The Evolution of the Global Compact Network:
An Historic Experiment in Learning and Action

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The Global Compact is an initiative that has evolved rapidly and organically from the overwhelming response to Secretary-General Kofi Annan’s remarks at the Davos World Economic Forum in January 1999. His leadership has helped broaden the world’s understanding that as global interdependence accelerates in its pace and complexity, the need for cooperative responses to our common economic and social problems becomes ever more compelling. We discuss the historical context that shaped the initial vision and call to action in 1999 and recount how the Compact has evolved since then. Drawing from research on business and public policy networks, we classify the current network structure of the initiative and develop a model of dynamic change to explain how it functions. We argue for the viability of the Compact and discuss the principal accomplishments it has hitherto achieved. We also recognize the imperfections of the network in its current form and reveal how it intends to overcome the obstacles that lie ahead. To encourage academics to participate in addressing these challenges, we briefly outline several avenues of research through which they could contribute significantly.
In his address to the World Economic Forum on January 31, 1999, United Nations Secretary-General Kofi Annan called on global business leaders to embrace nine shared values and principles in the areas of human rights, labor standards and environmental practices. His well-received proposal catalyzed the rapid, dynamic formation of a global network of unprecedented potential. The Global Compact network—consisting of several hundred companies, dozens of NGOs, major international labor federations, and several UN agencies—seeks to collaboratively contribute to a more stable, equitable and inclusive global market by making its nine principles an integral part of business activities everywhere (see Appendix 1 for a full listing of the principles).

The instability of the global market in its present form derives in part from the absence of strong social and environmental pillars to balance the developed system of economic exchange. The current global governance structure provides extensive rules for economic priorities such as intellectual property rights but lacks commensurate measures to protect the environment and human rights. The longevity of globalization will remain threatened until this imbalance is rectified. The international economic order must also become more inclusive by giving the billions of marginalized poor open access to global markets in a manner that guarantees them equitable opportunities for advancement. This primarily requires a commitment by those who currently dominate the global market to assist the disadvantaged in building their economic capacity through long-term, sustainable development. It also necessitates the elimination of market asymmetries inimical to developing countries, such as trade barriers and subsidies in areas where the developing world has a comparative advantage.

The Global Compact cannot resolve all of the deficiencies of global capitalism, but it can make a significant contribution by laying a foundation of shared values and harnessing the skills and resources of the private sector. The ultimate measure of success for the initiative is the degree to which it promotes concrete and sustained action by its varied participants, especially the private sector, in alignment with broad UN objectives, the nine principles and the international Millennium Development Goals. It does not substitute for effective action by governments, nor does it present a regulatory framework or code of conduct for companies. Rather, the Global Compact is conceived as a value-based platform designed to promote institutional learning with few formalities and no rigid bureaucratic structures. At its core, the Compact is simply a strategy to make the UN relevant by leveraging its authority and convening powers in ways that will actually produce the positive social change it aspires to create. This strategy is like any other, as defined by Prussian General Carl von Clausewitz in the nineteenth century. “It is not a lengthy action plan; it is the evolution of a central idea through continually changing circumstances” (Economist, 2002). While in the broader sense the Global Compact is an idea, or strategy, the current circumstances have shaped the initiative into a global network.

1 These include the eradication of extreme poverty and hunger, the universal provision of primary education, the promotion of gender equality and the empowerment of women, the mitigation of major health crises and the protection of the environment.
We contend that this network constitutes a viable mechanism for partially filling the governance void of the global economy by engendering consensus around critical social and environmental crises and providing the means to ameliorate them through cooperative action. Furthermore, we argue that by facilitating transparency, dialogue and the dissemination of best practices, the Global Compact effectively encourages the implementation of good corporate citizenship. We refrain from making more ambitious claims about the initiative, as we recognize the inherent difficulties that challenge the strength and dynamism of the network.

The remainder of this paper proceeds as follows. Section 1 describes the historical context within which the Global Compact was envisioned. Section 2 recounts, for the first time, the complete history of the development of the Compact and analyzes the application of the Compact to network theory. Section 3 outlines potential areas of academic research that would contribute to the analysis of the viability and efficacy of the Compact. Section 4 concludes the paper with a brief recapitulation of major achievements to date and primary obstacles to address in order to advance the Compact’s objectives.

I. Globalization and the Genealogy of the Global Compact Principles

1.1 Disembedded Liberalism

While the expansion of trade and investment has generated tremendous benefits for the world economy and has contributed to the alleviation of poverty at an unprecedented scale, globalization remains an incomplete experiment in human history. Systemic deficiencies of the current framework governing economic transactions at the global level give rise to instability and touch the raw nerve of those concerned for social justice. The deficiencies of the global capitalist system and the arguments against rapid liberalization, deregulation and privatization have been articulated by thousands of anti-globalization protestors and, more recently, by prominent “insiders” such as the renowned investor George Soros (2002) and the former chief economist of the World Bank and Nobel Prize laureate, Joseph Stiglitz (2002). While the debate on globalization rages on, it is imperative to recognize and discuss the negative phenomena that many people believe to be associated with the process.

We thus briefly summarize some of the sources of social dissatisfaction with the current global economic system. First, many have pointed to figures showing that the expansion of global capitalism has witnessed a concomitant increase in inequality between and within nations. These figures indicate that economic growth of the last 50 years has been unbalanced, driving the income gap between the richest fifth of the world’s population and the poorest fifth to 74 to 1 in 1997, up from 60 to 1 in 1999 and 30 to 1 in 1960. The data also show that the richest quintile accounts for 86% of world GDP, enjoys 82% of the expanding export trade, and 68% of foreign direct investment while the lowest quintile benefits from only 1% of each (UNDP, 1999). Second, the global market has failed to include the vast majority of the world’s people, especially those in developing countries, as more than 1.2 billion people live on less than $1 a day, nearly a billion lack access to clean water sources and more than 850 million are illiterate (UNDP, 2001). Third, many believe that globalization has eroded the autonomy and sovereignty
of the poorest countries on the “periphery” of the world economic system, thus weakening their bargaining power vis-à-vis the dominant players at the center of the system (Ianni, 1998). The doctrine of the “Washington consensus,” they say, has effectively diminished the role of governments in the global economy by pressing for privatization, deregulation and the reduction of corporate, trade and capital gains taxes (UNDP, 1999; UNCTAD, 1999). Fourth, the liberalization of investment and trade regimes has increased the bargaining power and influence of transnational corporations (TNCs), which control foreign direct investment, technology transfers, $8 trillion of annual sales and two-thirds of the world’s exports (UNCTAD, 1999; De la Dehesa, 2000). Fifth, some argue that the process of globalization has tended to prioritize the provision of private goods at the expense of public goods, such as the preservation of peace, the alleviation of poverty, the protection of the environment and the defense of labor and human rights (Soros, 2002). Finally, despite evidence to the contrary (UNCTAD, 1994; Bhagwati, 1998), it is widely believed that the drive to attract foreign capital has produced a “race to the bottom,” in which corporations encourage the continuous reduction of labor and environmental standards as they seek to invest where standards are lowest.

While the Secretary-General’s call to action took place nine months before these issues gained prominent media exposure with the explosion of anti-globalization protests in Seattle, it was evident at that time that globalization had eroded the efficacy of the international agreements that formed the foundation of the global economic order after WWII. In his seminal article on the postwar economic order, John Ruggie demonstrated that international political authority derives not only from rules and procedures, but also from the principles that establish the normative framework for multilateral agreements. He coined the term “embedded liberalism” to describe the postwar economic order as one originally founded upon a unique compromise between multilateral trade and domestic stability. The international regime was originally “embedded” in a broader social purpose and normative framework that were institutionalized in the Bretton Woods agreements. However, promises to share the social adjustment costs of liberal expansion and to ensure domestic stability were never fully realized, with particular detriment to less developed countries (LDCs) (1982). The acceleration of globalization in the 1990s only made things worse.

By the end of the decade, it was clear that the global economic architecture was not embedded in a broader framework of shared social values and thus lacked the social legitimacy critical to its survival. A disequilibrium in international governance structures persisted in which strict rules and enforcement capacities for economic expansion were not matched by strong rules for social justice (Kell and Ruggie, 1999). While developed countries had domestic institutional mechanisms for protecting themselves from this imbalance, poor countries did not and were thus much more vulnerable. The need grew ever stronger to devise an institutional equilibrium comparable in practice to the one inscribed in theory after WWII.

Long before the third Ministerial Conference of the World Trade Organization (WTO) in Seattle, a heated debate had surfaced over the feasibility and desirability of creating this equilibrium by infusing social and environmental clauses into the international trade regime. Those in favor of adding such clauses, including many non-governmental organizations (NGOs), Northern trade unions, small-but-rich European countries, declining Northern industries, and some leading economies were concerned about the race to the bottom that would continue until
minimum global standards were set. Conversely, eminent economists such as Jagdish Bhagwati made several arguments against this proposal. First, such clauses would hamper the international trading system and render it ineffective. Second, trade sanctions based on labor and environmental conditions would discriminate against and damage those they desired to protect; LDCs would not have the resources to comply with international standards, and trade sanctions would drive children into worse occupations. Third, the true motivation behind the push from Northern labor unions was to protect their own wages and jobs through furtive protectionism (Bhagwati, 1998, 2002).

