on the streets in Rome.

Does that mean that our system for taking political decisions is obsolete?

It is certainly exaggerated to go that far, but you can see that the processes for reaching at a decision have often become more important than the decision itself. Thanks in particular to the internet and globalisation, the world we live in lets everybody discover for themselves what political decisions are being taken in other countries. By making comparisons and looking for solutions, people come to their own conclusions. The world of politics would be well advised to take note of this new situation.

Are you suggesting a paradigm shift towards decisions being taken and reviewed on an ongoing basis?

Exactly. Today we have the technical means to opt for an adaptive system for taking decisions on an ongoing basis. This would, for example, lead us to accept that a decision taken at a point in time which on the long term would perhaps not be the most appropriate approach, especially because the world changes fast.

For this reason it would be preferable for political decisions to be considered as part of a series of measures in a continuous and evolving flow. Considerable communication efforts would probably be necessary though to ensure that the message about this new world organization is passed on without friction.

Internet Forum

Since the invention of the web in 1993 by Tim Berners-Lee and Robert Cailliau at CERN in Geneva, the internet has taken on a quite different dimension. There are now more than an estimated one billion internet surfers, and the web has created links between data, information and knowledge. In this way people are connected together and billions of units of knowledge are available. All this means a level of "common intelligence" never seen before. Wikipedia, the universal encyclopaedia that started from nothing, clearly demonstrates this. Although less visible and incredibly fragmented, there is a global phenomenon of discussions taking place worldwide, continuously and in real-time via the internet. This large-scale discussion obviously seems highly disorganised and mostly relates to more or less futile topics. But out of this huge and disparate «*assemblage*», a common interest and practice has emerged; the internet has become home to thousands of forums reflecting on global governance. There can be no doubt that this immense "world stage", a kind of vast concourse of our times, will have a growing role in the future.

The LIFT conferences

The "bloggers" of the world meet physically every year at forums such as LIFT²², REBOOT²³ or WEB3.

Since 2006, several hundred specialists - academics, journalists, entrepreneurs and internet experts - meet in Geneva at a forum dedicated to the internet. Creativity is its principle characteristic. LIFT brings together a large proportion of young people who are very different from the usual participants at traditional world forums. However, they do share the same goal: invent a new world.

The questions are less about global governance, but more about internet governance. But is there actually a difference? What is the role played by the internet?

In this sense, LIFT typifies this change. The participants' concern is focused on the "common good", which they seek to create outside any state or economic control. Future society's "common good" is thus under construction; it is a question of process. For them, "knowledge" is the best representation of the ultimate "common good". They thus support the "creative commons"²⁴ approach to the protection of intellectual property, a real modern-day revolution. This type of forum is growing around the world, and constitutes a true alternative to the traditional political, economic or social forums.

²² www.liftconference.com

²³ www.reboot.dk

²⁴ http://fr.wikipedia.org/wiki/creative_commons

Women's Forum in Deauville

Aude Zieseniss de Thuin founded this forum in 2005 in Deauville, France, aiming to boost women's contributions to the management of world affairs by proposing new approaches in the economic and social domains. With almost 100,000 personalities participating each year, the forum tries to attract the greatest number of women in leadership positions. The vision of this informal forum, held in an idyllic setting far from the corridors of power, is to build up a critical mass of women "leaders" in each major field (economy, politics, social affairs, science...), and to create a force capable of making a difference when facing society's biggest challenges. On two occasions, in 2005 and 2006, the forum demonstrated it could mobilise people and make strong creative proposals.

Thanks to the very high level of its international committee, the women organising the forum have already made their voices heard in at least three areas:

- "The representation of women on company boards and in governments". Norway has decided to set a quota of 40% of women on company boards. Nicolas Sarkozy has tried to create parity among his ministers. Spain under Felipe Gonzalez achieved it.
- "Life in the workplace": this study has been widely disseminated and sheds new light on life at work as perceived by women leaders.

- "Women and establishing new businesses": this study shows how in «poor» countries women play an essential role in the expansion of the economy, thanks to their ability to start up new activities.

The forum is organised based on six rules:

- Participation on exclusive invitation only.
- Seen as a private business.
- Independent and non-partisan.
- Focused on the global issues of our society.
- Offers a platform for discussion and discovery, leading to new approaches.
- Is an effective force of advocacy for business and society.

The Women's Forum is not just for women, but rather a forum to make their voices heard.

Discovery Hall

The specificity of this forum lies in its focus on identifying new women leaders in today's global society.

Significant emphasis is placed on bringing to light new, little-known projects, ones with potential to be considered as "best practice", and be models for other companies or administrations.

Participants have a venue and the time to discover new ideas or approaches. The organisers place the focus squarely on this concept of discovery. By distancing themselves from simply "networking", they promote the exchange of content.

The Women's Forum is not somewhere to do business, but rather to seek out new solutions to world affairs.

Three questions to Maria Cattai, member of the International Council of the Women's Forum of Deauville, and former executive director of the World Economic Forum (1977-1996).

Why have a forum for women?

There is no absolute necessity for a forum to air women's points of view. On the other hand a forum focused on how women in positions of responsibility, how these leaders in the various economic, social, scientific and political fields view major problems and find solutions, that is very useful. Thanks to what these women have to say, the problems are addressed more forcibly and with greater impact. For example, Chinese women entrepreneurs see their role as significant in the expansion of business enterprise in their country. In this way, the Deauville Forum is a platform for strengthening the rise of women in global affairs. Numerous men, whether speakers or participants, are invited to Deauville: there is no question of excluding them, but the priority goes first to women who will be the ambassadors of change.

What is the difference compared with other international forums?

It is not as formal as with the other forums. For example, there are opportunities to discover subjects of interest to women outside their daily activities. «Discovery Moments» and the «Discovery Corner» are there to encourage new contacts. So a woman can talk about her work in Africa combating AIDS, or a businesswoman can describe changes that have taken place in her company. These sessions are organised on a personal and informal basis. The forum participants are free to run new experiments, because women are generally not afraid of surprises!

What solutions does the forum propose?

