

1 Introduction – Global Partnerships

*I propose that you, the business leaders gathered here in Davos, and we, the United Nations, initiate a Global Compact of shared values and principles, which will give a human face to the global market.*¹

Kofi Annan, UN Secretary General, speaking at the
World Economic Forum Annual Meeting 1999

Introduction

“Kill seven diseases, save 1.2m lives a year” – a punchy headline describes the sharp fall in deaths since the millennium, thanks to concerted cooperation on some of the world’s deadliest diseases (*Economist* 2015). The news concerning diseases such as malaria, HIV/AIDS, measles, polio, and tuberculosis makes the front cover of the *Economist* magazine and signals the successful impact of well-orchestrated and determined medical campaigns. However, these striking advances would not have been possible without the emergence of global partnerships and a new type of collective action to tackle global problems. The Global Fund to Fight Aids, Tuberculosis and Malaria (The Global Fund), the Stop TB partnership, the Global Polio Eradication Initiative, and tens of other related partnerships have allowed the mobilization of resources, collective commitments, innovation, and advocacy on a scale necessary to combat such scourges. The emergence of global public–private partnerships created as new hybrid governance to complement state-driven multilateralism and their impact on global problems cannot be underestimated.

This book examines the rise of global partnerships and how they are changing the face of international governance.² If the twentieth century

¹ Annan 1999, www.un.org/press/en/1999/19990201.sgsm6881.html, accessed September 2012.

² The term “global partnerships” is used throughout the book as a shorthand for “global public–private partnerships.”

was marked by the rise of multilateralism, the twenty-first century has been characterized by its transformation. Following the turbulence of the Great Depression and two world wars, nation-states constructed in 1945 a complex architecture of intergovernmental institutions. Multilateralism rested on a set of shared principles, norms, and rules built by and for states, reflecting the interests and ideas of the victorious powers. This web of institutions rapidly expanded, alongside the complexity of issues on the international agenda. By the turn of the century, however, state-centric multilateralism was undergoing turbulence and metamorphosis driven by growing discontent.

Globalization, understood as the proliferation of networks of global connectedness and interdependence,³ was amplifying transboundary problems, while intergovernmental interest in cooperation was stagnating. Emerging powers and developing countries felt that their priorities were not being adequately represented in the institutional constellation of decision making. Societal actors were demanding greater accountability of international organizations (IOs). Important global objectives such as poverty reduction, access to health, education, and human rights were being woefully underachieved. As states debated but perpetually fell short of achieving major reforms of international institutions, the multilateral system began to open up to direct collaboration with the private sector and other nonstate actors through partnerships.

Global public–private partnerships are voluntary agreements between public actors (IOs, states, or substate public authorities) and nonstate actors (nongovernmental organizations [NGOs], companies, foundations, etc.) on a set of governance objectives and norms, rules, practices, or implementation procedures and their attainment across multiple jurisdictions and levels of governance.⁴

The objective of this study is to theorize the process of institutional change, which has produced new hybrid governance, and to document

³ Castells 1996; Keohane and Nye 2000; Held and McGrew 2002.

⁴ The term “private” refers here to a variety of nonstate actors (companies, NGOs, foundations, and other groups), as commonly used in international relations literature. The term “public–private partnerships” is used more restrictively in the business administration literature, where it signifies cooperation between public institutions and private-sector entities, which are distinct from social partnerships between nonprofit organizations and business (Austin and Seitanidi 2014; Waddock 1988; Stadler and Probst 2012).

its impact on international relations. The argument posits that IOs have played a central role as entrepreneurs of significant institutional change, enabling unprecedented level of collaboration on global issues across the public and private spheres. Driven by organizational interests and empowered by their expertise and selective support from member states, international agencies have actively mobilized or brokered transnational coalitions with entrepreneurial states and nonstate actors. Transnational business, advocates, and philanthropists for their part are increasingly reaching out to the multilateral sphere for institutional platforms, normative framing, and political risk management through voluntary governance programs.

