

Emerging Stakeholder Democracy

Dodds, Félix
Stakeholder Forum for a Sustainable Future. 3 Bloomsbury Place
London, WC1A 2QL. UK

Txostenak interes taldeen demokraziaren haziera azaltzen du, maila guztiei dagokienez, tokiko mailatik maila globalera, eskualdekoa barne. Hori garapen iraunkorreko testuinguru politiko batean egiten du eta interes taldeen demokraziaren inguruan nazioartekoan egindako biltzarren eragina erakusten du, Rioko Lurraren Gailurrarena eta geroagoko biltzarrena.

Giltza-Hitzak: Demokrazia. Partaidetza. Río. Interes taldeak. Garapen Iraunkorra. Gardentasuna. Nazio Batuak. Garapen Iraunkorri buruzko Munduko Gailurra.

El informe explica el crecimiento de la democracia entre partes interesadas en todos los niveles desde el local al global pasando por el regional. Lo hace en un contexto político de desarrollo sostenible y muestra el impacto de la Cumbre de la Tierra de Río y de las posteriores reuniones internacionales sobre democracia de partes interesadas.

Palabras Clave: Democracia. Participación. Río. Partes interesadas. Desarrollo Sostenible. Transparencia. Naciones Unidas. Cumbre Mundial sobre Desarrollo Sostenible.

Le rapport explique la croissance de la démocratie parmi les parties intéressées à tous les niveaux, depuis le local jusqu'au global, en passant par le régional. Il le fait dans un contexte politique de développement durable et montre l'impacte du Sommet de la Terre de Río et des réunions internationales ultérieures sur la démocratie des parties intéressées.

Mots Clés: Démocratie. Participation. Río. Parties intéressées. Développement Durable. Transparence. Nations Unies. Sommet Mondial sur le Développement Durable.

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1. INTRODUCTION

The twentieth century saw an enormous development in the way we see governance and democracy. The emergence of global civil society and stakeholder democracy in the later part of the century could be seen as one of the really significant changes. Perhaps it would be best at the beginning of this paper to clarify the difference between civil society and stakeholder democracy as they are different but often spoken as if they are the same.

2. CIVIL SOCIETY AND STAKEHOLDERS

Civil Society is a term which has a number of meanings such as 'part of society', as a 'kind of society and as a 'public space'.

This has led to it being a term that can be very broad and so very difficult to organize around.

Stakeholders are those who have an interest in a particular decision, either as individuals or representatives of a group, this includes people who influence a decision or can influence it, as well as those affected by it.

Therefore the term stakeholder and stakeholder democracy encourages the bringing together of constituencies. It makes it much easier therefore to be clear what the views are and what can be achieved.

As the world started to break out from the old cold war duality the expression of civil society in many of the countries of the former Soviet Union helped to bring about peaceful change.

Present day global civil society perhaps started in 1992 with the UN Earth Summit where over 50,000 people from around the world descended into Rio de Janeiro to the Global Forum around Hotel Gloria and Flamengo Park. A kind of Paris 1968 for the world community with teach in's, lectures, workshops and conferences on the key global issues around sustainable development.

Chip Linder the organizer of the Global Forum said: "it became the first international experiment in democratizing intergovernmental decision making."

In a way it happened at a time of great hope as Perestroika (economic restructuring) and Glasnost (openness) had seen the old world of two competing super powers give way to a great birth of people power and a belief that we could perhaps create a new Utopia as Oscar Wilde says:

A map of the world that does not include Utopia is not worth even glancing at, for it leaves out the one country at which Humanity is always landing. And when Humanity lands there, it looks out, and always seeing a better country, sets sail. Progress is the realization of Utopias.