The UN Secretary-General agreed that a more stable and inclusive global market would not be best attained by adding social and environmental dimensions to the WTO, but rather by expanding market access to the world’s poor and by strengthening the authority of existing international social and environmental institutions. The most imperative reforms for the WTO to undertake would have been to curb the use by industrialized countries of anti-dumping duties, trade restrictions and subsidies in areas where LDCs had comparative advantages. In 1999, advanced industrialized countries spent more than $360 billion on subsidizing agriculture each year, compared to annual aggregate contributions of $53.7 billion in foreign aid (OECD, 1999). Of course, reforming the world trade system to rectify the detrimental bias against poor countries would not be effective without also assisting LDCs with capacity building through sustainable social and economic development. The call to strengthen UN social and environmental institutions, such as the International Labor Organization (ILO) and the UN Environment Program (UNEP), was viewed as paramount for both hastening development and restoring balance to the global governance structure. Missing, however, was a proposal for directly engaging with business leaders to secure their support for universal values and objectives championed by the UN.

1.2 Proposal to Launch a Framework of Universal Standards

The Secretary-General saw the opportunity to change the contract between society and business by fusing previously severed power and responsibility. No effort had yet been made to integrate UN values and principles relevant to business into a single platform that would link the effective functioning of global markets with social, environmental and human rights issues. The Secretary-General therefore decided to challenge the international business community to support, advocate and implement a framework of universal standards for businesses to use as benchmarks against which their internal codes of conduct and behavior could be judged. The nine principles that formed this framework were selected according to their relevance to international rule making, their importance in advancing social and environmental issues and the degree to which they had inter-governmental support. Specifically, they were derived from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the Rio Declaration on Environment and Development. The selection was reviewed and influenced heavily by NGOs and business associations such as Amnesty International and the World Business Council for Sustainable Development.

In approaching business leaders directly to support these universal standards, the Secretary-General had several objectives. First, he aimed to raise awareness of UN goals and to give
meaning to them by significantly advancing their implementation. Second, he desired to enhance the UN’s relevance by strategically positioning the institution as part of the solution to the problems of globalization. The ambition was to provide a framework for filling the governance void on social and environmental issues. Third, he sought to infuse a new dynamism into the ongoing debates of UN agencies in order to revitalize the institution from within. And finally, he wanted to strengthen his personal leadership role in the interactions between business and the UN. In his Davos address in January 1999, the Secretary-General asked hundreds of the world’s most influential business leaders to work with the UN in addressing the deficiencies of global capitalism. The vision was ambitious: “to give a human face to the global market.” While no formal action existed at the time of the speech, the Secretary-General’s call to action quickly catalyzed the launch of one of the most innovative and extensive global networks today.

II. Evolution of the Global Compact Network

2.1 From Embedded Liberalism to Embedded Networks

Before describing the historical account of how Kofi Annan’s Davos address evolved into the Global Compact network of today, it is worthwhile reflecting upon the theoretical rationale for network structures in the context of globalization. In particular, the notion of “embedded networks” provides an appropriate micro-level parallel to the macro-level conceptual framework of embedded liberalism. Brian Uzzi defines embeddedness as a characteristic of networks whereby social relations strongly influence economic activity by facilitating and at times disrupting exchange (1996). Similar to the macro-level of supranational economic governance schemes, the micro-level application of embeddedness implies that rules for economic exchange must be rooted within a broader consensus of desired social interaction. An embedded network reflects a properly embedded international economic order insofar as it bounds transactions between actors with a set of commonly held values shared by individual organizations, rather than by their representative governments. The analogy is certainly not perfect, as analogies rarely are, but the parallel helps connect the crisis of disembedded liberalism with the intended partial solution in the form of a network embedded in shared common principles. The limited institutionalization of learning and action in accordance with universal values in human rights, labor and the environment cannot supplant the need to reform global governance structures to more adequately address these issues. But, as we will discuss below, the Global Compact provides a viable model for the expansion and proliferation of embedded networks, thus partially filling the aforementioned governance void.

2.2 Formation of a Global Network: Key Events, Actors and Roles

World Economic Forum and beyond: early to mid 1999

Secretary-General Annan delivered his landmark address at Davos with great passion and penetrated the minds of the audience with his historic challenge. He warned, “The spread of markets outpaces the ability of societies and their political systems to adjust to them, let alone to guide the course they take. History teaches us that such an imbalance between the economic, social and political worlds can never be sustained for very long.” He proposed that the United
Nations work with business to make globalization work for all the world’s peoples by embedding the global market in a network of nine shared principles. Immediately, enthusiastic responses from the press and from dozens of business leaders proved that the speech was a success. Letters from foreign ministers and CEOs poured into the UN, urging the Secretary-General to carry his message forward.

By March 1999, the ILO, UNEP and the UN High Commissioner for Human Rights (UNHCHR) had convened to begin creating a common website around the nine principles. Fortunately, the heads of each agency demonstrated a cooperative spirit and a willingness to contribute. They established an interagency working group under the leadership of the Secretary-General, which began to develop the tools and resources businesses would need in order to enact the principles. They also supported the initiative through subsequent policy coherence and energetic public advocacy.

In early July 1999, Kofi Annan and the heads of the three UN agencies met with the President and Secretary-General of the International Chamber of Commerce (ICC), as well as over a dozen CEOs congregated by the organization. The ICC decided to endorse the Global Compact as a business association and to produce a joint statement on the matter with the UN. Additionally, the Global Compact established good working contacts with the International Organization of Employers (IOE) at this time, with the understanding and support of individual leaders within the organization. Initially, the Compact was dominated by a focus on trade, as business perceived it as a tool to secure and perpetuate economic liberalization.

Strategic shift from business associations to CEOs: November 1999

While business associations maintained an important role, the Compact began to seek greater involvement and leadership directly from CEOs. Business associations are good for outreach and policy advocacy and formulation, but have limitations with regard to implementation. They also form the common denominator voice of collective business interests and fail to advocate the positions of the most advanced corporate leaders. The Global Compact thus began to seek a critical mass of leading CEOs. Its first meeting with business representatives took place in London, hosted by Shell and thirty other corporations from various countries. They discussed methods of operationalizing the Global Compact but became mired in unproductive cross talk, partially due to the incongruence of civil service and business parlance. Despite the failure to define structures and operational concepts, the meeting ended with a strong commitment to continue collaboration. The Global Compact also came away with a powerful message from these business representatives that the cooperation of labor and NGOs was needed to make the initiative credible.

Seattle: December 1999

The eruption of protests at the third Ministerial Conference of the World Trade Organization confirmed that support for globalization was fragile and provided significant momentum for the

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2 For the full-text of this statement see:
And for the joint-statement produced with the ICC in 1998, see:
3 Close collaboration between the Compact and the IOE would later culminate in a meeting between Secretary-General Annan and the IOE presidents in April 2002. For the full text of the joint-statement produced at this meeting, see:
Global Compact. Protestors marched against the widened gap between the rich and poor, the abuse of labor and the degradation of the environment. Increasingly, anti-globalization activists began to consider big business and the WTO as collectively forming the Achilles heel that, if sufficiently attacked, could open the doors to the reform of the world trade system. Even if their objectives were not directly advanced by mobilizing against these institutions, they saw such targeted activism as a strategic, and quite effective, indirect approach.

The Secretary-General used the speech prepared for the conference to promote the Global Compact as a vehicle for engaging business and for constructing an economic order balanced by social and environmental concerns. He described the derailment of embedded liberalism and the need to reinsert shared values in the foundations of the global capitalist system. He also supported the expansion of free trade and investment as the most effective means for bringing economic development and higher social and environmental standards to poor countries. In his words, “A developing civil society will generally insist on higher standards, as soon as it is given the chance to do so.” However, Annan emphasized that these chances may never materialize due to the economic suppression of developing countries by the industrialized world, which imposes anti-dumping duties and unfair trade barriers on goods from its poorer neighbors. The Secretary-General wrote his Seattle speech in the form of an Op-Ed, becoming the first in his position to publish an Op-Ed in the Wall Street Journal.4

Meeting with labor: December 1999
Initially labor was ambivalent, at best, toward the Global Compact, opposing its position against the inclusion of social and environmental clauses in trade agreements. Following informal discussions, the Global Compact agreed that henceforth the issue of social and environmental concerns would be addressed as an absolute priority, irrespective of trade negotiations. This agreement paved the way for international labor to engage in the Compact. Soon after, the Secretary-General met in New York City with several labor leaders and trade secretariats from various countries. Bill Jordan, as president of the International Confederation of Free Trade Unions (ICFTU; 150 million members worldwide), led the labor delegation, which also included the International Federation of Chemical, Energy, Mine and General Workers’ Union (ICEM). The meeting was successful in garnering the support of the unions.5 The labor leaders recognized the Global Compact as another platform to promote the ILO core principles, which at that time had little grounding or support.

Original website launch: January 2000
The Secretary-General did not go to the 2000 World Economic Forum, but the UNHCHR was there to launch the first Global Compact website at a press conference. (USA Today voted it the best website of the month.) The launch of the website, following the Seattle debacle,

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4 See the following links for the full text of the WSJ Op-Ed, as well as the Secretary-General’s major speeches on the Global Compact and corporate citizenship:
Seattle 1999: http://65.214.34.30/un/gc/unweb.nsf/content/seattlespeech.htm
Davos 2002: http://65.214.34.30/un/gc/unweb.nsf/content/sg_wef_long.htm

5 For the joint-statement generated at this meeting, see:
reinvigorated interest in the Global Compact. The event proved a public relations coup, as many observers and business people were highly motivated by what they perceived to be the original introduction of the concept.