The agency of both private and public entrepreneurs is essential for the rise of partnerships. However, it is IOs that often lead or provide the forum and normative glue for such collaboration, crafting a political space for the interface between public purpose and private practice in international relations. The institutional capital of the multilateral system has in effect enabled it to reinvent itself and to engage the agency, resources, expertise, and norms of diverse global actors from business to advocacy organizations and from local communities to transnational associations. The change is endogenous in the way that it has been engineered from *within* the multilateral system, in response to a broad range of external stimuli associated with globalization and internal political incentives of IOs and member states. Such an activist role by IOs with respect to the private sphere is surprising from the perspective of much of the international relations literature, which has traditionally focused on the steering role of states and attributed to IOs limited capacity for endogenous change.

Global partnerships have tackled many seemingly intractable problems, but their rise is not without controversy. A series of carbon funds, facilitated by the World Bank and its partners, increased substantially the financing for climate change by leveraging new resources. While intergovernmental negotiations remained deadlocked from 2000 to 2011, this financial push integrated the climate change issue into the development agenda. Global partnerships have also changed how the multilateral system governs. They have introduced a model of governance that is decentralized, networked, and voluntary and that melds the public purpose of formal organizations with private practice. These features can enable some actors to engage in collective action before a broad consensus is achieved, to experiment with innovative solutions,

and, in some instances but not all, to make significant contribution to the production of public goods. They constitute a significant departure from the hierarchical organizational structure of multilateral institutions and from the strict interpretation of their authority as granted by and for states.⁵ It is precisely the interface between the public mandates of international institutions and the exercise of private authority in collaborative initiatives that inevitably generates contention.

The World Bank partnerships for climate finance have drawn scrutiny for creating a parallel structure with asymmetric influence of donor countries, compared to the more broadly representative process under the United Nations Framework Convention for Climate Change (UNFCCC). Similarly, critics question the very disease-focused and technology-based approach of many health partnerships whose human and development gains are celebrated by many observers because of concerns that such vertical approaches may divert attention and resources from public health systems. An early article by Kent Buse and Andrew Harmer (2004, p. 50) asks: “[D]o those who govern partnerships constitute unrepresentative and unaccountable elite?” Critics are concerned whether the influx of private resources could shift the international agenda toward certain priorities while crowding out other, equally important ones. Can direct participation by nonstate actors undermine the very intergovernmental foundations of IOs by reducing the relative role of states as principals and channels of state-based accountability?

The unresolved debates on the nature of global partnerships and the evolving structure of international relations require us to step back and provide a more in-depth analysis on the politics of institutional change and its outcomes. We need to inquire what kinds of actors engage in

⁵ The terms “international institution” and “multilateral institution” are used here in a broad sense to encompass the institutional features of international regimes, specified in a collaborative volume by Steven Krasner and his colleagues as “implicit or explicit principles, norms, rules, and decision making procedures around which actors’ expectations converge in a given area of international relations” (Krasner 1983, p. 2). International organizations (IOs) are understood to be the formal organizational infrastructure and an element of international institutions; they operate according to specific hierarchies, missions, rules, procedures, and resources (Ruggie 1992). The features of institutions can take multiple forms other than bureaucratic hierarchies (Keohane 1984; Ostrom 1990). The new set of organizational forms introduced by global partnerships, as elaborated in this chapter, thus amount to an important change in the organizational features of multilateral institutions.

the establishment of new mechanisms of governance across public and private domains – what are the drivers of such entrepreneurship and what political conditions facilitate or limit the scope of public–private collaboration. We also need more systematic empirical evidence on the outcomes of global partnerships in terms of the governance priorities and instruments they bring to the multilateral system in order to start addressing contentious policy debates.