The key point is that the proposed solutions are not linear. By bringing in other partners and new viewpoints, the forum encourages the notions of partnership, alliances and of multi-stakeholders. Today for example, half the patents in the United States derive from alliances between university and start-ups. In the field of life sciences clinical tests are carried out in China and India. Numerous players are involved, overcoming mental, professional and territorial barriers. This trend towards mixing different sectors is a major advantage of the new form of governance. From now on, people will need to take account of this shift in power.

Women are given the right to speak; by recounting personal experiences, theirs are the voices heralding change

Regional forums

Alongside the numerous global forums, new types of forums emerged a few decades ago, with a focus on regional issues. These forums spread mainly throughout Asia, Africa and South America. The main reason for their development is that major global issues need to be fine-tuned to reflect regional and cultural concerns. For example, environmental questions are not the same in Asia and Europe because they often depend on the economic situation of nation-states. The same is true for child workers, poverty or agriculture, to cite three examples.

This practical reality is shadowed by a cultural - in the wider sense of the term - reality, one that is often very different. Regional forums aim to resolve global issues through their focus on regional implementation. The growing power of "global cities" or metropolitan areas in terms of competitiveness vs. nation-states will further accentuate the phenomenon.

WSIS – from Geneva to Tunis

The World Summit on the Information Society (WSIS) was held in Geneva in 2003 and in Tunis in 2005. This forum is the counterpart of the Rio Earth Summit (1992), but focused on questions related to the new information and communications technologies (ICTs).

Despite an ambitious declaration of intent, the forum has not fully achieved its objective, probably because the industries involved with ICTs did not really respond. The rational explanation for this would be that the industry's activity is undergoing constant change and that it is unaccustomed to waiting for the public authorities to issue standards. Even the question of the "digital divide" takes a different perspective if one considers that there are today more than two billion mobile phones in the world, and that every third person owns one!

However, creating a digital interface for human activities remains the major contemporary revolution, and follow-up of the conference by the UN as well as by the specialised organisations, such as the International Telecommunications Union (ITU) or the International Standards Organisation (ISO) both of which are established in Geneva, remains key for the future of world governance.

Soft
Laws



(Summary)

Multi-stakeholder players are nowadays able to contribute to regulating and setting the norms for the management of world affairs. Using so-called «soft laws» they intervene directly in governance, and in practical terms influence state activities and the behaviour of private individuals and business enterprises. The highly symbolic example of the web, invented by two engineers at CERN near Geneva, demonstrates civil society's power to make proposals and its role in setting standards for regulating world affairs.

No state has ever contributed to defining the protocols developed by the experts, yet today the internet regulates what business enterprises or private individuals are doing around the world more securely than any previous

norm. Thus soft laws, which have sprung up in numerous fields like the economy, the environment, ethics, etc., represent a modern-day form of behaviour that is seen as appropriate by stakeholders in governance. Although neither fully binding nor obligatory, soft laws pervade our daily lives. This paradigm shift is in the process of creating a new form of governance based on four major elements: multi-stakeholders, forums, soft laws and social responsibility. The emergence of this new form of power is, however, likely to generate further debate.

The issue

Faced with the globalisation of markets and regionalised customs and behaviour, but also with claims - especially from consumers (e.g. «class actions») - nation-state legislation based on the principle of sovereignty often proves to be inappropriate for dealing with trans-national problems. Given this situation, and the absence of binding global legislation, the new supranational territories (e.g. Europe) have over the last 30 years put in place new and effective legislative tools known as «soft laws» .

The term «soft laws» appeared some 20 years ago in Anglo-Saxon legal literature (United States, Great Britain, Australia and Canada). Their legal system is very different from continental Europe's, the latter being closer to Roman law. Furthermore, the extensive past experience of mediators (ombudsmen) for resolving conflicts (without having recourse to law) could explain why the Anglo-Saxon countries were the first to develop a more flexible form of regulation. They have adopted the idea

²⁵ A joint appeal or a legal action as a group is a lawsuit that is possible in certain countries such as Canada or the United States. It permits a large number of people, for example consumers, to obtain their rights. The procedure is sometimes called a «class action» in English

²⁶ These terms signify the diversity of meaning encompassed in the term «soft laws». We return to the matter in the following chapter.

of soft laws, particularly in the international sphere, in order to compensate for the lack or inadequacy of norms and laws with which they were confronted as relationships became more international. This marked absence of a global legal framework allowed for the development of soft laws.

Today, even if they appear to be a rather diverse «*assemblage*», soft laws nonetheless represent the essence of international law. Over the years, these soft laws have become a tool for regulation and for standardisation in international relations that cannot be overlooked. Fields such as the environment, fishing, fair-trading, consumer protection, advertising, financial markets, education and research are where the application of soft laws is booming. By subscribing to the principle that nation-states are no longer the only entities responsible for laying down the law, multi-stakeholders have by definition become instrumental in the processes leading to soft laws. These multi-stakeholders have even become the unique instigators of these new norms. This is the case for corporate social responsibility, where the soft laws look very much like future, exclusively non-binding regulations. The expanding role of multi-stakeholders in the management of world affairs is reinforced in this way.

It would however be wrong to think that soft laws limit themselves to purely global activities. In Europe, particularly certain regions have provided themselves with extremely sophisticated means for exercising soft laws. But it goes further in that nation-states have now started to implement these practices. For example the Market Ethics Council in Sweden, the SNCF mediator in France, the Better Business Bureau in America, or even the Due Diligence Convention of the Swiss banks, all adopt these practices.

So these soft laws have not only conquered virgin territory around the world, they have also developed in supranational regions such as Europe or national areas without traditional types of legislation. From then on, it may be hypothesised that what can be seen on the global level will also have local consequences.

Three examples at three different levels of governance demonstrate this:

- In the domain of intellectual property, a soft law has appeared on a global level, namely "creative commons". Although not integrated into national laws, creative commons have become standard practice for millions of creative people around the world. Using a simple form to be completed on the internet, inventors can protect their idea, concept or new product, while allowing their discovery to be used under certain conditions. Much more flexible than the classical intellectual property rights conferred by patents, this free-of-charge procedure confers only limited rights, but it does represent a much faster and more effective system for disseminating ideas and products. If millions of users opt for this type of protection, whatever its limitations, it is because they know that in a world where only speed of innovation counts, they have to act fast. By making their contributions available quickly and widely for the common good, these creative people maintain their innovative spirit and stay on the fast track. They cannot rest on their laurels while waiting for theoretical profits generated by their patents. They have the opportunity to participate in the perpetual flow of global innovation. This massive participation of innovators can be compared with the success of Wikipedia, which also relies on widespread use by internet surfers. The creative commons are in the same league. However in this particular case, each player can expect a possible profit later on due the recognition of his work and competences by his peers, and may look forward to becoming well known. People are normally prepared to pay for that.