**Returning to the table with business leaders: April 2000**

A second meeting was held with business leaders in London, hosted by British Petroleum and representatives from 50 other companies. The agenda included a fruitful discussion on the possible functions of the Compact. Fortunately, common ground was found because this time the Global Compact representatives understood that the initiative could not evolve into an enforceable regulatory regime, defined benchmark or global business ethics ranking. The meeting participants agreed to the following: 1) compliance with the principles of the Compact would remain voluntary; 2) a scheme would be developed to recognize and disseminate good practices; 3) the idea of learning should be central to the conceptual framework of the Compact; and 4) the involvement of business leaders from developing countries would be essential. This paramount meeting with business ended with plans to initiate the operations of the Global Compact and to pursue the recognition and involvement of the NGO community.

**Shuttle Diplomacy to recruit NGOs**

The Global Compact invited several NGOs that met the criteria of having competency in the desired issue areas, a global reach and the ability to transcend a single issue. In the area of human rights, Human Rights Watch, Lawyers Committee for Human Rights and Amnesty International were selected. In addition, four environmental NGOs joined: the World Wildlife Fund for Nature, the International Union for Conservation of Nature, the World Resources Institute and the International Institute for Environment and Development. Finally, Save the Children, the Ring Network and Transparency International were selected for their particular competencies in key areas.

The addition of NGOs to the Global Compact network, while fully supported and encouraged by individual business leaders, was originally frowned upon by the International Chamber of Commerce. Frictions emerged as disparate views prevailed about the appropriate interaction of the different network participants. This tension in the network has dissipated but will never fully disappear.

**The network coalesces: summer 2000**

In June 2000, an historic meeting took place in which all three stakeholder groups and each of the three UN agencies agreed to collaborate by addressing globalization as a common challenge. They began to define the roles of the different actors and determined the requirements companies would have to meet to participate in the Compact: 1) companies would have to submit a letter from their CEO demonstrating a commitment to the nine principles; and 2) companies would have to share at least one example per year of how they translated one or more principles into operational practice. Also, learning, dialogue and projects emerged as central operational concepts. The consensus formed around these issues was then articulated on the Global Compact website.

Soon after, on July 26, 2000, the Global Compact was formally launched at UN headquarters. About fifty CEOs and twenty-four leaders of labor unions and NGOs joined the Secretary-General at the ceremony. Summer 2000 was officially the point of no return. Prior to these
meetings, the Global Compact had created expectations far beyond its ability to deliver. In fact, the UN was looking for an exit strategy, a way of disengaging itself before it reached this critical juncture. The Secretary-General recognized that the UN’s core competency lay in policymaking, not implementation. However, after each step the initiative became progressively more complex and fascinating from an entrepreneurial standpoint, and the Secretary-General’s leadership became increasingly critical for the initiative’s survival.

Establishing the Global Compact Office: fall 2000

The profound state of flux and stress that typically characterizes a start-up organization in its early months certainly applied to the Global Compact. In the fall of 2000, the Global Compact began setting up an office, formalizing its operations and securing financing. Until this point, only two UN employees had been part of the initiative. But the support of several governments would make expansion possible. Since Kofi Annan’s first speech on the Compact in Davos, several UN ambassadors had found the concept fascinating and agreed that the UN should help lead the global effort to promote good corporate citizenship. Many of these ambassadors helped acquire funding from their governments to establish the Global Compact Trust Fund in November 2000. Switzerland, Germany, the United Kingdom, Norway and Sweden were the principle contributors. India, Brazil and South Africa were also major supporters, but no money was asked of them. The new trust fund allowed the office to hire two more full-time employees and several short-term consultants for formulating strategy.

Network compatibilities and conflicts: similar associations and codes of conduct

Since its inception, the Global Compact has promoted itself as a broad umbrella framework of universal principles within which other business ethics associations and codes of conduct could flourish. Organizations such as the World Business Council for Sustainable Development, Business for Social Responsibility, the International Business Leaders Forum and the Instituto Ethos in Brazil have generally supported the Global Compact with knowledge and expertise. Moreover, the UN has advocated the gradual convergence of what McIntosh, et al. (2002) call the “Global Eight” voluntary codes of conduct. These include: Social Accountability 8000, AccountAbility 1000, the Global Reporting Initiative, the Global Sullivan Principles, the OECD Guidelines for Multinationals, the ISO 14000 series, and the ILO conventions.

While the Global Compact does present potential competition for these groups and codes of conduct, it has avoided clashes with other multi-stakeholder networks in the same field by defining itself as an open system of nested learning networks. After its formal launch, the Global Compact clarified its intentions and emphasized the appeal of the UN’s strong involvement in the movement. First, the UN has unparalleled convening power and networking capacity. Second, the principles enjoy inter-governmental backing and unique legitimacy. Third, it is one of the few initiatives that explicitly seeks to integrate labor, environment and human rights standards and thus can serve as an organizing framework for companies. Fourth, the Global Compact benefits from the moral authority and leadership of the Secretary-General (Kell and Ruggie, 1999). The Global Sullivan principles, which most closely resemble the Global Compact principles, constitutes the greatest potential clash, but their primarily American following and uni-stakeholder (business) focus leave space for a broader, more inclusive and more universal framework.
Launch of core functional activities: 2001

The following four areas constitute the essence of the Global Compact’s network activities, each of which officially began in 2001. 1) The learning forum concept was developed as an ongoing analysis of examples and cases studies which companies submit in order to demonstrate acceptance and integration of the nine principles into their core activities. Annual conferences serve as physical fora for the exchange of ideas and concerns regarding the submissions. The pilot phase of the learning forum took place at an international conference in London in November. 2) The policy dialogue model of holding thematic conferences on contemporary globalization challenges was launched. Participation in the dialogues is voluntary and open to all Global Compact participants, including business, labor, civil society organizations, and leading commentators from the academic and public policy communities. The series of policy dialogues was initiated in 2001 with the first topic of “Business in Zones of Conflict.” This proved an extremely important step in the evolution of the network, for it engineered a new model of dialogue through the collective forum and through smaller, issue-specific working groups. 3) The first multi-stakeholder collaborative development projects took shape. 4) The spawning of national networks began the formation of local resource centers, learning forums and policy dialogues. Global Compact participants such as the IOE and international labor facilitated this process by organizing regional meetings around the Compact and building momentum at the national level. Furthermore, the addition of the United Nations Development Program (UNDP) to the Global Compact network significantly strengthened national outreach efforts. We describe each of these components in greater detail as we discuss the network’s mechanisms for learning below.

Government backlash: December 2001

Governments from some developing countries had long expressed their fears that the Global Compact would be used as a Trojan Horse to introduce Western values into their countries through the back door. Debate emerged in December 2001 around their concerns as the resolution Towards Global Partnerships (GA/55/215) went to the General Assembly. The major issue was whether the Compact’s primary purpose was to promote universal principles or to define a platform for business to be a partner for development. The dualism between values and action, principles and projects, was emphasized, and the action agenda was legitimated by a reference to the Millennium Development Goals, which underscore the role of private sector as a complementary development force. The General Assembly eventually adopted the resolution with two key results. First, the General Assembly recognized the concept of corporate citizenship for the first time. And second, the assembly licensed the Global Compact to continue operating for two years as an independent network structure, rather than a bureaucratic institution under inter-governmental micro-management.

Growth and development of the local networks: summer 2002

The existing local structures are still incipient, but have matured significantly since their creation and represent a particularly innovative and important aspect of the global network.

The informal network established in Germany provides an excellent example. All of the German Global Compact companies (12 total), the German Federal Foreign Office, the German Federal Ministry for Economic Cooperation and Development, the German Development
Agencies (GTZ, KfW/DEG) and two foundations currently participate in this network. Meetings are hosted by one of the companies and organized by the GTZ in collaboration with the hosting company or the German Federal Ministry. The members share information and their experiences of integrating the nine principles into their business practices. A few public-private partnerships have been developed, and, while the network lacks a strong contingent from civil society, it recently formed a working group to begin dialogue with NGOs.

In India, two separate local networks have been established in Mumbai and New Delhi, in which senior officers of the Indian Global Compact companies participate. A Senior Advisor facilitates each network, and the Mumbai network also benefits from the secretarial and professional assistance of an NGO called Partners in Change. Like the German network, the companies have demonstrated a commitment to improving their practice of corporate citizenship by learning from each other’s experiences and organizing meaningful social development projects.

Finally, the Nordic Network consists of more than ten companies who share a resolve to improve their implementation of the nine principles. They discuss their experiences in general but also choose various topics to focus on during meetings such as “Managing human rights and social responsibility in the supply chain.” The Nordic Network has yet to take a multi-stakeholder approach but does utilize the meetings to recruit new companies to the Global Compact initiative.

As these local networks have begun to solidify, launches of the Compact have recently taken place in dozens more countries around the world. The emergence of these local structures has been largely independent of the Global Compact Office. Local actors in these countries have truly taken ownership of the initiative, but the UN still plays a very central role in the coordination of the global network.