Therefore, three analytic questions underpin this inquiry into the process that has generated new hybrid governance and examines its impact: (1) Why and under what conditions do states and IOs increasingly share decision-making and implementation authority with non-state actors? (2) What are the governance instruments and outcomes of global partnerships and how has the agency of IOs and nonstate actors shaped these outcomes? (3) How does collaboration across the public and private spheres diffuse across the multilateral system to become institutionalized as part of its structure?

To address these questions, this book develops a theory of endogenous institutional change. The theoretical framework draws on a dynamic interpretation of the principal–agent (PA) model of delegation of public authority from states as principals to IOs as agents and bureaucratic managers of cooperation. It inquires why and under what conditions both agents and a subset of principals would engage external, nonstate actors in new governance mechanisms and thus implicitly change the institutional status quo. This is unlike most applications of PA models, which view IOs as agents prone to agency drift and states as principals seeking to control such tendencies. Instead, the theory stipulates the possibility of forging entrepreneurial coalitions *between* agents and like-minded principals, seeking to spur dynamic processes of change from within and in collaboration with external actors. Such change is nonlinear, as we shall see in subsequent chapters. It involves a three-step cycle of organizational entrepreneurship – from agenda setting and experimental adoption of partnership initiatives to replication and diffusion of partnership practices and finally to the attainment of more permanent institutionalization of the hybrid model within the multilateral system.

This study thus advances the understanding of global partnerships as institutional innovation that has emerged in response to globalization through a process of experimentation, contestation, and subsequent institutionalization, which has been overlooked by theories of

cooperation and IOs. By examining the endogenous dynamics of institutional change and the entrepreneurship of global partnerships, the book contributes to the broader inquiry on the structure of global governance in several distinct ways. It sheds light on global partnerships as a specific new organizational form that entails an interface between networks and hierarchies and between intergovernmentalism and transnationalism, leading us to better understand how such partnerships have changed the face of multilateral governance. It also elaborates an organizational theory of dynamic institutional change *within* the multilateral system. Partnerships are neither a product of intergovernmental design nor a bureaucratic progeny of mission extensions; they are driven by entrepreneurial coalitions and iterative processes that cut across organizational lines.⁶ Finally, the book makes an important empirical contribution. It paints a comparative and theoretically informed canvas of the politics, patterns, and outcomes of collaborative governance across multiple organizational spheres including the United Nations Secretariat, the World Bank, the United Nations Environment Program (UNEP), the United Nations Children’s Fund (UNICEF), and the World Health Organization (WHO). The chapters analyze diverse areas of governance such as the UN partnership engagement with business and human rights, environment and sustainable development, and children’s health. This canvas sheds concrete light on contested debates about the sources of authority embedded in global partnerships. It documents the leading role of public organizations, illuminating a much more dynamic and dialectic picture of institutional experimentation and change than what is implicitly assumed by either partnership enthusiasts or partnership skeptics.

The rest of this chapter elaborates the main organizational features of global partnerships and how they constitute an important departure from the traditional structure of the multilateral system. It proceeds to argue why we need a more explicit focus on governance entrepreneurs and endogenous organizational change to understand global partnerships and evolving institutions more broadly. The

⁶ This book contributes most directly to the literature examining the role of IOs in facilitating informal governance and access by nonstate actors (Abbott *et al.* 2015; Andonova 2010; Hale and Roger 2014; Tallberg *et al.* 2013; Johnson 2014). It brings in a new theoretical perspective and data, which stipulates an endogenous process of institutional change that is entrepreneurial and iterative and cuts across the assumed divide between state principals and agencies.

structure of the book and the empirical inquiry are outlined in the conclusion of this chapter.

Global Partnerships as New Governance

In 2001, the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria was jointly established by states, IOs, and nonstate actors as the largest global institution for health financing. Two years later, in 2002, the World Summit on Sustainable Development in Johannesburg, South Africa, became the first intergovernmental meeting to adopt public–private partnerships as an official outcome. By 2014, coordinated actions of several partnerships had elicited substantial policy and financial commitment by governments to reduce unacceptable and preventable levels of maternal and childhood mortality at birth and infancy, which have persisted among the poorest regions of the world. In all these instances, IOs, nonstate actors, and states or local authorities have come together to tackle problems that cross boundaries and scales from local to global.