- The so-called Bologna Process being implemented in the universities across Europe is also a kind of soft law. When the European Ministers of Education decided to create a common European platform for higher education back in 1999, and defined two levels of certification - Bachelor and Master - with a credits system giving the students greater mobility, they did not promulgate national laws, but merely a "soft" process where by the universities themselves took responsibility for implementation! This was a soft law strategy, which was neither binding nor

involved any penalties for non-compliance. This process has had excellent results and fairly quickly too. Hard laws would never have resulted in the same success; ratification by the various European parliaments would certainly have been very slow due to processes, involving reviews, corrections and amendments. The initial concept would have been denatured and we would not now have a single coherent system, but rather a multitude of different entities blocking students' freedom of movement.

- In Switzerland, the process initiated by the Confederation for the creation of urban agglomeration areas is also a soft law type of movement. There is no precise legal definition of an urban area. It is more of a promise of subsidies to those initiating the process of bringing urban zones closer together. The single criterion justifying a federal subsidy is critical mass. Since this is rather vague, a fairly "soft" stance has been taken, with finally as many versions of urban area as there are projects!

Definition²⁷

«Soft laws» denotes the idea of an arrangement that has no legal basis for enforcement, but relies more on a moral obligation for compliance. The term was traditionally associated with international regulations, but for several decades was used by nation-states to differentiate these arrangements from laws enacted by

state parliaments and characterised as «hard laws». It would however be wrong to view soft and hard laws as a coherent corpus. Hard laws and soft laws do not derive from the same processes and constitute two different approaches to international and national law. Soft laws are above all regulations and norms recognised

by the multi-stakeholders without any obligation to comply, except on the basis of perceived moral, ethical or social responsibility. Sometimes they are not even

Soft laws principally reflect criteria of a moral or ethical nature, or those associated with social responsibility

²⁷ C. M. Chinkin «The Challenge of Soft Laws: Development and Change in International Laws» in International and Comparative Quarterly 850 (1989).

U. Mörtz «Soft Laws in Governance and Regulation: an interdisciplinary analysis, Score, Stockholm University (2004)

negotiated, but rather viewed as accepted standards. The regulations underlying internet usage exemplify this *fait accompli*.

In the international context, the term soft laws includes the following:

- A large number of resolutions and declarations set forth at the UN General Assembly. For example, the Universal Declaration of Human Rights or the Millenium Declaration.
- Codes of conduct, ethical principles, good practice, positions adopted in the form of indirect, non-binding resolutions that generally form parts of international treaties such as the Kyoto Protocol.
- Action plans forming part of international treaties are also included in soft laws, such as the UN Agenda 21 or the Bologna or Lisbon Processes for Europe.
- The norms or standards introduced by multilateral or quasi-independent organizations such as the ITU or ISO. Here we need to consider the effects of the ISO 14001 norm with standardised procedures in the field of sustainable development. Even where the norms are not binding, business enterprises are morally obliged to comply with them.
- Lastly, there are a whole series of moral obligations not negotiated between nation-states, but which then oblige business enterprises and civil society organizations to make an effort to accept their social responsibility. Such is the case with the «Global Compact».

Soft laws represent a new concept for nation-states. The Anglo-Saxon countries were the first to use it, but in the course of a few decades it has permeated through the international legal system. However it has also been adopted at national levels, influenced by principles and regulations directly associated with

globalisation. In most cases, international regulations have led to changes in national practices.

The status of soft laws

Despite their increasingly widespread use, the causes soft laws defend remain relatively controversial. Compared with the international legal system the impact of soft laws is very weak, especially when it comes to arbitration. However it would be wrong to under-estimate their track record due to their legal fragility, since we all know how consumer action can affect any existing economic regulations that may be in place. Examples such as fair-trading, the internet or the Millenium Charter constitute proof of the effectiveness of a system of norms outside the classical legal system. In this sense, soft laws are sometimes significantly more effective than hard laws, due in part to their rapid implementation (hard laws require lengthy political and parliamentary processes), but also to the self-regulation associated with the emergence of a responsible civil society.

Advantages of soft laws

One of the first major advantages of soft laws is their role as “precursors” to the law, forerunners that might one day form part of a nation state's case law. In this respect they play the role of pioneers establishing what forms of behaviour are *legitimate* prior to enshrining their *legal* status.

The second advantage is that in the context of international treaties, they allow nation-states to move forward without the immediate obligation of modifying in their national laws or their constitution. This allows for flexibility and encourages the adoption of non-binding processes that leave plenty of time before the changes possibly become law.

The third advantage is that in our highly interconnected world, the new perspectives brought about by soft laws can penetrate civil society and business enterprises more quickly,

and can find an echo among private individuals around the world. This non-binding regulatory instrument has an educational and global character. The sudden international awareness of the environmental question is a striking example.

Strengths and weaknesses of soft laws

As we have already seen, soft laws can represent an attractive proposition, and they play a key role as a pillar of current world governance. Soft laws do however present real weaknesses. Firstly they can be in blatant contradiction with legislation. The second weakness is that they have no recourse to a true arbitration court. Thirdly, the non-binding principle can work against the stakeholders' own interests. By their very definition, there is no solution for this boomerang effect that can occur with soft laws.

Nevertheless, the new process is underway: it can no longer be stopped and the scope for soft laws in terms of their innovative and exploratory character is enormous. It would be wiser to keep a benevolent eye on soft laws for the benefit of all, rather than opposing them with narrow short-sightedness. World governance needs to go through this transitory phase, and to be ready to consider new options that may not necessarily reflect the procedures of existing legal systems. With soft governance, everything is open to debate.

