

Beyond Pragmatism

Appraising UN-Business Partnerships

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Acronyms

ABB	Asea Brown Boveri Ltd.
AIDS	acquired immunodeficiency syndrome
AMDS	AIDS Medicines and Diagnostics Service
ATCA	Alien Torts Claims Act
BOT	build-operate-transfer
BSR	Business for Social Responsibility
CEO	Chief Executive Officer
CSR	corporate social responsibility
DFID	Department for International Development (United Kingdom)
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
FT	Financial Times
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GHP	Global Health Partnership
GRI	Global Reporting Initiative
GSP	Growing Sustainable Business
HIV	human immunodeficiency virus
ICC	International Chamber of Commerce
ICEM	International Federation of Chemical, Energy, Mine and General Workers' Union
IFI	International Financial Institution
IFPMA	International Federation of Pharmaceutical Manufacturers and Associations
IMF	International Monetary Fund
ILO	International Labour Organization
IUCN	World Conservation Union
MDG	Millennium Development Goal
NGO	non-governmental organization
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PPP	public-private partnership
PPPUE	Public-Private Partnerships for the Urban Environment
PRSP	Poverty Reduction Strategy Paper
RCS	Resident Coordinator System
R&D	research and development
SEED	Supporting Entrepreneurs for Environment and Development
SME	small and medium-sized enterprise
TB	tuberculosis
TNC	transnational corporation
UK	United Kingdom
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UN-BP	United Nations-business partnership
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNEP FI	United Nations Environment Programme Finance Initiative
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization

UNIFEM	United Nations Development Fund for Women
UNFIP	United Nations Fund for International Partnerships
UNRISD	United Nations Research Institute for Social Development
UNU	United Nations University
US	United States
WBCSD	World Business Council for Sustainable Development
WEF	World Economic Forum
WHO	World Health Organization
WIDER	World Institute for Development Economics Research
WIPO	World Intellectual Property Organization
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization
WWF	World Wide Fund For Nature

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Summary/Résumé/Resumen

Summary

In recent years, the United Nations (UN) has emerged as one of the principal proponents of public-private partnerships (PPPs), considered by many to be a key instrument of development and an ideal to be emulated. The authors of this paper argue that idealizing the concept and its normative content, as well as the feel-good discourse that infuses much of the mainstream literature, risk diverting attention away from various tensions and contradictions that characterize UN-business partnerships (UN-BPs) and that raise questions about their contribution to equitable development and democratic governance. Both the theory and practice of partnerships suggest that thinking and policy need to go beyond evidence and assumptions about “good governance” and pragmatism.

The paper identifies key ideational, institutional, political and economic forces that have driven the PPP phenomenon, only some of which are recognized in the mainstream literature. This analysis reveals the multiple, sometimes contradictory agendas and interests involved. The authors argue that if the contribution of UN-BPs to equitable development is to be adequately assessed, these diverse logics underpinning partnerships need to be identified and addressed.

“Partnership” has become an infinitely elastic concept, and the authors suggest that it is essential to unbundle the notion, by analysing the different activities and relationships subsumed under various partnerships in order to reflect on their contribution to equitable development. A review of UN-BPs suggests that, unless the UN’s partnering work is founded on greater conceptual clarity and more robust analytical frameworks, it will be difficult to make useful comparisons or draw practical conclusions.

The paper outlines the growing number of partnerships across the UN spectrum and notes the recent emphasis placed on mainstreaming and scaling up partnership activities in the UN system. The authors argue that the case for scaling-up, and how this should be done, rests on whether it can be plausibly demonstrated that such scaling-up would, in and of itself, have a decisive impact on the problems or issues at stake. Both the theory of partnerships and empirical studies that have been carried out on actual experiences suggest that it is crucial to study the effects of such partnerships from a political economy perspective: will they strengthen local capacities or simply facilitate faster and deeper penetration of foreign capital and globalization; are they really compatible with the nature, mandates and priorities of the UN in general and UN agencies in particular; and how do they affect power relations among different development actors and institutions?

From the above analysis, the authors conclude that there is a need to develop a more active, critical intellectual culture in and around UN partnership activities. This would involve the UN moving beyond the present emphasis on accumulating and showcasing best practice examples of partnerships, and devoting greater resources and energies to developing and applying methodological tools that facilitate ex-ante and ex-post assessments of the immediate or direct development impacts of partnerships, as well as of their wider development implications.

It is essential to devote greater attention to seeing the bigger picture and to take account of key contributions, contradictions and trade-offs. This requires both the development of a panoply of evaluation methods that go beyond some conventional tools, and a broader conceptual framework regarding development than that which currently informs the UN-BP arena. For example, focusing on foreign direct investment, linkages between transnational corporations (TNCs) and small and medium-sized enterprise, and privatization as an objective or outcome of partnerships, is problematic from the perspective of equitable development. Corporate social and environmental responsibility, net balance-of-payments flows, value added, transfer pricing and the crowding out of domestic competitors, among other things, also need to be included in the reckoning.

