

# GPF Briefing 1



July 2014

## Privatizing Global Governance: Corporate Influence at the United Nations

As globalization has compounded the power of large transnational corporations (TNCs) in recent decade, big business has consolidated its influence on global governance and the United Nations in particular. In that multi-lateral setting, corporate actors have been granted privileged access to decision-makers, and their interests have become more prominent as calls for legally binding instruments for TNCs become more sidelined. In the ongoing [discussions towards a post-2015 sustainable development agenda](#), the private sector is positioning itself as the solution to current global challenges – while [simultaneously attempting in other fora to evade UN oversight and regulation](#). The embrace of a voluntary “partnership” approach has resulted in a corresponding shift towards a multi-stakeholder governance paradigm – buoyed by big business and the governments invested in it<sup>1</sup> – in the World Economic Forum, the World Trade Organization, and the agencies and agendas of the UN.

Global Policy Forum has undertaken significant research to track and chart the increasing power and influence of corporations in global governance settings, particularly the UN. We are pleased to share with you our new [web portal on Corporate Influence](#), which includes GPF analysis, relevant UN documents, and a wide range of further reading.



## Main Messages of GPF Analysis on Corporate Influence

### Privatization of the UN agenda

TNCs and their interest groups actively promote UN partnerships with business and growth-oriented, market-based “solutions” for sustainable development. This corresponds to a prevailing emphasis on corporate sustainability and a promotion of voluntary corporate social responsibility initiatives.

“Private sector” access to the UN really means privileged access for big business: large TNCs active in resource extraction, technology, chemical, pharmaceutical, and the food and beverage sectors.

### Problems resulting from this approach

Despite the rhetoric of “transformative solutions,” public-private partnerships (PPPs) and corporate sustainability initiatives ignore structural issues of inequality and the need for redistributive policies. This approach invisibilizes the role of corporations in creating, exacerbating, and benefitting from historic challenges of sustainable development.

In addition to their primary profit motive, many of these TNCs (e.g. Total, Vale, Unilever, Nestle, Heineken, Bayer, Novartis) have incentives against, not for, sustainable development.

<sup>1</sup> UN partnerships with the corporate sector – through the Global Compact and other fora – are supported by France, Germany, Italy, Japan, the UK, the US, Australia, China, Chile, Denmark, Finland, the Netherlands, Norway, Spain, Sweden, Switzerland, and Turkey. The recent UN member states that voted against the Human Rights Council resolution that begins the process to establish an international legally binding instrument on business and human rights are France, Germany, Italy, Japan, the UK, the US, Argentina, Czech Republic, Estonia, Ireland, Macedonia, Montenegro, Republic of Korea, and Romania.

## Privatization of the UN agenda

The overemphasis on corporate sustainability reduces governments to creators of an “enabling environment” for business, through incentives and subsidies. At the same time, this discourse insists that States are the sole duty bearers to guarantee human rights, in a vacuum where TNCs have only a vague and voluntary responsibility.

The “radical transformation” corporate voices propose is to redesign global governance on multi-stakeholder terms, emphasizing voluntary and unaccountable private sector commitments.

The UN and its post-2015 process privilege business (e.g. through the Global Compact) There is a lack of clarity regarding “stakeholders” – which includes corporations and many “non-profit organizations” that represent corporate interests.

## Problems resulting from this approach

This approach lets corporations and governments off the hook. Rather than allowing for effective regulation of corporations by States, it relies on the willingness of large corporations to report on their impact and voluntary commitments.

This kind of partnership coopts NGOs, States, and UN agencies that partake in it, and risks the credibility and legitimacy of the UN.

Labeling all actors stakeholders, as if all were equal and had the same interest, obscures the power imbalances between various sectors and the vast differences between their agendas. It promotes a depoliticized model of governance that negates the different interests and power structures inherent in the global economic system.

## What should be done?

### UN

- » Challenge the multi-stakeholder discourse and partnership models of the UN, to counteract the dominance of corporate interests in the UN, in the field of human rights and beyond.
- » Adopt and implement mandatory guidelines for UN partnership with corporations, overseen by Member States.
- » Implement mandatory conflict of interest and public disclosure policies, system-wide.
- » Undertake systematic impact assessments and independent evaluations of the UN’s relationship with business (carried out by neutral bodies, with publicly accessible results).
- » Ensure greater transparency regarding UN funding and contributions from corporate sector; subject extra-budgetary resources to surveillance by UN member states; and scale up the provision of funding by member states to ensure an effective and legitimate regular budget.

### Post-2015

- » Build an intergovernmental accountability framework in the post-2015 agenda, with government-adopted guidelines and government monitoring. House a monitoring and oversight hub for “partnerships” within a strong and effective High-Level Political Forum, tasked with monitoring the implementation of the post-2015 agenda.

### Business and Human Rights

- » Call for effective international regulation of TNCs through ensuring the establishment of an open-ended intergovernmental working group tasked with a draft mandate, in accordance with the [recent resolution](#) in the UN Human Rights Council (HRC).
- » Strengthen the central role of the HRC in the business and human rights discourse, in recognition of its unique role to provide global leadership in human rights by strengthening standards and creating effective implementation and accountability mechanisms.

**Find out more, and stay tuned: Join the [GPF Newsletter](#) and follow us on [Twitter](#).**

#### Contact

#### Global Policy Forum

PO Box 3283 | New York, NY 10163 | USA  
 Koenigstrasse 37a | 53115 Bonn | Germany  
[gpf@globalpolicy.org](mailto:gpf@globalpolicy.org) | [www.globalpolicy.org](http://www.globalpolicy.org)