Despite their obvious weaknesses, soft laws are highly attractive

Civil society soft laws

One of the most surprising facets of soft laws is that besides state initiatives, soft law regulations can be proposed by private individuals, groups of individuals, business enterprises or citizen groups. The «Internet Society» and the «Internet Engineering Task Force» (IETF) which are freely associated user-groups, the

internet researchers and businessmen who are members of the IEEE (Institute of Electrical and Electronics Engineers with more than 370'000 engineers worldwide), or Microsoft in the IT field all demonstrate that they have been able to impose norms and regulations, with varying degrees of success. These have had more effect on people's behaviour and on individuals' work than most of the laws enacted by nation-states.

Examples of how soft laws develop

At the beginning of this booklet, we referred to the emergence of multi-stakeholders as instrumental in the management of world affairs.

We will now take three examples to show how this new governance structure initiates new regulations. These concrete examples will help understand the underlying mechanisms of the new world governance which lead to an arsenal of norms, directives, regulations and finally quasi-laws. These, together with hard laws, constitute current global regulations.

The new information and communication technologies (ICTs)

In April 1993 Tim Berners-Lee and Robert Cailliau, engineers at CERN (European Organisation for Nuclear Research) provided the world with a complete IT code for easing communication between computers and files. Using internet's architecture, this code provides a communications platform (HTTP) using hypertext (HTML) and an internet address system (URL). Everyone realised then that even isolated individuals could impose some control on the world thanks to a basic set of rules for communication behaviour. No state has ever produced legislation concerning the internet protocol. The practices have simply come into being;

there were neither constraints nor obligations. Business also jumped in the as soon as the public was sold on this internet application. Unregulated by nation-states, there is no doubt that this approach is highly spectacular for the economic knock-on effects it brings. These new mechanisms for the establishment of norms are typical of soft laws, and the example of the internet is no exception. Even today, most of the propositions for ICT regulations still come from multi-stakeholders. Several institutions or NGOs are the key players in this highly technical sphere. For example, the IETF (Internet Engineering Task Force) plays a vital role in the evolution of internet architecture. With its large community of scientists, engineers, operators and salesmen around the world, this organization is fully capable of influencing the evolution of regulations. Naturally they are not alone. The Internet Society, W3C (World Wide Web Consortium), ICANN, IEEE (Institute of Electrical and Electronics Engineers) and the major business enterprises in the field all work together on standardisation. Through the International Telecommunication Union (ITU) in Geneva, nation-states are trying to have a share of the action. Patrick Lüthi, a Swiss engineer contributing to the ITU, puts it well: "...practically speaking, in the end it is not compromises with nation-states that count, but rather the principle of the "best job". There is no centralised regulator, just a discussion between the various stakeholders leading to the best possible solution ...".

This non-binding, non-negotiated, but hugely effective approach for arriving at decisions is the underlying principle of soft governance and the resulting soft laws. We have changed the system; let us not forget it.

The standardisation organizations

Faced with the need to assess best practices in the context of the environment and of corporate social responsibility, where soft laws most held sway, the main international standards organizations set directives. A whole series of certifications, norms or labels exist, covering areas from fair-trading through to social audits and including appropriate environmental behaviour. Some of these norms are:

- ISO 14001 – This norm was initiated in 1996, and aims to measure the impact of business enterprises activities on the environment.
- SA 8000 – This standard was adopted by the Council on Economic Priorities (CEP) and affects working conditions, prohibits of child workers, forced labour ...
- The «Global Reporting Initiative» (GRI), approved in 1997 by the «United Nations Environment Programme» (UNEP) and the «Coalition for Environmentally Responsible Economics» (CERES), offers guidelines for responsible behaviour in social and environmental fields.
- The «Eco-Management and Audit Scheme» (EMAS) and the audit of the European Union.

Beside these "official" norms put forward by governmental organizations one should not overlook the multiplicity of labels from NGOs or consumer associations, which also play key roles at different levels.

The Kyoto Protocol

Under public pressure over the question of the environment, nation-states sought to regain the initiative by inviting the other stakeholders to take part in the discussions and deliberations, as well as the drafting of a joint agenda. From Stockholm (1972) to Kyoto (1997) via Rio (1992), high-level negotiations between states involved a large number of non-state contributors. Most influential among them was certainly the Intergovernmental Panel on Climate Change (IPCC). This organization has existed in Geneva since 1998. It consists of world-class scientists delegated by governments to examine the available data from around the world. These experts regularly publish summary reports. The approach differs from standard practices in that priority is given to scientists over politicians. This has an immediate influence on nation-states regarding future negotiations and the drafting of treaties such as that of Kyoto.

Even if governance relies on fundamental international treaties, as is the case for the climate, it often happens that during United Nations framework conventions on climate change (UNFCCC) a wider process is launched calling for voluntary and non-binding regulations. An example of this would be the Charter of the Global Greens. It becomes clear that global management is no longer a question of taking a vote, followed by decisions and laws enacted by parliaments (hard laws). It is more a slow process with non-binding directives, no formal voting and an arsenal of soft laws.

This is radically different from the procedures adopted by the former system of international relations (multilateralism), which consisted only of procedures based on treaties with the associated international, and binding, legislation. What matters today is moving forward towards defined objectives, rather than meeting obligations. This paradigm shift looks fuzzy and inoperative, but in reality it is strong, appropriate and extremely effective. Given the problems of sovereignty and the differences in the level of development of each country, it seems fruitless to

expect, for example, a Sweden or a Bangladesh to function on a common legal basis. Both countries are confronted with vastly different realities.

In this way, the «Clean Development Mechanism» (CDM) ushered in by the Kyoto Protocol allows the West to achieve its own objectives by investing in developing countries. With this mechanism «emission credits» are generated based on investments made; these credits authorise certain acceptable levels of pollution in return. Through a process of "joint implementation" or "burden sharing", these emission credits may be negotiated on financial markets. The resulting flexibility of use represents the contribution of soft laws in order to achieve equilibrium and hopefully worthwhile results for tomorrow. In this way the joint efforts of the various stakeholders are totally reinventing the mechanisms of governance.

For the Kyoto Protocol, the conceptual links between soft governance, multi-stakeholders and soft laws become clear. Taken together, they constitute the underlying basis for modern global governance.