Global partnerships constitute an innovation in the sphere of multilateral governance in several important ways. Partnerships introduce *new actors* from both the private and substate sectors into the formulation and implementation of governance objectives in an international system that has been designed by and for nation-states. Furthermore, they involve *collaboration* between state and nonstate actors, which implies joint decision making with respect to commonly identified or agreed-on objectives, to which partners contribute different sorts of resources, knowledge, or claims of legitimacy. Public–private collaborations in the international sphere thus involve the explicit rearticulation of the scope of public and private authority across governance jurisdictions and scales in the advancement of public purpose.⁷ It is the agreement on a public purpose, meaning a steering toward shared and publicly recognized objectives, that qualifies partnerships as a form of governance.⁸ Partnerships are therefore qualitatively different arrangements compared to the more traditional interactions between state and nonstate actors, such as lobbying, shaming, consultation, subcontracting, or providing formal access such

⁷ Andonova 2006, 2010; Bull and McNeill 2007; Elsig and Amalric 2008; Schäferhoff, Campe and Kaan 2009.

⁸ Andonova, Betsill, and Bulkeley 2009; Biersteker 2009; Rosenau 1992.

Table 1.1 *Global partnerships as organizational innovation in the multilateral system*

Multilateral Institutions	Global Partnerships
Centralized bureaucracies	Decentralized networks
Delegated authority	Multiple sources of authority
Sphere of competence	Pooling of competencies
Legalization	No or soft legalization
Stability & continuity	Flexibility
Inclusiveness	Self-selection

as observer or consultative status.⁹ Global partnerships involve collaboration that is *global* in reach rather than bilateral or domestic. They operate within the broad framework of the multilateral system, connecting diverse sets of actors across jurisdictions in response to problems with transnational dimensions.¹⁰

Although embedded in the multilateral system, global partnerships also represent a significant organizational change in several distinct ways (see Table 1.1). They are configured as *network-based organizational structures* that involve horizontal, nonuniversal, and reciprocal interactions around a common purpose. Such a structure is distinct from the legalized, bureaucratic organization of the multilateral system, which has traditionally relied largely on intergovernmental agreements

⁹ On the variety of such interactions between nonstate actors and IOs, see, among others, Bulkeley *et al.* 2014; Keck and Sikkink 1998; Bernauer, Böhmelt and Koubi 2013; Betsill and Corell 2008; Fox and Brown 1998; Keohane and Nye 2000; Willetts 1996; Weiss and Gordenker 1996; Princen and Finger 1994; Raustiala 1997; Tallberg *et al.* 2013. The emphasis on joint decision making also differentiates global partnerships from uses of the term “public–private partnerships” in domestic contexts, where it frequently signifies the subcontracting of functions (such as provision or management of utilities, infrastructure construction, etc.) to private actors.

¹⁰ A plethora of concepts have been used to capture the diverse manifestations of transnational governance that may include public and private actors, among them “public policy networks,” “multisectoral networks,” “hybrid networks,” “learning networks,” and other terminology (Reinicke 1999; Benner, Streck and Witte 2003; Reinicke and Deng 2000; Ruggie 2002.) The focus here is on global partnerships as one specific type of transnational governance, which is significant in itself and transformative of the multilateral system.

and a vertical scheme of domestic implementation.¹¹ As managers of multilateral regimes, IOs operate as hierarchically organized bureaucracies with formal public authority delegated from member states. Global partnerships, for the most part, operate as networks that link actors horizontally across jurisdictions, as well as across levels of governance, from local to global. A global partnership network can thus involve a variable mix of agreements and responsibilities for implementation among supranational, national, subnational, state, and nonstate actors.

