

**Remarks at UNDP Resident Representatives' Retreat
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I am deeply honored to be here with you – the United Nations' front line in the fight against global poverty, and in its quest for hope and human dignity. All of us associated with this organization owe you a debt of gratitude for your commitment and your achievements.

This is a moment of enormous challenge to the United Nations. The Secretary-General, in his opening address to this year's General Assembly suggested that, in some respects, it may be as decisive as 1945 itself.

Yet only three years ago, over 150 heads of state and government convened at the United Nations Millennium Summit and embraced the idea of common humanity, pledging to work together for its betterment.

Was that just an illusion? And are we now confronted by stark reality? In my view, these contrasting snapshots of 2000 and 2003 don't represent a *shift* as much as glimpses of two different worlds that co-exist in tension with one another: the traditional world of power politics, and the emerging world of global governance. The United Nations uneasily straddles the two. Power politics often prevails in the short run, but the longer-term evolution of global governance remains impressive.

So my message to you today is not to lose hope in our mission. You have the potential to be 135 Archimedean points of leverage for progressive change around the world. What we ought to do instead is draw some lessons from recent experiences that will boost our chances of success.

Iraq is very much on all of our minds. This is not the occasion to discuss it at length. I would note only this: Yes, the militarily most powerful country in human history spurned the Security Council and waged war. But also bear in mind that the U.S. has gone to the Council for legitimization not once or twice but on four occasions now – despite great hostility to the UN by important elements within the administration. And the American people are becoming painfully aware that they are paying a far higher price for Iraq than they ever imagined *because* their government decided to go it alone.

So in the end Iraq may demonstrate not only the norm of power, but also the power of norms. At the very least, it will confirm Bismarck's dictum that you can do a lot of things with a bayonet, but you can't sit on it.

Many observers also regard the Bush administration's rejection of the Kyoto protocol to be emblematic of its attitude towards global governance. But consider just a handful of the subsequent developments it has generated:

- Several major oil companies lobbied the U.S. Congress for some form of greenhouse-gas limits, including Shell and BP, both of which have carefully cultivated "green" images and have instituted company-wide emissions reductions programs. They feared suffering a competitive disadvantage.
- European activist groups organized a boycott of ExxonMobil, one of the pact's most vociferous opponents.
- The number of shareholder resolutions in the United States demanding climate change policies from firms doubled in the past year, and the number of lawsuits also increased – against firms, and by individual states against the federal government.
- And some twenty U.S. state and municipal treasurers, as fiduciaries of public sector pension funds worth nearly 500 billion dollars, are convening an Institutional Investor Summit at the United Nations in November with the aim of promoting assessment and reporting on climate change related risks by firms in their funds' portfolios.

None of these are substitutes for a viable treaty. But disclosure often leads to benchmarking and codification of best practices. And before long *any* U.S. administration will have to come to grips with the challenges of climate change, even if not by reverting precisely to the Kyoto formula.

What are the lessons to be drawn from these two cases, which surely are among the hardest for global governance because they involve an administration that is hostile to the very idea?

First, the United Nations' normative role is truly unique; no other entity in the world can claim it. And it has effects even on the most powerful – which accounts for the antipathy of American neoconservatives towards the organization.

Second, when we think of the processes of *governance* we need to look beyond the precincts of *governments*. Other social actors have critical skills and resources that affect rule making, and which enhance overall social capacity to respond to pressing challenges. Their interests are not necessarily – or even predominantly – the public interest. The trick is to identify and build on areas of convergence to get the job done.

Those broad lessons have implications for the organization of your work – a subject that will be taken up by a panel later this afternoon, as I understand it. Let me briefly sketch out two such implications.

The most self-evident is that you have to play to your strengths. UNDP's global resources totaled \$2.8 billion last year, and some of your staffs are smaller than mine at Harvard. Success requires you to leverage off the convening power of the United Nations, the attraction of its norms and ideas, the untapped synergies that reside within the UN system itself, and every opportunity to serve as a platform for external partnerships.

Take just one example. The Millennium Development Goal for clean drinking water implies constructing 270,000 connections each and every day between now and 2015. You are not going to do that; all the development agencies in the world combined aren't. But you can help make it happen through your role as norm entrepreneurs and facilitators of multi-sectoral partnerships.

Moving in that direction also has organizational implications. UNDP needs to become a self-consciously network-based organization. Networks are difficult to create and even harder to sustain, but they are becoming the response of choice as social actors everywhere grapple with the enormity of tasks, coupled with the knowledge and resource constraints they face. What's so hard about networks? In essence, they constitute unnatural acts for all of us who were raised in standard bureaucracies.

A bureaucracy has a vertical authority structure. Networks are horizontal associations in which participants willingly combine their efforts to achieve goals that are important to them, but which they cannot achieve, or at least not as effectively, on their own. Networks have to advance the mission of all participants and do so in a reasonably equitable manner. They operate on the basis of shared normative and conceptual frameworks within which participating entities create value by establishing complementarities among their respective capabilities.

Network management is required to achieve these effects, but it must be enabling, not directive. Attempts by the network manager to capture the value created by the collaboration will undermine it. And if you see the private sector merely as a source of funds, you won't see it for long.

Finally, networks are inherently experimental and pragmatic, not routine and standardized. These are very steep learning curves indeed for most bureaucracies.

The Secretary-General's Global Compact is explicitly based on these precepts. Its aim is to engage the corporate sector in the promotion of human rights, labor standards and environmental sustainability. It now involves more than 1,000 companies world-wide, some twenty transnational NGOs, international labor federations representing 150 million workers, the relevant parts of the UN system including UNDP, national outreach programs in 50 countries, and even partnerships with individual cities. The central hub of the entire set of nested networks is a ten-person office at UN headquarters, augmented by small staffs in the five core UN agencies.

More than thirty of you, I am told, are working with the Compact at the country level, successfully using it as a platform for dialogue among business and other parts of society concerning corporate citizenship, and engaging the private sector as a development partner.

UNDP's Growing Sustainable Business initiative is a spin-off from its partnership with the Global Compact. At a workshop in Tanzania only last week, telecom and energy companies adopted plans and targets for new and innovative means to provide electricity and telecom services to urban and rural populations alike.

In short, UNDP's participation in the Global Compact demonstrates how the United Nations' normative and operational missions can reinforce each other when they are deliberately aligned.

This model is taking hold in other areas that are of concern to you, including the global fight against HIV/AIDS, which in the heavily affected countries is patently beyond the capacity of any single type of actor, public or private, national or global. Multi-stakeholder initiatives are also beginning to take hold in conflict management and post conflict peace building, be it the Kimberley process or the Chad-Cameroon pipeline.

These are only some examples of what becomes feasible when one unleashes the creative energies and the human as well as material resources of all sectors of society – brought together by those who represent the public interest but are also able to span institutional boundaries.

Let me close as I began. Doing the people's work has never been easy. In the history of every one of our countries, even the most idyllic social democracy, local power politics typically prevailed in the short run over the shift towards governance based on shared values. And all of our histories have witnessed wars driven by fear, greed or grievance. It stands to reason that it would be equally hard, if not more so, in a world of sovereign states.

But we are making progress, despite setbacks. And we will continue to do so as long as we use our smarts and play to our strengths, while remaining committed to the idea that we do share a common life on our small planet.

Thank you!