While impact assessment has not been a priority of UN agencies promoting partnerships, some measures have been taken to reform the operating and normative environment of UN-BPs. The paper pays particular attention to reforms related to accountability, mainly in relation to the United Nations Global Compact, as well as the issues of decentralization and local ownership of partnerships.

The authors emphasize the need to be more selective about which partnerships potentially contribute to the fundamental goals of the UN. Among other criteria, they highlight the principle of “policy coherence” in the sense of avoiding ad hoc interventions where there is a disconnect from core government or agency policy, or a situation where one policy or governance approach contradicts another, as illustrated in the cases of some partnerships associated with water privatization, or global health funds that generate tensions in relation to public health policy.

In spite of the complexity involved, it is incumbent on the UN, as a leading institution in the field of international development, to reflect on how partnerships relate to particular patterns of development. However, critical thinking in the UN on its relationship with the private sector in general, and partnerships with TNCs in particular, has been marginalized in recent years.

Given its key roles in promoting partnerships and as a learning forum, it is important for the Global Compact to accelerate its efforts to move beyond best practice learning and embrace “critical thinking”. This would require greater intellectual pluralism and interactions with a wider range of subdisciplines and research institutions, as well as with civil society organizations that are organically linked to social movements. Without this balance of intellectual and social forces, the Global Compact runs the risk of doing as much to legitimize corporate power as promote inclusive and equitable patterns of development.

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Résumé

Ces dernières années, l’Organisation des Nations Unies (ONU) est apparue comme l’un des principaux partisans des partenariats public-privé (PPP), considérés par beaucoup comme un instrument clé du développement et un idéal vers lequel il faut tendre. Les auteurs de ce document font valoir que l’idéalisations de ces concepts et de leur contenu normatif, ainsi que le ton d’autosatisfaction que l’on retrouve dans une bonne part de la littérature dominante, risque de détourner l’attention des tensions et contradictions qui caractérisent les partenariats ONU-entreprises et qui remettent en question leur contribution au développement équitable et à la gouvernance démocratique. La théorie et la pratique des partenariats inclinent à penser que la réflexion et les politiques doivent aller au-delà des preuves et des présupposés sur la “bonne gouvernance” et le pragmatisme.

Les auteurs énumèrent les principales forces—idéelles, institutionnelles, politiques et économiques—qui font que les PPP ont le vent en poupe mais dont quelques-unes seulement sont reconnues par la littérature dominante. Cette analyse révèle la multiplicité et le caractère parfois contradictoire des visées et des intérêts en jeu. Les auteurs font valoir que pour apprécier à sa juste valeur la contribution des partenariats ONU-entreprises au développement équitable, les diverses logiques auxquelles ils obéissent doivent être identifiées et relevées.

Le concept de partenariat est devenu d’une élasticité inouïe, et les auteurs expliquent qu’il est essentiel de décomposer cette notion en analysant les différentes activités et relations classées dans la catégorie “partenariats” pour pouvoir mener une réflexion sur leur contribution au développement équitable. Une étude des partenariats ONU-entreprises laisse à penser que, tant que l’ONU ne fera pas reposer ses relations de partenariat sur des concepts plus clairs et des grilles d’analyse plus rigoureuses, il sera difficile de faire des comparaisons utiles ou de tirer des conclusions pratiques.

Les auteurs présentent dans les grandes lignes les partenariats de plus en plus nombreux conclus par les diverses institutions des Nations Unies et notent l'importance récente accordée à l'intégration et au développement des activités de partenariat dans le système des Nations Unies. Ils expliquent que les arguments en faveur de ce développement et la façon de procéder en la matière reposent sur la question de savoir si l'on peut démontrer de manière plausible que ce développement a en soi et à lui seul une incidence décisive sur les problèmes ou les questions en jeu. Tant la théorie des partenariats que les études empiriques faites sur des expériences actuelles indiquent qu'il est crucial d'étudier les effets de ces partenariats sous l'angle de l'économie politique: renforceront-ils les capacités locales ou favoriseront-ils simplement une pénétration plus rapide et plus profonde des capitaux étrangers et de la mondialisation? Sont-ils vraiment compatibles avec la nature, les mandats et les priorités de l'ONU en général et de ses institutions en particulier? Et dans quel sens influencent-ils les rapports de force entre différents acteurs et institutions du développement?

Les auteurs concluent de l'analyse ci-dessus qu'il faut développer l'activité intellectuelle, en particulier critique, à l'intérieur et autour des activités de partenariat de l'ONU, ce qui supposerait que l'ONU s'attache moins à accumuler et à présenter les pratiques de partenariat exemplaires et consacre davantage de ressources et d'énergie à l'élaboration et à l'emploi d'outils méthodologiques propres à faciliter l'évaluation prospective et rétrospective des retombées immédiates et directes et de l'incidence générale des partenariats sur le développement.