Furthermore, while the multilateral system is organized around public bureaucracies with delineated spheres of competence, standard procedures, and solutions,¹² partnerships deliberately pool sources of expertise and resources from the public and private spheres. They combine public mandates with market- and norm-based mechanisms of steering.¹³ Some of the advantages of global partnerships are their lower levels of bureaucratization and ability to bring together diverse competencies, expertise, and resources. Most global partnerships have relatively small or no independent secretariats and involve a variable mix of expertise that can include that of several IOs, as well as of NGOs, private-sector entities, and national or subnational agencies.

A related line of organizational differentiation between multilateral institutions and global partnerships has to do with their legalization and universality (Table 1.1). Partnerships depart from the contemporary model of multilateral governance in that they are *voluntary* in the sense of being largely nonbinding under international public law. Multilateral institutions and managing IOs, on the other hand, are established by and embedded in a system of international hard and soft laws.¹⁴ Partnerships typically rest on voluntary agreements such as memoranda of understanding or in certain cases simply on public announcements without a necessarily formalized agreement that carries the force of international

¹¹ Kahler 2009; Abbott and Snidal 2009.

¹² Cohen, March and Olsen 1972; Barnett and Finnemore 2004; Weber 1964; Ruggie 1992.

¹³ Andonova 2010; Bull and McNeill 2007; Kaul 2005; Nelson 2002. By deliberately pooling public and private authority, partnerships thus present a different modality of governance innovation compared to private regulations made largely by nonstate actors (Hall and Biersteker 2002) or informal intergovernmental organizations and transgovernmental networks that rest largely on public authority (Vabulas and Snidal 2013; Raustiala 2002; Slaughter 2004)

¹⁴ Chayes and Chayes 1995; Goldstein *et al.* 2001; Pauwelyn *et al.* 2012.

public law. Global partnerships are connected, however, even if indirectly, to international normative or regulatory documents from which they frequently derive or justify their governance objectives.¹⁵

Finally, global partnerships differ substantially from multilateral institutions in the degree of universality and stability they bring to cooperation (Table 1.1). Multilateral institutions are bureaucratically structured and legalized to bring continuity, predictability, and inclusiveness within functional or geographical areas of cooperation. They are intended to facilitate cooperation by fostering more stable expectations among member states through reciprocity, credible commitments, normative consensus, and information sharing.¹⁶ Public–private partnerships, by contrast, emerge as largely nonlegalized coalitions of like-minded actors. They emphasize flexibility and willing self-selectiveness rather than universal or comprehensive membership for the purposes of achieving a set of specific governance objectives rather than inducing broader continuity in the system.

Understanding these stylized characteristics of global partnerships as a form of governance is necessary to appreciate the puzzle of the rise of new public–private arrangements within multilateral institutions intended to be controlled by states. Importantly, these characteristics also lie at the heart of unresolved public and academic debates on the worth and effects of partnerships in global governance. On the one hand, the organizational characteristics of global partnerships – network-based structure, pooling of authority and competencies, voluntarism, self-selection, and flexibility – can in principle help circumvent some classic problems of large-scale collective action that have plagued many aspects of intergovernmental cooperation. Partnerships can facilitate collective action, for example, by engaging smaller groups of actors, whose voluntary participation in such governance ventures may be informed by expected overlaps between private or local and global benefits of cooperation.¹⁷ This was precisely the case in the creation of multiple targeted funds for climate finance, while global cooperation on climate change stagnated. The voluntary, nonlegalized nature of the agreements also reduces the political cost of entry and exit to global partnerships

¹⁵ Andonova and Carbonnier 2014; Ruggie 2004; Boisson de Chazournes and Mazuyer 2011.

¹⁶ Keohane 1984; Krasner 1983; Ruggie 1998.

¹⁷ Olson 1971; Keohane and Ostrom 1995; Oye and Maxwell 1995; Andonova 2009, 2010; Potoski and Prakash 2005.