2.3 Current Structure and Governance

Figure 1: The Global Compact Network Today
[Insert Figure 1: currently behind appendices]

The conceptualization and formation of the Global Compact network remains a work in progress. In fact, the Compact currently finds itself at a critical juncture as it attempts to establish transparent policies on the governance of the network and to define robust and explicit criteria for the entry, participation and exit of its members. Figure 1 illustrates the structure of the network and the actors involved. The Global Compact Office and UN agencies form the nucleus of the network, with academic, business, labor and civil society organizations surrounding them on the periphery. As a result of the acceptance of the Towards Global Partnerships resolution, governments play an auxiliary role through outreach support, advocacy and funding but do not participate directly in the network. The Global Compact Office maintains primary responsibility

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6 See the list of country outreach examples on the Global Compact website: http://65.214.34.30/un/gc/unweb.nsf/content/Country_Examples.htm
for the facilitation of the network, but depends heavily on the collaboration of the four UN agencies and defers to the authoritative guidance of the Secretary-General and his Global Compact Advisory Council (see Appendix 2 for a list of Advisory Council members). The specific responsibilities of this council formally consist of: 1) strategic planning; 2) reviewing standards and expectations for participation; 3) championing the initiative as it continues to expand in new countries and regions; and 4) ensuring the integrity of the Global Compact as it encompasses larger numbers of participating companies and engages a more diverse range of activities.

2.4 Network Taxonomy and the Global Compact

Overview

The size, complexity and relevance of the Global Compact initiative qualify it as a premier example for analysis and classification according to established network theory. As mentioned in the introduction, the Global Compact is most appropriately described as an evolving strategic idea. However, the current status of the initiative allows us to describe it as an interorganizational network embedded within a shared framework of values. More specifically, it is a global amalgamation of strategic and wide public policy learning networks that cultivates integrative learning at both the organizational and network levels through interorganizational interaction.

Classifying the Structure of the Global Compact Network

We elaborate on our classification of the Global Compact network by reviewing the terminology developed in academic literature and applying it to the components and activities of the Compact. In the most general terms, the Global Compact qualifies as an interorganizational network (ION). Ruggie (2001) used the attributes of IONs as defined by Chisolm (1998) to classify the Global Compact as such. We cite and slightly extend Ruggie’s analysis:

- IONs are formed by autonomous organizations combining their efforts voluntarily to achieve goals they cannot reach as effectively or at all on their own. Together the members of the Global Compact network gather information and tackle difficult social and environmental problems that they could not effectively address independently.

- IONs typically come into being to help their participants understand and deal with shared complex and ambiguous challenges. They are inherently experimental, not routine or standardized. Experimentation and innovation are central to the modus operandi of the Compact, and few challenges are more complex and ambiguous than the goals of the initiative.

- IONs ‘operate’ as shared conceptual systems within which the participating entities perceive, understand and frame aspects of their behavior. But the existing actors do all the doing that needs to be done. The Global Compact Office maintains a non-bureaucratic

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support structure for the network. Working from a systems perspective (Senge, 1990), it facilitates communication and partnership projects amongst members, rather than organizing or controlling projects through a separate institution.

- IONs are loosely coupled organizational forms, resting on non-directive horizontal organizing principles. Relationships within the Global Compact are lateral, rather than hierarchical, and its participants meet in formats and frequencies required to conduct their work.

The Global Compact is thus a loosely formed aggregation of autonomous organizations that share a common vision and attempt to overcome difficult, ambiguous challenges. Its goals, members and methodologies characterize it as a specific type of interorganizational network, as illustrated below.

**Figure 2: Venn Diagram of Network Structure**
[Insert Figure 2: currently behind appendices]

Figure 1 illustrates the organization of the individual players within the Global Compact system. Figure 2 above presents this system as a series of networks. We explain how each of these categories applies.

Knight defines learning networks as “groups of organizations that interact with the express purpose of learning together, from one another and through their interaction” (2002: 435). The Global Compact complies with this definition, for it has been designed as a multi-stakeholder learning platform that facilitates new understanding in the hope of achieving clear learning objectives. (See the next section for discussion on the modalities of learning fostered in the Global Compact.)

We also characterize the initiative as an aspiring Global Public Policy Network (GPPN), which falls within the broader category of learning networks. Certainly not all learning networks concern themselves with public policy issues, and neither do they necessarily take an orientation towards action and impact. However, all GPPNs seek to generate collective understanding that produces societal learning and change through global policy or independent, action-based solutions. We thus place GPPNs within the broader, better-known category of learning networks. Classifying the Compact as a GPPN has particular appeal, as learning, in itself, serves little purpose unless it functions as the means to accelerate positive social change.

Finally, the Global Compact consists of several nested wide and strategic networks. Wide networks are loosely connected groups of organizations that do not jointly share resources. On the other hand, strategic networks are comprised of more closely bonded, autonomous organizations that engage in collective action (Knight, 2002). We envision the entire Global Compact initiative as an extensive wide network of loosely organized stakeholders. Labor unions, businesses and NGOs come together for annual learning forums and semiannual policy

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7 Two points of clarification are in order. First, the Global Compact is an aspiring GPPN in the sense that it relies heavily on the guidance of the UN and is still in the process of divesting ownership to stakeholders. Second, we define public policy loosely as any policy adopted by government, business or civil society that supports public interests.
dialogues, but they generally act independently and do not necessarily take concerted action. However, when these actors do unite in the global arena to undertake partnership development projects, they form smaller, more interactive strategic networks. This type of network has also been created in the form of ad hoc working groups and informal learning networks, which tackle specific problematic issues addressed in the broader policy dialogues and learning forums. They communicate more regularly to devise action plans and facilitate implementation.

The microcosmic models that have arisen recently on the national and regional levels generally mirror the structure of the overall network but are often supported by local structures of varying forms and thematic orientations. These informal networks currently convene Global Compact companies who wish to learn from each other’s experiences. The local structures have yet to include civil society and labor representation sufficiently, but they eventually will integrate these groups and host their own learning fora and policy dialogues. Moreover, the local-level wide networks will spawn a number of strategic networks to produce innovative solutions to local problems. This organic growth process of nested and related networks, in which collaboration continuously begets further collaboration (Powell et al., 1996), has already manifested itself within the Global Compact.

The importance of the evolution of these local networks cannot be overstated. It represents a shift towards the decentralization of the network and the distribution of ownership, both critical to the longevity of the initiative. It also demonstrates the potential of the Global Compact to embed markets around the world within a broader consensus of societal needs and concerns.

As the local structures grow, a new dynamic will emerge between the global wide network and its nested components that will leverage the capacity and efficacy of the initiative. The Global Compact Office hopes to nurture the creation of sustainable structures for national forums by establishing content and information protocols for how the global and national levels can collaborate. Besides offering financial and political support, the office believes it can enhance the impact of locally designed solutions, proposals or practices in four ways:

1. Offering a global communications platform to disseminate information about the local “products.”
2. Facilitating broad acceptance of the local products by challenging other Global Compact participants to utilize them.
3. Developing the products further by adding variety and additional experiences.
4. Continuing to grant legitimacy to these efforts through the affiliation of the UN and the leadership of the Secretary-General.

This approach—encouraging the most advanced participants to develop knowledge around particular issues and facilitating the acceptance of innovative solutions by the broader movement—has great promise for maximizing the potential of the network’s leaders and pressuring the followers to catch up. The local structures thus have important implications for both the administration of the network and the learning it generates, as discussed in further detail in the next section.
Classifying the Learning Generated in the Global Compact Network

The complex structure, diversity of actors and variety of activities within the network produce a unique context of multiple dialectics in which several types of learning occur. For instance, the Global Compact engenders both network learning and organizational learning. The latter occurs when an organization institutionalizes new structures, routines or strategies that effect changes in action (Huysman, 1999 referenced in Knight, 2002). The former refers to learning accomplished by organizations as a group, rather than as individuals. At both the network and organizational level, learning may be cognitive, behavioral or both (Crossan et al., 1995). When cognitive and behavioral changes combine and generate repeated, successful implementation, the network learning may be classified as integrative (Knight, 2002). Each of these types of learning manifests in the Global Compact network, as illustrated in the table below and in the discussion on the network’s learning mechanisms that follows.

Table 1: Examples of Learning in the Global Compact Network

<table>
<thead>
<tr>
<th>Organizational Learning</th>
<th>Network Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. United Nations learns:</td>
<td>1. Why businesses should be good corporate citizens and should contribute to development? What is the business case for corporate citizenship?</td>
</tr>
<tr>
<td>a. How to integrate the activities of four core agencies.</td>
<td>2. How to develop and implement good corporate citizenship through responsibility management systems? Long-term convergence of understanding of how sector, region, culture and scale affect the practice of corporate citizenship.</td>
</tr>
<tr>
<td>b. How to develop and operate a network form of organization, rather than the traditional bureaucratic, institutional form.</td>
<td>3. Development of successful partnership models for strategic networks.</td>
</tr>
<tr>
<td>c. How to operate according to its core competencies by leveraging its authority and convening powers, but outsourcing implementation to others.</td>
<td>4. How to address key issues like business in zones of conflict?</td>
</tr>
<tr>
<td>2. Companies institutionalize socially and environmentally responsible policies and practices.</td>
<td></td>
</tr>
<tr>
<td>3. All stakeholders learn how to recognize each other’s needs and concerns through engagement, transparency and dialogue.</td>
<td></td>
</tr>
</tbody>
</table>
5. How to conceive and organize the network itself? Global Compact participants have collectively:
   a. Learned that the network would have to recruit CEOs, not just business associations in order to secure commitment and implementation capability.
   b. Learned that the initiative could not operate as a regulatory mechanism or business ethics ranking.
   c. Learned that transparent and fair criteria must be established for entry, participation and exit to protect the integrity of the initiative.