Since Kyoto, the conceptual links between soft governance, multi-stakeholders and soft laws have become evident for all to see

Soft laws and the WTO

We have seen how soft laws differ from the enforcement character of hard laws, due to the more or less binding manner with which they are applied. In the specific case of international economic law associated with the «unconditional» character of the World Trade Organization (WTO) agreements, particularly those concerning technical hindrances to trade, a judicial precedent has been observed whereby the binding force of these legal regulations was variable. In other words, these constraints depend significantly on the assessment of the judges arbitrating the litigation. It may be concluded from this that it is not easy in international law to differentiate between totally, partially or non-binding regulations. The difference between soft and hard laws is in fact not as great as the definitions might lead us to suppose. The transitional phase that soft law arrangements de facto imposes may or may not turn out to be a stepping-stone to hard law. This represents a paradigm shift; the bets are on that soft laws will soon be the norm!

The European Union (EU) and soft laws

For several decades the EU has used soft law instruments extensively for governance. There are several reasons for this, but most are associated with the requirement for national sovereignty to defer to the concept of subsidiarity, and the growing contribution of non-governmental organizations (NGOs) and business enterprises in joint management. Under such constraints, introducing rules or directives of only limited legal value (soft laws) nonetheless allows the EU to move towards a certain level of community regulation. The period of adaptation to these new regulations is crucial in this process towards the convergence of EU policies and regulations. The soft laws take on a kind of pre-legislative character. Since it will take several years to adapt the EU member states' hard laws, the use of soft laws allows the

European regulatory mechanisms to move on. It should be noted that many of these hard laws will probably never be adopted, given the current legal systems of certain European nations. Faced with strong reticence on the part of national parliaments, these soft laws put up with their «soft» status and their formally less binding powers.

The European Union has used soft law instruments extensively for decades

However, recourse to soft law practices has helped the EU to advance in numerous domains of real importance for European development. We will give just a few examples, the range of instances being highly diverse.

- The Bologna Process (1999), a European system for higher education based on studies divided into two levels (Bachelor, Master) with credits recognised throughout Europe, has been implemented widely, and independently of national legislations.
- The Lisbon objectives (2000) for the accelerated development of Europe's potential for innovation have proved effective to a degree, even if the results do not match the objectives.
- The European programmes for the environment and climate change.
- Frequent recourse to «soft laws» in European foreign policy in the context of political cooperation with third parties (dialogue EU-ACP (Africa, Caribbean, Pacific) in 2000, or EU/Africa in 2003).

As of 2001, numerous examples of soft laws have led the European Commission to further formalise its practices. It has initiated five processes to improve functional effectiveness:

- "Framework directives" promote greater flexibility in terms of implementation and speed of action, while remaining adaptable and setting few obligations.
- The "co-regulations" allowing multi-stakeholder partners to take the initiative (voluntary limitations of CO2 emissions by the automobile industry in 2001).
- The «open method of coordination» (OMC) which sets different objectives for individual states and encourages them to achieve their target in the context of a joint learning process.
- "Network-led initiatives" promoting local, community and cross-border initiatives.
- The establishment of EU regulation agencies, such as the European Environment Agency (EEA) in Copenhagen.

Despite the complexity of these instruments, it has to be recognised that the EU is still looking for solutions to an old problem: how to get many stakeholders to subscribe to common management process? There is no doubt that, like the UN, the EU is where most experiments on new techniques for tomorrow's governance are taking place.

Soft laws and corporate social responsibility

Corporate social responsibility is a concept whereby business enterprises voluntarily respect social, environmental, good governance and economic principles in their activities. In practical terms this includes the quality of their subsidiaries and of their subcontractors worldwide, the social well-being of employees, the ecological footprint, ethical behaviour in commerce, etc.

The «Global Compact» launched in 2000 by Kofi Annan and Klaus Schwab proposes a very concrete code of behaviour for corporate social responsibility, including ten principles that business enterprise signatories commit themselves to respect. The value of this approach is that it initiates a process for improvement without the need for a catalogue of penalties. Nonetheless, business enterprises are required to produce an annual performance indicators showing their actions and progress, putting them at the mercy of the public opinion. The voluntary, non-binding nature of this approach ensures its value as an instrument for progress.

Towards a regulated global system

Since the 9/11 tragedy in 2001 and the threat of a bird flu pandemic (2003), the reality of the interdependence of territories, peoples and nation-states has become more than evident. Rather less evident is the extraordinary collection of regulations, norms and standardisation that globalisation has engendered in just a few decades. This proliferation and variety of soft laws directly or indirectly regulating our daily lives is the combined result of the formal and informal efforts of contributors as diverse as private individuals, groups of individuals, NGOs, business enterprises or other players from the world of the economy, from states or groups of states, or even from specialised governmental organizations.

The UN, the EU, the WTO, the ISO, the ITU, the IPCC²⁸, global forums such as the World Economic Forum, Aspen, TED or even private organizations such as the Basle Committee on Banking Supervision, constitute together a global system of governance. Throughout this booklet, we have shown how this global collection of regulations was not really based on the work of national parliaments, but rather on the initiatives of multi-stakeholders from civil society, the economic world and public authorities. Since these players have no legal mandate to vote for laws, they

issue directives for voluntary behaviour; this is how these new regulations have come to be known as soft laws. These laws have proved to be extremely influential. They are remarkably effective for the global resolution of the world's problems. The example of bird flu (H5N1), where the scientific, economic and civil service communities pooled their efforts in the search for solutions, clearly shows how the globalisation of problems has encouraged the emergence of this new type of organization.

From then on, the two main questions to be posed regarding global governance are:

- Do we need a unified global administration?
- How to reconcile, how to find an equilibrium between the two forms of governance we have today, namely representative and participatory?

Regarding the first question we already outlined an answer in the first booklet on «soft governance»: that of a world without any form of unified, global governance, but with two types of system, one preceding the other. The first (soft governance) is in our view entirely focused on creativity and to the rapid search for new solutions by economic and social players. The second is the province of nation-states. By differentiating in real terms, and also symbolically, between legitimate and legal acts, we could continue to encourage legitimate processes in the active search for global solutions. As regards governance it is true that the current period of transition leaves few alternatives. In referring to a non-violent revolution, but with a separation of powers between "thinking about issues" and "taking action", we do no more than reflect the reality of current governance. By treating the issue on two levels, we reinforce the vision of a constantly evolving globalised world. By not suggesting new institutions, or reforms for existing institutions (such as the reform of the UN, a frequent topic of discussion), we take the view that future power will be based on the complementary nature of what is legitimate and what is the law. This distinction is fundamental, given the volatility and diversity of the world.