Rio had been a high point of political achievement with two legally binding conventions on Climate Change and Biodiversity birthing four others to be negotiated after Rio on Desertification, Straddling Fish Stocks, Persistent Organic Pollutants and Prior Informed Consent. It also gave us two sets of Principles the Rio Declaration and the Forestry Principles and of course Agenda 21 a blueprint for the Twenty First Century on Sustainable Development. But also it gave us the first steps towards what I would call stakeholder democracy. Again Chip Lindner

Given the problems that confront us as a community of nations and peoples, we are now more than ever bound together by a common destiny. And solutions to those problems will have to be found both nationally and internationally. That means that international institutions and national governments must become increasingly more accountable and responsive to the views and expectations of the world's peoples as a whole. Indeed, it means that as we approach the next century we must move even further in the direction of global democracy.

One of President Clintons advisers Dick Morris in his book *The New Price* argues we are moving from Madisonian Democracy (representative) to Jeffersonian Democracy (participatory). I think he is right in the direction. Although I agree with the direction I believe that we are in a phase of stakeholder democracy and that we are trying at all different levels of society to develop the structures, vocabulary and institutions to embed this phase of democracy. I believe that this development will strengthen our democracy. As voting falls off in many countries people are no longer happy to just elect someone and wait for 4 or 5 years trusting that they will have the knowledge, judgment and foresight that in a far less complicated world they might have had in them.

The emergence of the stakeholder approach has been a reaction to the belief that our present institutions at all levels have to change. Some use protest to put well-needed pressure on governments to deliver on their responsibility and others have worked at trying to see how by creating space for different voices of society to be heard might be a positive way to address our complex world. Both are needed to ensure checks and balances but it is the emergence of the stakeholder space over the past decade or so that is new. By stakeholder space I mean the creative involvement of stakeholders working together with governments at all levels, local, provisional, national and international to make better informed decisions and to implement agreements.

3. STAKEHOLDERS AND LOCAL ACTION

The 1990s also saw a move to decentralize power from central government to provisional and local government. In many countries this was done without the adequate financial compensation to enable that decentralization to be as effective as it could be. Agenda 21 had committed:

Each local authority should enter into a dialogue with its citizens, local organizations and private enterprises and adopt a 'local Agenda 21' through consultation and consensus building, local authorities would learn from citizens and from local, civic, community, business and industrial organizations and acquire the information for formulating the best strategies. *Agenda 21*

This resulted in over 5000 local agenda 21s being developed over the next ten years and the building of what would have been seen as unusual partnerships at the local level. These partnerships between stakeholders emerged as the la21s were developed now stakeholders wanted to see action not just words and be part of that action.

Rio also saw the development of an international network for local authorities the International Council for Local Environmental Initiatives (ICLEI) it took up the challenge of promoting Agenda 21 and Local Agenda 21s.

4. REGIONAL GOVERNMENT

While an effective global coalition for local authorities existed no body for provisional or regional government was set up until the World Summit on Sustainable Development in Johannesburg in 2002. Stakeholder Forum working with a small number of Regional Governments including the Basque Government set up - **the Network for Regional Governments for Sustainable Development** (nrg4sd), 23 regional governments agreed the Gauteng Declaration (Gauteng is the province that Johannesburg is in) at the world summit. The Declaration committed them to a programme of work on implementing Agenda 21 focusing on WEHAB (Water, Energy, Health, Agriculture and Biodiversity) Agenda which had been promoted by the UN Secretary General and represented a need to focus and sustainable development strategies and bilateral cooperation. It held its first Global Congress in Indonesia in March 2005 it elected as one of its two Presidents the Basque President and is filling in a very important gap in global governance representation and will make a significant contribution over the next ten years as ICLEI did for local government has since Rio.

5. UNITED NATIONS

At the same time there was a realization that in an increasingly globalized world we needed global agendas to address the global issues. The 1990s were marked by a series of global UN Conferences trying to map out a global society with rights and responsibilities These were:

- 1992: Rio Earth Summit (Environment and Development)
- 1993: Vienna Conference (Human Rights)
- 1994: Cairo Conference (Population)
- 1995: Copenhagen Social Summit (Unemployment, Migration and Poverty)

- 1995: Beijing Fourth Conference on Women and Development
- 1996: Istanbul Conference (Human Settlements)
- 1996: Rome Food Summit
- 2000: Millennium Summit
- 2002: World Summit on Sustainable Development
- 2005: World Summit 2005

At the international level, the debate on global governance and the role of stakeholders had developed initially in an unstructured way.