One method for generating learning in the Global Compact network is through the global and local learning forums. The learning forum, like the broader enterprise of the Global Compact, is neither an instrument for monitoring companies nor a regulatory regime to legislate corporate behavior. Rather, it is a mechanism to stimulate action, to enhance transparency and encourage information sharing. The learning forum should ultimately serve as an information bank of disparate experiences - some successful and some not - of company efforts to implement the Compact’s nine founding principles. From this reservoir of organizational learning experiences, the network as a whole will hopefully learn the general business case for corporate citizenship as well as how location, scale and industrial contexts influence the equation.

The thematic multi-stakeholder policy dialogues are another key learning tool. The dialogues seek to address dilemmas, and to develop innovative solutions, based on a multi-stakeholder model of shared but diverse interests. The aegis of the UN Global Compact lends legitimacy to this inquiry and access to a vast network of actors. The dialogues are designed to promote candid but constructive exchange, and to culminate in concrete proposals for action. The conception of how to solve the problems presented in the policy dialogues entails network learning, for the participants collectively produce new knowledge and understanding. However, the process eventually requires organizational learning as well when the solutions are implemented through organizations, working independently or in concert.

While the learning forum and the policy dialogues are primarily designed to stimulate cognitive learning, the partnership development projects fostered by the Global Compact focus on behavioral learning. The emphasis in these projects rests on the collective action taken, rather than the formation of common understanding. However, all of the learning that takes place within the Global Compact network should be both cognitive and behavioral, or integrative. Ideally, all cognitive learning should be followed by policy setting and then action in a dynamic, continuous circle. All learning and policy setting around best practices and methods to address critical social problems must be followed by effective and sustained action. The Global Compact is not an idea to produce other ideas, but an idea to produce action.

**Dynamic Change Process**

We offer the following model to illustrate how we conceptualize the dynamic process of change that links the goals of the network with the accomplishments that it produces.

**Figure 3: Operational Model of the Global Compact**
As the diagram illustrates, the process of change initiated by the Global Compact begins with the ultimate objective of contributing to a more stable, equitable and inclusive process of globalization. The specific goals of the initiative also include the Secretary General’s resolve to revitalize the UN and to make it relevant again by positioning it as part of the solution to the problems of globalization. However, the three listed goals are more fundamental and more directly related to improving globalization.

The dynamic change process itself consists of three products that continuously reinforce one another: learning, policy setting and action. We derive this process from Waddell’s (2002) description of consensual knowledge development and implementation of large-scale systemic change within GPPNs. Within the context of the Global Compact, learning refers to the change produced in people’s minds as a result of the leadership of the Secretary-General and the exchange of ideas amongst multiple stakeholders. Much of the impact of the Global Compact comes from the Secretary-General’s role in changing perceptions about the division between public and private responsibility and the potential of cooperation. The learning forums and the policy dialogues facilitate social dialogue and foster the codification of collective knowledge into policies and plans for effective action.

We carefully distinguish between policy solutions that lead to action, and plans that lead to further dialogue, learning and policy setting. For example, the recent policy dialogue conference on Business and Sustainable Development in June 2002 produced two types of policy solutions. The first was generated by a working group on building sustainable business in least developed countries. The group, comprised of representatives of business, labor and civil society, collectively learned how Global Compact companies could best stimulate development in the world’s poorest countries through sustainable investment. They then translated this consensual knowledge into a concrete plan for businesses and other stakeholders to consult, as they attempt to grow business in and build the capacity of LDCs. The second type of policy solution does not directly lead to improving lives or protecting the environment, but rather lays the groundwork for further learning and policy setting. For instance, at the Sustainable Development conference, a working group created a method for promoting the financing of sustainable entrepreneurship and drafted a plan to hold further dialogues. These examples clarify the distinction between policy-oriented and action-oriented solutions and show how each supports the Global Compact’s goals.

We strictly define action as change that improves people’s lives in accordance with the nine principles and the Millennium Goals. This enables us to judge the ultimate effectiveness of the initiative by focusing on specific measures companies take to implement the nine principles and to contribute to partnership projects. In other words, action can be conceived as either internally or externally directed. The former refers to changes in corporate strategy, management and operations that benefit people within the organization. For instance, a company could devise strategies to avoid discrimination and to ensure it pays its workers a living wage. The latter type of action consists of changes in corporate interaction with its surroundings that enhance greater societal welfare. Such action could take the form of a partnership project to eradicate poverty in its local community. In reality, of course, a company’s internal action in support of the Compact’s principles and action on broader corporate citizenship issues are closely intertwined.
We offer this classification scheme not to suggest that a true dichotomy exists between internal and external action, but rather to demonstrate how the engagement mechanisms of the Global Compact relate to our “comprehensive” notion of good corporate citizenship. We consider a commitment to the nine principles as the necessary first step. Once a company has embraced the Compact and its principles, it may then wish to contribute to broader development goals and corporate citizenship issues through projects and initiatives. Undertaking projects without a prior commitment to making the nine principles an integral part of core business activities is not sufficient, since such projects may be isolated and detached from the core business of the company.

Table 2: Summary of Global Compact Activities
<table>
<thead>
<tr>
<th>Engagement Mechanisms</th>
<th>Operational Concepts</th>
</tr>
</thead>
</table>
| Learning Forums       | • Example Submission (mandatory)  
                       | • Business Case Studies  
                       | • Supportive Research/Analytical Work  
                       | • Informal, Issue-specific Networks  
                       | • Annual Conferences |
| Policy Dialogues      | Annual Topic          | Working Groups        |
|                       | Role of Business in Zones of Conflict | • Transparency  
                       |                      | • Conflict Impact Assessment and Risk Management  
                       |                      | • Multi-stakeholder Partnerships  
                       |                      | • Revenue-Sharing Regimes  
                       | Business & Sustainable Development | • Sustainable Investment  
                       |                      | • Sustainable Entrepreneurship  
                       |                      | • Corporate Management & Sustainability  
                       |                      | • Investors & Sustainability |
| Partnership Projects  | Suggested Parameters  |
|                       | • Should be inspired by the Global Compact  
                       | • Should contribute to Millennium Development Goals  
                       | • Should be carried out with other actors such as UN agencies, labor, NGOs and public sector entities  
                       | • Should allow network participants to offer a substantial example of how they enact the principles (thus providing added incentives for them to do so)  
                       | • Projects involving several companies are particularly encouraged |
| Outreach & Network Building | Replication of Global Structure  |
|                       | • National Learning Forums  
                       | • National Policy Dialogues  
                       | • National Partnership Projects |
| Global Compact Governance | • Building strategic alliances  
                       | • Innovating operational concepts  
                       | • Interagency coordination  
                       | • Advocacy and policy coherence of UN officials  
                       | • GC Advisory Council  
                       |   i) Protecting integrity  
                       |   ii) Issue leadership |

While this table describes the status quo, the Global Compact Office is still experimenting with these engagement mechanisms. It constantly refines and solidifies them as the network holistically learns how best to conceive of and organize its activities.
2.5 Accomplishments and Challenges

As an unprecedented, evolving experiment, the Global Compact has made substantial progress in advancing its goals since its inception nearly two years ago. However, the initiative has not accomplished all of its objectives and perhaps it never will. We acknowledge that success is far from assured, but we argue that the Global Compact network represents a viable model for producing policy change and effective action. The greatest advantage of the network model is the flexibility that has enabled the initiative to transform itself and to overcome critical shortcomings. It will continue to do so, especially in the next couple years, in order to resolve the deficiencies and challenges it currently faces. We return to our model of dynamic change to outline the accomplishments of the initiative thus far, before analyzing the major strengths and weaknesses of the Global Compact along several dimensions.

A few achievements of the Compact demonstrate its potential to partially fill the global governance gap between the economic, social and environmental spheres. Primarily, the Compact has held several successful policy dialogues that generated constructive discourse on globalization. Besides the policy solutions mentioned above, the dialogues have also produced a set of policies for NGOs, companies and multilateral institutions to follow in order to enhance transparency and development in zones of conflict. Additionally, the diffusion of the Compact’s principles in many countries has shown that business pragmatism can help to de-politicize the debate over human rights and labor rights. The Global Compact has strengthened the efforts to promote UN conventions by directly influencing the protection of these rights through engagement with businesses. The Compact’s hitherto success in raising awareness of human rights concerns in the private sector is particularly important, as up until three years ago very few companies considered these concerns to be relevant to business operations. While the Compact, by itself, will never completely balance international governance structures and embed the global economic architecture in a framework of shared social values, the model it offers has the potential to substantially further these goals, especially as local networks develop around the world.

The Global Compact has also made progress in encouraging businesses to integrate the nine principles into their core strategies and operations. In fact, the network is currently creating a comprehensive implementation method that could be applied universally by companies of all sizes and sectors. Several firms, such as the Swiss pharmaceutical Novartis, have also pioneered the implementation of the principles through good corporate citizenship practices. Unfortunately no company is a perfect corporate citizen, and even Novartis has come under fire for promoting genetically engineered agriculture. Despite this criticism, the firm has demonstrated serious efforts to comply with the principles. It created a Global Compact Steering Committee and Global Compact Clearing House to encourage corporate-wide commitment and to establish a knowledge infrastructure of internal and external information necessary for implementing the principles. The company then decided to provide its anti-malarial drug to the World Health Organization at cost, to support pro bono research on diseases of poverty, to donate significant amounts of tuberculosis (TB) treatments to African countries, and to provide prevention and treatment services to its employees and their immediate family members for HIV/AIDS, TB and malaria. In addition, Novartis actively consults local NGOs to ensure they are paying living wages to their employees.
We acknowledge that few other Global Compact companies have shown such serious commitment to integrating the nine principles into their operations and to improving the quality of life in developing countries. But participation in the Global Compact network has pushed many firms down the long path towards good corporate citizenship. Several academics from around the world are currently writing case studies that will highlight the progress these companies have made and the obstacles they have yet to overcome. We emphasize that the permeation of UN principles into corporate boardrooms and the transformation of business practices will, as with most changes in human and organizational behavior, remain a slow, gradual process. But as momentum builds, the Global Compact will give fresh impetus to core UN missions. We would estimate that, if these early efforts are successful, the critical mass of truly committed leaders necessary to fully implement and maintain the goals of the Compact will be reached within two years.