²⁸ See the list of abbreviations at the back of this booklet

Finally, in attaching importance to the venues where informal discussions (the global forums) are held, in describing them as the antechambers of power or the «salles des pas perdus» of a virtual world parliament, we defend discussion and the search for consensus rather than partisan debate. The second question on

Representative and participatory governance continue in a state of delicate equilibrium

how to reconcile representative and participatory governance is already partly answered by the very existence of true venues (global forums) for discussion. Nonetheless it should be recognised that this issue has received little attention around the world. We have suggested that this situation was only temporary and that in the future links between these two types of

governance would need to be established. It is quite clear that the criticisms of the NGOs for their "lack of representativity" must be faced and an answer found.

Once again, at least for the time being, it would be inappropriate to establish a hierarchy of these two forms of governance.

In fact they demonstrate the existence of two quite distinct, though doubtless complementary, forms of behaviour. Participatory governance deals with voluntary, non-binding actions for the "common good". Representative governance focuses on discussions regarding people's rights and the obligations they must respect. It is like the two parts of one and the same thing. However these two forms of governance are at loggerheads on the question of equity and equality. The former sees equitable behaviour as something voluntary and non-binding, while for the latter equal treatment of parties is a requirement.

From then on, it helps to see where links do exist. The analysis of soft laws shows clearly that in the mechanisms of accountability, which could be viewed as a framework to evaluate social responsibility, are in place. In other words, participatory governance is

neither as voluntary nor as non-binding as its definition would have us believe. While at first glance multi-stakeholders seem to be acting on a voluntary basis without any coercion, they often enter into commitments with a strong moral obligation to deliver. By regularly demonstrating their progress and the results they have achieved, they become accountable to the rest of society. By providing «progress reports», they are making commitments. These reports, and especially annual reports, constitute the link for communication between the two forms of governance. "Labels" and "performance evaluations" are the arbiters of the validity of these reports, often published by independent bodies specifically responsible for quality control and for checking progress. This is how this new governance works, navigating between legitimacy and legality, between equity and equality.

Postscript ||

The global cities

New York, Washington, Brussels, Tokyo, Paris, New Delhi, Beijing, Berlin, Moscow and London are clearly the capitals of the new global power. However, in multi-stakeholders governance it will be noted that the actors often elect to meet informally in places situated away from traditional centres of power, such as Davos, Porto Alegre, Aspen, Deauville or Monterey. The choice of these locations is no accident, since by moving away from the global cities the actors of the new governance make a break with their own social roles. Giving thought to world issues seems to call for a certain distance. This need to be "away from it all" could also be interpreted as a wish for "less important" meetings. For example Aspen is an ideal place to relax and to talk informally about fundamental and serious topics without any effect on personal professional interests. Of course, there is nothing to prevent parallel meetings or working sessions on the side. There seems to be a strange distinction between global cities that are focal points of power, and forum-cities for reflection and deliberation on world issues. Could there be a link between them? Listening to Klaus Schwab, it would seem that there is indeed some sort of connection. The forums never really stop, and deliberations continue throughout the year with the same participants (sometimes there are new ones too). So forums are large meetings organised in quieter surroundings for generating and thinking about ideas, but with (in parallel) the global cities' active planetary network also present for decisions. It could be said that on the one hand there is an informal global network for

thinking about issues with, on the other hand, the global cities for decisions and actions. This representation is quite close to reality, with one exception: there are places where thinking is both ongoing and highly innovative.

Alongside the global cities which are the traditional focal points of power, other cities such as Geneva, Boston, San Francisco and Bangalore have the special role of being "places for generating good ideas". In this way during the 19th century Geneva saw the birth of the Red Cross, a quasi-ancestor of the NGO concept, and in the 20th century with the establishment of the League of Nations (1920) which contributed to the development of the formal "multilateralism" approach. The concept was very different from the bilateral approach that was the norm in those times. At the end of the 20th century Geneva offered the world the internet, the tool that has given rise to new forms of governance. Geneva's contributions did not stop there, since in the early 1970s the World Economic Forum, with its headquarters in the city, developed and implemented the multi-stakeholders concept, the most comprehensive approach to modern-day global governance.

Two other contributions will shortly take this Geneva tradition still further, and bring considerable changes to the world. The first of these contributions will be the widespread application of the «GRID» concept developed at the CERN, which will not only transform how IT resources are used, but will also allow the concept of sharing resources to be more widely implemented. This philosophy ties ownership with sharing. The «GRID» is a project for making available unused IT resources so that others (currently CERN) can freely use them. It is as if you left your computer continuously connected to the internet so that others could use it while you are away, with your agreement of course.

²⁹ An IT grid is a virtual infrastructure consisting of a coordinated group of heterogeneous IT resources that may be shared, distributed or outsourced in the absence of any centralised administration

This concept could naturally be extended to other sectors of the economy. For example your system for the production of solar power could meet your requirements for electrical power, but additionally other people's needs. This new idea for ownership and sharing would certainly influence the way the global community manages its problems.

Another concept, little known to the general public and one which will rapidly become a part of daily life, is that of "accountability". It is the idea that multi-stakeholders will be able to demonstrate

Intellectual competences and contributions are key in the current transitional phase of international relations

the progress made in the implementation of social and human responsibilities. The «Humanitarian Forum» that Kofi Annan and the Swiss government are setting up together will doubtless be a tangible demonstration of this change in attitude.

Geneva, like other innovative cities, has made significant if not exclusive contributions to fundamental changes that are often less visible than with hard governance decisions, but which have much more significant long-term effects for people everywhere.

This is why more attention should be paid to these conceptual changes, without overlooking the fact that they all require a critical mass (and temperature) of researchers and intellectuals. CERN is an excellent example. There is no doubt that this is a model for the future for innovative cities: "a concentration of competing intellectual talent in a small area". Historically, these are the two factors that have created the conditions for change. Geneva should ponder this. As Professor Joseph Nye rightly pointed out in our first booklet: "Geneva should make sure that conditions are favourable for intellectuals and creative people, if it wishes to become the CERN of soft governance".