6. UN COMMISSION ON SUSTAINABLE DEVELOPMENT

The Commission on Global Governance in 1995 outlined that:

Global governance, once viewed primarily as concerned with intergovernmental relationships, now involves not only governments and intergovernmental institutions but also NGOs, citizen's movements, transnational corporations, academia, and the mass media. the emergence of a global civil society, with many movements reinforcing a sense of human security, reflects a large increase in the capacity and will of people to take control of their own lives. (ibid. 1995: 335)

Political leaders such as Bill Clinton and Tony Blair flirted with the stakeholder approach. Clinton in speeches called governments 'the great facilitator' recognising a reduced role for governments. Tony Blair's vision was of what he called stakeholder economy in a speech in Singapore in 1996 he said.

The creation of an economy where we are inventing and producing goods and services of quality needs the engagement of the whole country. It must become a matter of national purpose and national pride. We need to build a relationship of trust not just within a firm but within a society. By trust I mean the recognition of mutual purpose for which we work together and in which we all benefit. It is a Stakeholder Economy in which opportunity is available to all, advancement is through merit and from which no group or class is set apart or excluded. This is the economic justification for social cohesion, for a fair and strong society.

Although this was in a speech before taking office it did show that New Labour was looking for a new idea to complement social democracy - part of defining the 'Third Way'. Like many social democratic parties in the world post the fall of the Berlin Wall they required a new approach. The problem with the stakeholder concept was that it was still being developed and in 1996 was not robust enough to survive a general election.

7. RIO PLUS FIVE

The Five Year Review also gave another breakthrough for stakeholders it recognized the right of a stakeholder representative to address the General

Assembly session. For the first time stakeholder representatives from the nine major groups were given a similar status to Heads of State, Government and UN Agencies and Programmes.

The first real 'Dialogue' session was to be on the subject of "Industry" in 1998. To prepare for this meeting, the Director of the UN Division on Sustainable Development Joke Waller Hunter, who died in October 2005 was one of our great champions of stakeholder activity and sustainable development, brought together the key stakeholder group representatives in Geneva; these were the CSD NGO Steering Committee, the World Business Council on Sustainable Development (WBCSD), the International Chamber of Commerce (ICC) and the International Confederation of Free Trade Unions (ICFTU). These groups helped to frame the approach to be taken to the next Dialogue session. Each group was asked to consult with its members and produce position papers to be given to the UN by mid January 1998 on responsible entrepreneurship, corporate management tools, technology cooperation, and industry and freshwater. These papers would form the basis of the dialogue to be held in four three-hour sessions at the CSD in April. The Chair of the session was The Philippines Minister of the Environment Cielito Habito said:

Multistakeholder is the wave of the future. It is the way to achieve truly sustainable development. And in a world being swept by globalization in the economic sphere and sphere and democratization on the social and political spheres, multi-stakeholder is a necessary condition for sustainability; I firmly believe that there is no other way.

All this was happening to a backdrop of an explosion of involvement in the UN by stakeholders.

8. STAKEHOLDERS DISCOVER INTERNATIONALISM

In 1946, there were only 4 NGOs accredited; by 1992, this had grown to 928 and by 2004 this had increased to over 2418.

Growth of NGOs in consultative status with the UN from in 1946 four to 1992 928 the number now is 2418.

This growth in stakeholders coming to the UN also caused logistic problems for the UN and governments and the stakeholder approach to coordination made it easier to understand what stakeholder groups were advocating.