The Global Compact network has also succeeded in creating several action-oriented partnership projects in support of UN goals. For example, BASF contributes its expertise in eco-efficiency analysis to a training program it founded with UNEP and the United Nations Industrial Development Organization (UNIDO) at the National Cleaner Production Center in Morocco. In addition, Statoil Venezuela is working in partnership with the UNDP, Amnesty International and the Venezuelan judiciary to strengthen national awareness of human rights. The project utilizes interactive training sessions conducted by Amnesty International to enhance understanding of human rights protections. Furthermore, several initiatives born out of the policy dialogues are currently being formed. These include programs to provide electricity and water access to impoverished rural areas, to assist the UN in post-conflict reconstruction efforts, to support demining operations in Cambodia and to grow sustainable business in the fifty LDCs.

Finally, in a broader sense, the Global Compact has contributed to improving the effectiveness of the UN system by stimulating organizational learning and change within and between UN agencies. The Compact serves as a conduit for information exchange through which the involved agencies have developed synergies in learning the most reliable and productive solutions for their respective projects. For instance, through cooperation in the Compact, UNEP transferred knowledge to the Office of the High Commissioner for Human Rights (OHCHR) regarding the engagement of the private sector to advance UN goals. This shortened the learning curve significantly for the OHCHR, as it took them only one year to accomplish what UNEP struggled to achieve in ten. The participating UN agencies have also learned how to collaboratively improve their training and outreach efforts in developing countries. The Compact has served as a platform for them to integrate their tools, methodologies and training materials into a comprehensive package. Pooling resources and tools has enhanced the quality and attractiveness of UN operations in their workshops around the world.

**Determinants of Effectiveness**

Despite giving several examples of the achievements of the Global Compact, we recognize that the efficacy of the network in its current state and structure remains subject to question. We attempt to clarify understanding about the effectiveness of the initiative through systematic
analysis along four dimensions identified in the GPPN literature (Reinicke, 1998; Reinicke & Deng, 2000; Waddell, 2002). Admittedly, these lines of thought cross in various places; we categorize them only to provide some analytical structure and organization.

The first dimension, or determinant of effectiveness, relates to the transparency and accessibility of information communicated within the network. The Global Compact’s state-of-the-art web portal designed by German software company SAP provides complete information on the origins, goals, activities and major developments of the initiative. The site contains a list of recognized participants in the network, which only includes companies that have submitted both a letter of commitment from their CEO and an example of how their company has implemented one or more of the nine principles. The Compact has publicly stated that hundreds of additional companies have submitted letters of intent, but it will not publish the names of these firms or consider them participants until concrete examples are received. Unfortunately, the first round of business examples submitted for the pilot phase of the learning forum in November 2001 failed to present sufficient information about many of the companies’ practices, specifically with regard to the processes employed while implementing the principles. The Global Compact Office responded by issuing clearer guidelines for the submission of business examples. This process will gradually improve through incremental changes as organizational and network learning continue. Transparency remains a significant issue for the Compact, as it also confronts challenges in coordinating information flow throughout the network and improving the transparency of its governance procedures.

The second measure of effectiveness is the degree to which rules of participation offer all stakeholders open and equitable avenues of engagement. Since its inception, the Global Compact has faced the difficulty of joining traditionally antagonistic groups into one cooperative network. Yet the Compact remains committed to keeping the network inclusive and encourages participation from all stakeholder groups. The Compact also fosters the development of synergies and the convergence of efforts by welcoming major business ethics associations and proponents of other codes of conduct.

The flexibility and openness of the network structure enhance participation but do not guarantee cooperation and leave the initiative susceptible to tensions and conflicts of interest. For instance, many NGOs have expressed concern that partnerships with companies threaten the autonomy of the UN and that business wields too much influence over the design and goals of the Compact. They begin with the premise that business’ objectives necessarily conflict with their own priorities and those of the UN. However, the world’s disadvantaged peoples significantly benefit from business’ contribution to job creation, training and education, each of which cultivates economic development, peace and security. The Global Compact was constructed to advance only those goals of the private sector that coincide with broader societal objectives. It is neither intended to supplant regulation or other mechanisms of accountability nor to support any proponents of globalization who disregard social and environmental concerns. On the contrary, Kofi Annan originally conceived of the Global Compact with the recognition that the world’s poor will benefit from expanding market access, rather than social and environmental trade clauses that would subjugate them with *de facto* protectionism. The Global Compact strongly supports the strengthening of existing international social and environmental institutions.
and the creation of a global marketplace embedded in a framework of shared values. By no means does it promote the status quo or a particular ideology such as neo-liberalism.

Enhancing our engagement with NGOs to avoid such misunderstandings is the principle challenge for the Compact to resolve in order to close current participation gaps. The network has maintained a policy of openness and inclusiveness, but several factors have complicated the involvement of NGOs. These include: the absence of hierarchical or representative structures, the multi-faceted nature of their operations, their methods of work and their ideological orientations. Although a large number of NGOs have participated in country level activities and projects, a clearly defined platform for their contribution at the global level is lacking. The Global Compact Office recognizes this deficiency and has drafted a policy note on the issue, to be followed with major improvements in the upcoming months.

Regardless of any attempts to encourage the participation of NGOs, some will remain ideologically opposed to the initiative. A small but very vocal alliance of NGOs has rallied against the Global Compact with various motives. Some use the Global Compact to gain profile for their own activities, some regard the opening up of the UN to business as a zero sum game with respect to their own standing and some take issue with specific features of the initiative. Nevertheless, their confrontational stance and vituperative reports have produced critical insight into how to identify and avert problems. For example, the self-imposed rule not to accept corporate funding for Global Compact activities and the elaboration of strict guidelines regarding the UN logo, were activities greatly inspired by critical NGOs.

Another crucial participation gap results from the difficulty of motivating some firms, who have committed to the Compact, but fail to openly share complete information about their activities. They may not do so for several reasons. First, they may be hesitant to share proprietary information that could compromise some aspect of their competitive advantage vis-à-vis other firms. Second, “free-riders” may wish to gain recognition and prestige by participating without really contributing or abiding by the principles (Dyer and Nobeoka, 2000). These “competitive players” may opportunistically undermine the network by taking as much as they can and giving as little as possible, thus restricting transparency (Larsson et al., 1998). Third, companies may feel vulnerable to potential liabilities by exposing their practices to a global, critical audience. Finally, firms may be fully motivated to participate but may lack the operational capacity to effectively communicate. We address some efforts to mitigate the free-rider problem below, but generally, these challenges will remain difficult to resolve. Any attempt to do so will have to confront the additional challenge of maintaining a positive internal dynamic between leading and lagging companies. The network will have to increasingly utilize informal networks to encourage the former to innovate and construct solutions that can be mainstreamed for the latter. The stewardship role of the UN implies that to mitigate potential friction between companies, it will have to continue to emphasize facilitating factors of participation, such as previous interaction experience, trust and long-term orientation, and to impede detracting factors like opportunism and suspicion (Larsson et al., 1998).

A final challenge to the network relating to participation concerns the generation of negative marginal returns, as the addition of new participants beyond a certain point diminishes the effectiveness of the initiative. There exists an optimal level of collaboration beyond which the
adaptive capacity of participants decreases because of a growing inward focus and a lack of interest in learning from and interacting with organizations outside of the network (Uzzi, 1996). The Global Compact thus does not conceive of itself as an exclusive network, and it actively encourages cooperation with non-participating organizations. Diminishing marginal returns of participation also results from the difficulty of efficiently transferring knowledge amongst large numbers of participants (Dyer and Nobeoka, 2000). Therefore, the Compact is developing a strategy to create small, independent working groups, distinct from those created through the policy dialogues, which would meet to discuss issues of shared interest and produce reports for the rest of the network.

The third determinant of effectiveness is the ability of the network to further its goals while protecting the ethical integrity of the initiative and its participants. As mentioned above, the Global Compact guards itself against conflicts of interest by refusing to take funds from companies or business associations. All funding comes from member-state donations, consistent with established United Nations policies and procedures. Furthermore, the Compact is establishing exit rules and protocols to prevent participants from: 1) using the Global Compact logo for marketing purposes; 2) publishing anything misleading or untruthful about their participation in the Compact; and 3) committing persistent and gross violations of the principles. The Global Compact Advisory Council will enforce these rules and will rely on information from participating organizations.

Notwithstanding the implementation of these exit rules, the need to maintain lax entry rules presents a challenge for overcoming the free-rider problem. The network must maintain its inclusive policy for corporations due to the Global Compact’s base in the UN. Political dilemmas would arise if the Compact attempted to exclude legal, tax-paying companies from sovereign member states that indicated their desire to support and implement the nine principles. The Global Compact can only effectively serve as a learning platform that facilitates gradual, incremental change. It will attempt, no matter how difficult, to judge the intent of companies to improve their practices and abide by the principles. While companies do have to submit an example of how they implemented one of the nine principles to be recognized as a participant, and cannot flagrantly violate any of the principles, little prevents them from free-riding.