It remains true that Geneva needs to make a serious effort to maintain its key role in international relations. This effort should be focused primarily on making intellectual competences available to state and non-state organizations headquartered in the area. The university and academic circles, private business enterprises, think tanks, civil society and NGOs, nation-states and semi-state organizations all need to share the same goal: significantly increase the available intellectual capacity in the Lake Geneva area. This strategy of enhancing the attractiveness of the area based on the intellectual competences and the creativity it can offer, will in the future allow Geneva to firmly establish its recognised skills in world governance by resolutely focusing on the core criteria, namely thought and innovation. A unique blend of competences is preferable to merely a series of different competences. Each party gives or receives without either relinquishing autonomy or losing the initiative. The solution lies there.

Historically, Geneva has always played a significant role in the paradigm shifts associated with the issue of governance

ACRONYMS & ABBREVIATIONS

AMI/MAI -	Accord Multilatéral sur l'Investissement/ Multilateral Agreement on Investment
CICR/ICR -	Comité International de la Croix Rouge / International Committee of the Red Cross
CCNUCC/ UNFCCC -	Convention-Cadre des Nations-Unies sur les Changements Climatiques / United Nations Framework Conventions on Climate Change
CEP -	Council on Economic Priorities
CERES -	Coalition for Environmentally Responsible Economics
ECOSOC -	Conseil économique et social de l'ONU / United Nations Economic and Social Council
EEA -	Agence Européenne de l'Environnement l'Environ- nement / European Environment Agency
EMAS -	Système de Management Environnemental / Eco-Management and Audit Scheme
FMI/IMF -	Fonds monétaire international/International Monetary Fund
GIEC/IPCC -	Groupe Intergouvernemental sur l'Evolution du Climat/Intergovernmental Panel On Climate Change
GRI -	Global Reporting Initiative
GRID -	Global Resource Information Data
IEEE -	Institut of Electrical and Electronics Engineers
IETF -	Internet Engineering Task Force
IPCC -	Intergovernmental Panel on Climate Change
ISO -	International Standards Organization / Organization Internationale de Normalisation
IUHEID -	Institut Universitaire des Hautes Etudes Internationales et de Développement / Graduate Institute for International Studies and Development
MDP/CDM -	Mécanisme de Développement Propre / Clean Development Mechanism
MOC/JI -	Mise en Oeuvre Conjointe / Joint implementation

NTIC / ICTs	Nouvelles technologies de l'information et des communications / Information and Communi- cation Technologies
PNUE/UNEP -	Programme des Nations Unies pour l'Environnement / United Nations Environment Programme
OGN/NGO -	Organization non gouvernementale/ Non-governmental organization
OIT/ ILO -	Organization Internationale du Travail / International Labour Organization
OMC/WTO -	Organization Mondiale du Commerce / World Trade Organization
OMPI/WIPO -	Organization Mondiale de la Propriété / World Intellectual Property Organization
PESI -	Programme d'Etudes Stratégiques et de Sécurité Internationales / Programme for Interna- tional Strategic Studies and Security
QUNO -	Quaker United Nations Office
SDN -	Société des Nations / League of Nations
TED -	Technology Entertainment Design
UE/EU -	Union européenne/European Union
UIT/ITU -	Union Internationale des Télécommunications/ International Telecommunication Union
UNESCO -	United Nations Educational, Scientific and Cultural Organization
UNIDIR -	Institut des Nations Unies pour la recherche sur le désarmement / The United Nations Institute for Disarmament
WEF -	World Economic Forum
WSIS -	Sommet Mondial sur la Société de l'Information/ World Summit for information Society
WWF -	World Wildlife Fund

BIBLIOGRAPHY

- ATTALI, Jacques [2006]: «Une brève histoire de l'avenir»: Editions Fayard: Paris
- BAECHLER, Laurent [2004]: «Les ONG au cœur de la mondialisation»: Nouveaux Mondes: CRES: Genève
- BAECHLER, Laurent [2002]: «Mondialisation et souveraineté»: Nouveaux Mondes: CRES: Genève
- BERGER, René & COMTESSE Xavier [2006]: «Vers les temps réels»: Editions du Tricorne: Genève
- BORNSTEIN, David [2004]: «How to change the world»: Oxford University Press: New York
- CAPRON, Michel [2007]: «La responsabilité sociale d'entreprise»: Collection Repères - La Découverte: Paris
- CASTELLS, Manuel [2001]: «The Internet galaxy: reflections on the Internet, business, and society»: Oxford University Press: New York
- CHINKIN, C.M [1989]: «The Challenge of Soft Laws: Development and Change in International Laws»: in International and Comparative Quarterly 850
- CLAPHAM, Andrew [2006]: «Human Rights Obligations of Non-State Actors»: Oxford University Press
- COMTESSE, Xavier [2007]: «Soft Gouvernance»: Cahier n°1: Fondation pour Genève
- COMTESSE, Xavier [2006]: «Le Feu au Lac»: Editions du Tricorne: Genève

- COMTESSE, Xavier & VAN DER POEL, Cédric [2006]: «Economie Directe»: www.rezonance.ch
- DELPLA, Jacques & WYPLOSZ, Charles [2007]: «La Fin des Privilèges: Payer pour Réformer»: Telos/Hachette Littératures
- DONALDSON, T & PRESTON, L. [1995]: «The stakeholder Theory of the Corporation Concepts, Evidence, and Implications»: Academy of Management Review, v20, n1, pp65-9
- FLORIDA, Richard [2005]: «The Rise of the Creative Class»: HarperCollins Publishers, New York
- FREEMAN, Edward R [1984]: «Strategic Management: A stakeholder approach»: Pitman, Boston
- FRIEDMAN, A.L. & MILES, S. [2002]: «Developing Stakeholder Theory»: Journal of Management Studies, v 39, n1, pp 1-21
- GARELLI, Stephane [2006]: «Top Class Competitors»: John Wiley & Sons, Ltd: England
- GLADWELL, Malcolm [2000]: «The Tipping Point»: Edition Little Brown: Boston
- LANDRY, Charles [2000]: «The Creative City»: www.earthscan.co.uk
- LEMOINE, Philippe [2007]: «La Nouvelle Origine»: Editions Nouveaux Débats Publics: Paris
- MEILAND, Daniel, Executive Chairman [2003]: «Leading minds». Encounters II: Zehnder Egon International, Düsseldorf/Germany
- MICHELL, R.K., AGLE, B.R., & WOOD, D.J. [1997]: «Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts»: Academy of Management Review, V22, n4, pp 853-886