Many issues today cannot be addressed or resolved by a single set of governmental or other decision makers but require a single set of governmental or other decision makers but require cooperation between many different actors and stakeholders. Such issues will be incapable of successful resolution unless all parties are fully involved in working out solutions, their implementation and the monitoring of results. (*Rukato and Osborn*)

The stakeholder dialogues approach at the CSD have now been replicated in other intergovernmental process, such as the UN Forum on Forests, the Bergan Ad hoc Environmental Ministers Meeting (2000), the Bonn 2001 Global Freshwater Conference and has opened the way to Panels at High Level Eco Soc meetings and equivalent. Governments more and more are realizing that the involvement of stakeholders in the discussion on issues bringing their rich experiences to the table does make better policy decisions and also draws the stakeholders into implementation of the decisions.

9. JOHANNESBURG STAKEHOLDER PARTNERSHIPS

In the evolution of stakeholder processes globally could be summarized from Rio to Johannesburg then it could be reflected like this:

1992 Rio – Agenda 21 Nine chapters – Roles of individual stakeholders

1997 Rio+ 5 Multi-stakeholder Dialogues – to help governments make better-informed decisions

2002 Johannesburg World Summit on Sustainable Development (WSSD) – Multi-stakeholder partnerships for delivering global agreements

In Rio governments recognized that they alone could not deliver the global agreements at the local, provisional, national and international level. At Rio+ 5 they recognized that they would make better informed decisions if they involved all stakeholders in the deliberations - while retaining the final decisions. At the World Summit on Sustainable Development they recognized that stakeholders working together in partnership could deliver more of the agreements on the ground.

WSSD had two types of outcome these were:

Type 1: negotiated outcomes in two documents, for adoption by all Member States at the Summit:

1. Johannesburg Programme of Action
2. Johannesburg Declaration

Type 2: non-negotiated outcomes of two kinds of the JPoI, for announcement / launch at the Summit:

Partnerships and initiatives will be a significant force to implement Agenda 21:

10. THE FUTURE

The emerging diplomacy for stakeholders is different than for governments. The role of diplomacy for governments is based on their national interest while other stakeholders can take a broader view. This is particularly true in the area of environment and development where we can be dealing with global commons issues.

It is worth remembering that the first international body that recognised the role of relevant stakeholders was the International Labour Organization, which in 1919 set a model for tripartite representation from governments, employers and unions. The stakeholder engagement we are now seeing therefore has a rich root in the oldest inter-governmental body.

In the last ten years we have seen the role of government diminish as globalisation has taken hold and now we find that in the top 100 economies of the world 51 of them are multinational companies. Perhaps the stakeholder approach could work in this area too.

We are witnessing the recognition that governments no longer, if they ever did, have the power and ability to fully implement agreements that they sign up to. Society is made up of interacting forces - some economic, some institutional, some stakeholder based, some citizen based. This recognition can be liberating but at the same time it can be very scary. If you take away the belief that governments might know best then it can become a very insecure and thus a more frightening world for some. The multi-stakeholder processes can make this process less frightening and can also contribute to a higher likelihood that agreements will be implemented, as the stakeholders themselves have been involved in the creation of the agreements. This approach also offers the opportunity to hold stakeholder groups accountable.

What are required in this increasingly globalized world are new and relevant norms and standards by which we can operate. This will require a clearer definition of the role and responsibility of governments as well as of stakeholders in particular industry and to agree the modes of interaction.

It should be remembered that political institutions evolve in response to dynamic processes and not the original aims stated in a document by now over 12 years old. There is no question that the development of the involvement of stakeholders in the UN is in response to a need to change our form of democracy - people are banding together in different forms to put forward their views is nothing new. The movement from basically using that space to be against something a government or institution, is promoting into something where the stakeholders are trying to help governments and institutions make better decisions and then involve themselves in the implementation is basically new.

Kadar Asmal (2000) Chair of the World Commission on Dams a multi-stakeholder approach to building a new consensus on Dams warned us when he said:

“A parting warning: doing so (conducting an MSP) is never neat, organized, tidy concerto. More often, the process becomes a messy, loose-knit, exasperating, sprawling cacophony. Like pluralist democracy, it is the absolute worst form of consensus building except for all the others.”

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