The Compact is therefore constructing measures to enhance the participation of companies in the network. Future development of a multi-stakeholder Business Example Review Board and an analytical method of evaluating business submissions will provide incentives for companies to improve their performance and the quality of their examples. In addition, the public is encouraged to comment on business examples published on the Global Compact website and to broach broader concerns about corporate behavior at the annual learning forum conferences. The ability of all stakeholders to freely exchange ideas and concerns about each other’s behavior at the learning forums is crucial for guaranteeing the legitimacy of the Compact. The network also supports and contributes to the development of reporting standards and accountability mechanisms. Finally, nearly a dozen business cases studies have recently been commissioned from independent academic authors to analyze companies’ implementation of the nine principles. These measures help address the moral hazard problem, which arises from the incentive for corporations to act carelessly, or even fraudulently, without the threat of monitoring and enforcement. Good corporate citizens and those truly wishing to improve their conduct welcome
the transparent feedback and the support of other accountability structures, for they would not benefit from participation in an initiative that might otherwise be rendered socially illegitimate.

One final issue that potentially threatens the integrity of the Global Compact relates to the implicit messages promulgated through public advocacy. *We emphasize here that the UN does not endorse any individual company participating in the Global Compact.* We consider companies to be participants in a network, not members of a club that have met some performance standard to gain entry. *Participating firms have sufficiently indicated their willingness to publicly support the principles and have demonstrated their aspirations to abide by them.* In their public advocacy of the Global Compact, companies should officially label themselves as “participants” that believe in and aspire to abide by the nine principles. They should not explicitly or implicitly advertise full compliance with the Compact untruthfully. Indeed, this measure not only protects the integrity of the initiative, but it also protects the firms themselves from regulation against false advertising and misleading commercial speech.⁸ We acknowledge that companies enhance their reputation and social legitimacy by participating in the Compact, insofar as the public considers it admirable that they *aspire* to comply with the nine principles, but we cannot accept misleading statements that besmirch the reputation of the initiative and the UN as a whole. Of course, the Global Compact will never be capable of preventing companies from issuing misleading statements via unpublished, unofficial media. We encourage the public to consult official Global Compact literature and to perform its own due diligence when possible.

Our efforts to defend the network’s integrity respond to scathing attacks on the legitimacy of the Compact. Some NGOs have labeled the Global Compact “a smuggling of a business agenda into the United Nations”⁹ that “has undermined UN social and ecological responsibility.”¹⁰ They have accused the Compact of “bluewing” companies, or allowing them to drape themselves in the UN’s blue flag without forcing them to change their ways. As we discussed, the Compact has developed several methods of protecting itself from abuse and encouraging gradual reform. It could never dispel all allegations of bluewashing, however, unless it became a regulatory force, which it has neither the mandate nor the capacity to do.

The fourth determinant of effectiveness refers to the network’s efficiency and impact. The Compact is generally very efficient and cost effective out of necessity. The Global Compact Office has few staff members and little funding, making it imperative to leverage the donated time and energy of consultants and participants. Even without a large budget, the network is capable of producing substantial change due to its emphasis on utilizing the core competencies and comparative advantages of its participants. The exact amount of positive change generated is difficult to measure without established metrics of value, but it is clear that the potential impact is very significant. Of course, by itself, the Global Compact will never be enough to alter the

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⁸ See *Kasky vs. Nike* (2002), California Supreme Court decision S087859, Ct. App. 1/1 A086142.
course of globalization. But if given sufficient time to engender incremental changes in attitudes and behaviors, the initiative could bring the world closer to the Millennium Development targets.

Open Questions

The fate of the Global Compact only partially depends on the structures and protocols it employs to achieve its objectives. Those stewarding the direction and shape of the initiative can influence, but not control, several exogenous factors. The following are critical issues still open to question:

1. Are the companies participating in the Global Compact network serious and committed to working with the principles, or are they disingenuous and simply using the initiative as a public relations tool?
2. Will confrontational NGOs be satisfied with changes to the Compact and eventually participate in the network, or will they continue their attempts to derail the initiative?
3. Will the United Nations have the courage and flexibility to interact with the real world and continue this historic experiment, or will the immense bureaucracy and those committed to the traditional division between public and private responsibility stifle the growth and innovation of the Compact?
4. Will the climate of globalization shift towards bilateralism and protectionism and radically change the parameters for shaping a better global economic order?

The model presented here and the vision it represents will succeed if the stakeholders involved want it to succeed. The network has the flexibility and capacity to collectively determine its future. Volition, commitment and understanding are the truly fundamental determinants of success.

We have offered an extensive analysis of the Global Compact using established theory surrounding networks and dynamic change, but we have barely scratched the surface. The Compact is an extremely complex, unique network that requires further study from the perspectives of many academic disciplines. The final part of our paper briefly explores various possibilities.

III. Potential Areas of Research and Analysis

3.1 Voluntary Initiatives vs. Command and Control Regulation

The debate over influencing corporate conduct through voluntary initiatives and regulatory controls is intense and unresolved. As discussed above, many believe that voluntary initiatives are ineffective and corporate accountability can only be ensured through legal enforcement. Moreover, they argue that voluntary initiatives based on global shared values effectively close out policy space for regulations at the inter-governmental level. The International Forum on Globalization proposes the creation of an Organization for Corporate Accountability within the UN system that would publish information on corporate practices and facilitate shareholder activism, consumer boycotts and enforcement by local governments. Other organizations, such
as the International Council on Human Rights Policy (ICHRP), recognize the weakness of human rights protection in many countries and argue for international enforcement procedures based on international human rights law.

Nevertheless, the ICHRP notes that voluntary codes are more easily adapted and applied to the circumstances of individual firms. The organization writes that voluntary codes complement legal frameworks, and that both should be used to influence corporate conduct (2002). Mary Robinson, UN High Commissioner for Human Rights, agrees:

Regulation is crucial to minimize abuses and to enforce compliance with minimum norms. But regulation alone won't establish the business case for making necessary changes. To do so, we must provide incentives so that doing the right thing also makes good business sense. By focusing exclusively on regulation, business is driven toward the logic of managing the costs of compliance. The result is that society loses out on the power of business to innovate and establish new forms of behavior that are so desperately needed.

The idea is to move toward a system of performance based good practices, reflecting the judgment of the broader international community, rather than the situation of asking companies simply to adhere to varied and often weak local standards and legislation. (2002)

The high commissioner’s arguments that voluntary initiatives must couple regulation in order to provide space for positive incentives and innovation are critical justifications of the Global Compact.

John Ruggie extends the high commissioner’s case with similar reasoning. He contends that it would be extremely difficult to codify into law the exact performance criteria and desired practices, and that the General Assembly would thus be unable to construct a universal, meaningful code. Even if it had such a law, the UN could never adapt it to the rapidly changing world of globalization and would be logistically and financially incapable of enforcing it (2001).

The convening power and moral authority of the UN allows it to facilitate dialogue and encourage action, but it cannot serve as a regulatory force.

Further analysis could perhaps build upon the theory of responsive regulation developed by Ayres and Braithwaite. Responsive regulation refers to regulation that responds to industry structures and the motivations of regulated actors. The theory proposes various creative alternatives to the extremes of pure self-regulation and government enforcement. These alternatives construct a mixed institutional order of checks and balances in which markets, community members, states and associations share power (1992). Researchers might conceptualize ways of enhancing the system of checks and balances within the Global Compact network.

Such a system might follow the model of enforced self-regulation described by Ayres and Braithwaite, but would substitute labor unions and NGOs for the government in ensuring that companies genuinely intend to implement the principles. The system might also consider a method of measuring incremental change by annually indicating the number of principles with which each company has complied.
More generally, the Global Compact would benefit greatly if the dynamic relationship between voluntary initiatives and regulations were better understood, and if the conditions under which the two typically reinforce or contravene each other were articulated. Research could focus on the place of the Compact in the debate over public versus private responsibility. Ultimately, public discourse within sovereign nation states will have to determine the proper balance. But a study of the Global Compact could contribute to the debate, especially as new forms of non-state interaction have caught the attention of academics and policymakers alike (Susskind et al., 2002).

An additional line of study in the area of global rule making could assess the potential negative repercussions of promoting higher social and environmental standards. Ethan Kapstein has argued that international organizations need to more closely analyze the costs entailed in employing higher standards, which may inadvertently limit competition, strengthen monopoly power, lower wages, and undermine economic development. He warns that small and medium enterprises (SMEs) and TNCs have disparate capacities for absorbing the costs of higher standards and that the “corporate ethics crusade” generally fails to consider the potential negative effects of its efforts on SMEs (2001). Further research could use empirical evidence to explore the costs and benefits associated with implementing the Global Compact principles and the other reporting mechanisms it supports.

3.2 Metrics of Value

Much has been written to advocate the business case for corporate citizenship, which states that good corporate behavior enhances shareholder value by boosting employee and customer loyalty, improving brand image and reputation, reducing regulatory oversight, lowering operating costs through conservation, and facilitating access to capital by serving as a proxy for good management (UNCTAD, 1999). To address Kapstein’s concerns, however, more research is needed to devise metrics for assessing the economic and social benefits of corporate responsibility. Roger Martin has proposed a method of categorizing responsible behavior according to whether the actions are: 1) volitional or mandated 2) beneficial or inimical to shareholder value (2002). He describes certain activities that fall within each category of his “virtue matrix,” but empirical study employing new metrics of value would help justify his classifications.