- MÖRTH, U. [2004]: «Soft Laws in Governance and Regulation: an interdisciplinary analysis», Score: Stockholm University
- NYE. Joseph [1989]: «Soft Power»: PublicAffairs: New York
- PHILLIPS, R. [2003]: «Stakeholder Theory and Organizational Ethics». San Francisco: Berrett-Koehler Publishers
- PIGMAN, Geoffrey Allen [2007]: «The World Economic Forum: A multi-stakeholder approach to global governance»: Routledge Global Institutions: New York
- PORTER, Michael E. [1990]: «The Competitive Advantage of Nations»: www.thefreepress.com
- REINICKE, Wolfgang H [1998]: «Global Public Policy: Governing without Government?»: Brookings Institution Press: Washington DC
- ROSS, Carne [2007]: «Independent Diplomat: Dispatches from an Unaccountable Elite»: Cornell University Press: Ithaca/New York
- SALOFF-COSTE, Michel [1999]: «Le Management du Troisième Millénaire»: Guy Trédaniel Editeur: Paris
- SARFATI, Hedva & BONOLI, Giuliano [2002]: «Mutations du marché du travail et protection sociale dans une perspective internationale»: Peter Lang Editions: Berne
- SASSEN, Saskia [2006]: «Territory, Authority, Rights: From Medieval to Global Assemblages»; Princeton University Press: Princeton
- SCHÜMPERLI, Catherine [2007]: «La politique suisse de solidarité internationale»: Collection Le savoir suisse: Presses polytechniques et universitaires romandes

- SCHWAB, Klaus [1971]: «Moderne Unternehmensführung im Maschinenbau»: VDMA-Arbeitskreis
- SWISS-AMERICAN CHAMBER OF COMMERCE & BOSTON CONSULTATING GROUP [2007]: «Multinational Companies on the Move: How Switzerland will win the Battle!»: Zurich
- UNITED NATIONS [2006]: «Information Economy Report 2006»: New York & Geneva
- VALLEJO, Nancy & HAUSELMANN, Pierre [2004]: «Governance and Multi-stakeholder Processes»: IISD: www.iisd.org: Canada
- VON HIPPEL, Eric [2005] «Democratizing Innovation»: MIT Press Books
- WHITAKER, Chico [2006]: «Changer le Monde»: Editions de l'Atelier: Paris
- WORLDWATCH INSTITUTE [2006]: «L'Etat de la Planète»: www.worldwatch.org
- ZEITLIN, Jonathan et PECHET, Philippe: «The Open Method of Co-ordination in Action: The European Employment and Social Inclusion Strategies»: Presses Interuniversitaires Européennes, Bruxelles

CONTENTS

PREFACE Laurent Moutinot	6
FOREWORD Guillaume Pictet - Tatjana Darany	10
MULTI-STAKEHOLDERS	13
A changing world	16
The emergence of a joint management process	18
The stakeholders' representatives	40
FORUMS	45
Introduction	48
The « <i>salle des pas perdus</i> » of world governance	51
The World Social Forum	59
The Aspen Institute	66
TED	72
Women's Forum in Deauville	79

SOFT LAWS	85
The issue	88
Definition	92
Examples of how soft laws develop	97
Towards a regulated global system	106
POSTSCRIPT	111
Global cities	112
ACRONYMS & ABBREVIATIONS	118
BIBLIOGRAPHY	120

With special thanks to:

- Ms Maria Cattau and Ms Michka Comtesse as well as Messrs Klaus Schwab, Bruno Giussani, Elliot Gerson, Piermarco Zen-Ruffinen, Paul Smyke, Antoine Maurice, Patrick Luthi, Augusto Lopez-Claros and Eric Barchechath for their valuable help in the development of this booklet;

- All persons and institutions who support the *Fondation pour Genève* process of reflection and communication, and through their donations have made possible the publication and wide distribution of this series of "Observatory booklets":

Mr Ivan Pictet, Mrs Sadako Ogata, Mr and Mrs Marc Burrus, Mr Cédric Anker, Mr Didier Maus, Mr Bernard Luthy, Mr Michel Brunschwig, Mr Francis A. Clivaz, Mrs Jacqueline Berenstein-Wavre, Mr François-Joseph Camperio, Mr Jean Mirabaud, Mr et Mrs André Wanner, Mrs Wibrandis Turrettini, Mr Bernard Chapuisat, Mr and Mrs Georges-Pierre Ackermann, Mr Jean-Claude Adler, Mr Claude Hirsch, Mrs Josée-Anne Simard Bourassa, Mrs Evelyne Fiechter, Mrs Lela Seidler, Mr Jean-Pierre Naz, Mr Edmond Golaz, Mr Claude Mercier, Mr Olivier Dumur, Mr Olivier Brunisholz, Mr Janos Szokoloczy-Syllaba, Mr and Mrs Christian Lovis, Mrs Françoise Borin, Mr Jenoe Staehelin, Mr Roald Quaglia, Mr Bernard de Riedmatten, Mr Alexandre Montavon, Mr Patrick Dimier, Mr Jean-Marc Baumgartner, Mr Alain van Gucht, Mrs Anne de Herdt, Mr Charles Turrettini, Mr Francis Schenk, Dr. Pierre Després, Mr and Mrs Pierre Oederlin, Mr Nicholas Keller, Mr Lao Senat, Mrs Monique Mischler, Mrs Alina Maxim, Mr Joël Herzog;

Le Groupement des banquiers privés genevois, la Fédération des entreprises romandes, Lombard Odier Darier & Hentsch, Ernst & Young AG, Fondation Sonia et Edward Kossoy, Galerie Patrick Cramer, Sport - Hôtel Crans Montana S.A., Mission permanente de la Principauté du Liechtenstein, Mission permanente d'Haïti, Orga Consult S.A., Agence Immobilière Barras, Agen Holding S.A., Etude de Me Stéphane Rey, Hofstetter Sports S.A.

Published by the *Fondation pour Genève* © October 2007

Graphic artist: Mathieu Liechti
Proofreaders: Scott Capper, Emer Cassidy
Printers: Imprimerie du Cachot, Geneva