One way researchers have attempted to measure the economic returns and losses from responsible behavior has been through the study of socially responsible investment (SRI). Joshua Margolis and James Walsh recently performed a meta-analysis of 95 empirical studies on SRI published since 1972. They found that a majority of the studies indicated that a positive relationship exists between social performance and financial performance, but noted that serious methodological problems in many studies cloud this conclusion (2001). The definitive word on the performance of SRI will remain elusive until more studies test the link between corporate responsibility and financial gain with unquestioned methodology.\(^\text{11}\)

Better methods of analyzing the value created by good corporate citizenship would support the objectives of the Global Compact. Moreover, researchers could assess the positive and negative impacts of the initiative on other stakeholders and compare the value created with that of other standards and codes.

3.3 Normative and Theoretical Framework for the Global Compact

Another potential area of study surrounding the Global Compact would appeal especially to business ethicists. The initiative currently lacks a normative and theoretical framework, but is such a framework necessary and how might it be created? Researchers might approach the question by identifying the normative theories that justify the conventions from which the Global Compact principles were derived. One could then attempt to construct a normative framework for the Compact by applying the theories to the modern business arena.

A particularly promising possibility for such a framework could be shaped from the Integrative Social Contracts Theory (ISCT) of Donaldson and Dunfee (1999). The nine principles of the Global Compact might be understood as the manifestation of several universal norms, or hypernorms, identified under ISCT as fairness, respect for other people and the value of integrity. Indeed, Donaldson and Dunfee point to workplace safety and gender discrimination as two issues derived from hypernorms, both of which are included in the Global Compact. Furthermore, the hypernorm of “necessary social efficiency” requires global institutions to seek “necessary” social goods like fairness and aggregative welfare, analogous to our discussion of embedded liberalism. Just as the Global Compact emphasizes the responsibility of individuals to assist global institutions in pursuing these social goods, so too does ISCT underline the moral obligation of individual actors to contribute to the societal system chosen to promote aggregative welfare.

ISCT also matches the philosophy of the Compact in its provision for moral free space and authentic norms. Donaldson and Dunfee define moral free space as “the area bounded by hypernorms in which communities develop ethical norms representing a collective viewpoint concerning right behavior” (1999: 83). These norms developed at the local level reflect the goals, environment and experiences of a particular community and form the basis of microsocial contracts. ISCT only considers norms to be authentic if a substantial majority “holds the attitude that a particular behavior is right (wrong) and a substantial majority acts consistently with that attitude” (1999: 102). The theory thus follows a contextual approach, which allows for variances in cultural beliefs but bounds all local community norms with universal hypernorms.

The Global Compact also follows this approach by allowing regions, nations and individual firms to define their own authentic norms and methods of implementing the nine principles. The business examples collected through the learning forums may eventually allow researchers to bring the latest asset management benchmark factor models to bear on the question of socially screened fund performance.
identify authentic norms by clustering ethical decisions made in similar contexts. The global
database may also be used to detect the convergence of authentic norms and to confirm the
existence of hypernorms.

Our discussion here certainly did not exhaust the possibilities for academic research and
analysis of the Global Compact. Researchers may wish to extend the implementation model for
corporate citizenship developed within the Global Compact network or apply empirical evidence
to theories of total responsibility management (TRM) systems (Waddock et al., 2002).
Alternatively, academics might analyze the game-theoretic implications of global multi-
stakeholder engagement within the Compact and explore the weaknesses that the network
confronts.

IV. Conclusion

Since Kofi Annan’s call to action at the 1999 World Economic Forum, the notion of the
Global Compact has evolved into one of the most expansive and ambitious networks in the
world. We have described the Secretary-General’s initiative as an experiment with the aim of
making “globalization work for all the world’s peoples.” This entails stabilizing the global
governance system by strengthening its social and environmental pillars and making the global
market more inclusive by providing equitable opportunities for advancement to the billions of
marginalized poor.

The Global Compact’s interorganizational, public policy learning network has the power to
further these goals by generating a process of incremental, but comprehensive, change. Over
time, this dynamic process will progressively alter both attitudes and behaviors, insofar as it
engenders consensus around critical social and environmental issues and facilitates cooperative
action. The reach of the initiative is global not only because of the UN’s leadership but, more
importantly, due to the emphasis on creating local networks, each embedded within the same
shared framework of values.

Again, we argue for the viability of the model presented; yet we acknowledge that success is
far from assured. The Compact has produced constructive social dialogue at the global level, has
promoted the adoption of the nine principles, has stimulated action-oriented projects in support
of UN goals, and has played a role in enhancing the effectiveness of the UN system. Going
forward, the initiative must confront several challenges in order to sustain these efforts. It must
work to manage tensions and conflicts of interest, to improve the participation of NGOs and
laggard firms and to institute a fair system of checks and balances. These efforts will require the
collaboration of all participating stakeholders, including academics. Research could focus on the
debate over voluntary initiatives versus command and control regulation, metrics of value for
assessing the business case for corporate citizenship and the impact of the Global Compact, and
normative frameworks such as Integrative Social Contracts Theory.

The Global Compact can only partially resolve the problems associated with globalization. It
is clearly not the beginning of the solution, nor is it the end. But it can play a significant role in
improving people’s lives around the world. It will succeed in doing so, so long as it secures the
necessary volition, commitment and understanding from key stakeholders. They have the
capacity to shape the initiative, to enhance its strengths and to overcome its weaknesses. The
Global Compact is not a fixed entity, but a strategy, or idea, continuously evolving through
changing circumstances. It is, in short, an historic experiment in learning and action.
Bibliography


Appendix 1: The Global Compact Principles

**Human Rights**

1. Business should support and respect the protection of internationally proclaimed human rights; and

2. make sure they are not complicit in human rights abuses.

**Labor**

3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

4. the elimination of all forms of forced and compulsory labor;

5. the effective abolition of child labor; and

6. eliminate discrimination in respect of employment and occupation.

**Environment**

7. Business should support a precautionary approach to environmental challenges;

8. undertake initiatives to promote greater environmental responsibility; and

9. encourage the development and diffusion of environmentally friendly technologies.
Appendix 2: Global Compact Advisory Council

The Advisory Council convenes for formal meetings twice a year

Members

I. Business representatives

Mr. Robert Hormats, Vice Chairman, Goldman Sachs
Ms. Barbara Krumsieck, President and CEO, Calvert
Dr. Rolf-E. Breuer, CEO, Deutsche Bank AG
Sir Mark M. Moody-Stuart, retired CEO, Royal Dutch Shell
Ms. Marjorie Scardino, CEO, Pearson plc
Mr. N. R. Narayana Murthy, Chairman and CEO, Infosys Technologies Limited
Mr. Sam Jonah, Chief Executive, Ashanti Goldfields Company Limited
Ms. Namakau Kaingu, CEO, Kaingu Mines
Dr. Wolfgang Sauer, retired CEO, VW of Brazil
Ms. Marjorie Yang, Chairman, Esquel Group of Companies

II. Labour, Civil Society, Academia

Mr. Bill Jordan, General Secretary, International Confederation of Free Trade Unions
Mr. Fred Higgs, General Secretary, International Federation of Chemical, Energy, Mine and General Workers' Unions
Ms. Irene Khan, Secretary-General, Amnesty International
Ms. Sophia Tickell, Senior Policy Adviser, Oxfam
Mr. Achim Steiner, Director General, The World Conservation Union
Ms. Jessica Mathews, President, Carnegie Endowment for International Peace
Professor John Ruggie, KSG, Harvard University

III. Observers

Ambassador Jenö Staehelin of Switzerland
Ambassador Paul Heinbecker of Canada
Ambassador Kamalesh Sharma of India
Ambassador Gelson Fonseca of Brazil
Ambassador Dumisani Shadrack Kumalo of South Africa
Figure 1: The Global Compact Network Today

Several hundred companies from every sector/region.

Participation from several business associations – Global, Regional and National.

About 20 organizations currently participating at the Global and National levels.

Support from the largest International Labor Organizations.

Building a Global Network.

Figure 2: Venn Diagram of Network Structure

LEARNING NETWORKS

GPPNs

Global Compact
*Embedded in Framework of Shared Values*

Global Wide Network:
*loosely organized stakeholders*

National Wide Networks

Strategic Network:
Globally Organized Partnership Projects

Strategic Network:
Global Working Groups & Informal Learning Networks

Strategic Network:
Nationally Organized Partnership Projects

LEGEND
NLF = National Learning Forum
NPD = National Policy Dialogue
GLF = Global Learning Forum
GPD = Global Policy Dialogue
UNDERLYING OBJECTIVE:
Contribute to a more stable, equitable and inclusive process of globalization

SPECIFIC GOALS

| Build consensus and inspire recognition of social and environmental concerns in the global marketplace, especially around the most problematic issue areas | Develop a learning bank of corporate best practices and integrate the nine principles into business strategies and operations | Generate concrete, sustained implementation of the Millennium Development Goals |

DYNAMIC CHANGE PROCESS:

Learning

Action

Policy Setting

Learning Forum & Policy Dialogues
Learning = Change that affects and shifts people’s minds; metonia (Senge, 1990)
Policy Setting = Codification of knowledge in ways that lead to productive action

Project Creation & Implementation of the Principles
Action = Change that affects people’s lives

PRODUCTS CONTRIBUTING TO ACCOMPLISHMENT OF GOALS

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