Il est capital de s'employer davantage à élargir son angle de vision et de tenir compte des contributions essentielles des partenariats, de leurs contradictions, de leurs avantages et de leurs inconvénients. Pour ce faire, il faut se doter à la fois d'une panoplie de méthodes d'évaluation plus fines que les outils conventionnels et d'un cadre conceptuel, pour le développement, plus large que celui qui informe actuellement les partenariats ONU-entreprises. Du point de vue du développement équitable, il est problématique, par exemple, de concentrer son attention sur les investissements étrangers directs, les liens entre les sociétés transnationales (STN) et les petites et moyennes entreprises et la privatisation comme objectif ou résultat des partenariats. Il faudrait prendre aussi en considération la responsabilité sociale et environnementale des entreprises, les flux nets de la balance des paiements, la valeur ajoutée, l'établissement des prix de cession interne et l'éviction des concurrents nationaux, entre autres.

Bien que les institutions des Nations Unies qui encouragent les partenariats n'aient pas jugé prioritaire d'en évaluer l'impact, elles ont pris certaines mesures pour réformer l'environnement opérationnel et normatif dans lequel fonctionnent les partenariats ONU-entreprises. Les auteurs du document accordent une attention particulière aux réformes liées à l'obligation de rendre des comptes, principalement dans le cadre du Pacte mondial des Nations Unies, et aux questions liées à la décentralisation et à l'appropriation locale des partenariats.

Les auteurs soulignent la nécessité d'opérer une sélection plus rigoureuse, selon le potentiel qu'a le partenariat de contribuer à la réalisation des objectifs fondamentaux de l'ONU. Ils insistent notamment sur le principe de "cohérence des politiques", voulant dire par là qu'il faut éviter les interventions ad hoc là où elles s'écartent de la politique de base du gouvernement ou de l'institution, ou là où une politique ou une approche de la gouvernance en contredit une autre, comme on le voit dans le cas de certains partenariats touchant à la privatisation de l'eau, ou de fonds généraux pour la santé qui créent des tensions avec la politique de santé publique.

Malgré la complexité de la tâche, il incombe à l'ONU, en qualité d'institution chef de file dans le domaine du développement international, de réfléchir sur les rapports qu'il peut y avoir entre les partenariats et des modèles particuliers de développement. Cependant, la réflexion critique menée à l'ONU sur ses relations avec le secteur privé en général, et sur les partenariats avec les STN en particulier, a été marginalisée ces dernières années.

Il est important que le Pacte mondial, qui joue un rôle capital dans la promotion des partenariats et l'apprentissage, accélère ses efforts pour dépasser le stade de l'inventaire des

bonnes pratiques et se mette à mener une “réflexion critique”. Cela suppose un plus grand pluralisme intellectuel et des interactions avec un éventail plus large de spécialisations relevant des diverses disciplines, d’instituts de recherche et d’organisations de la société civile ayant des liens organiques avec des mouvements sociaux. Sans cet équilibre des forces intellectuelles et sociales, le Pacte mondial risque de légitimer le pouvoir des entreprises tout autant que de favoriser des modèles de développement équitables et sans exclusive.

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Resumen

Las Naciones Unidas han sido en los últimos años uno de los principales proponentes de las asociaciones público-privadas (PPP, por sus siglas en inglés), que muchos consideran una herramienta clave del desarrollo y un ideal que debe emularse. Los autores de este documento sostienen que la idealización de este concepto y su contenido normativo, así como el discurso autocomplaciente que abunda en buena parte de los documentos sobre la materia, conllevan el riesgo de desviar la atención de las diversas tensiones y contradicciones que caracterizan la colaboración entre las Naciones Unidas y las empresas y que generan interrogantes sobre su real contribución al desarrollo equitativo y la gobernanza democrática. Tanto la teoría como la práctica de estas alianzas indican que los razonamientos y las políticas deben ir más allá de los datos probatorios y los supuestos sobre el “buen gobierno” y el pragmatismo.

En el documento se indican cuáles son las fuerzas económicas, políticas, institucionales y conceptuales que han impulsado el fenómeno de las asociaciones público-privadas, muy pocas de las cuales han sido reconocidas en la bibliografía principal. En este análisis se dan a conocer los múltiples, y en ocasiones contradictorios, intereses y agendas involucrados. Los autores sostienen que para evaluar adecuadamente la contribución de la colaboración entre las Naciones Unidas y el sector empresarial, es menester determinar y abordar las diversas lógicas que sustentan estas asociaciones.

El concepto de “asociación” ha adquirido una elasticidad infinita, y los autores sugieren que es esencial desmarañar esta noción al analizar las distintas actividades y relaciones que estas asociaciones abarcan para poder reflexionar sobre su contribución al desarrollo equitativo. Un examen de la colaboración entre las Naciones Unidas y las empresas revela que, a menos que estas tareas de colaboración de las Naciones Unidas se afiancen en una mayor claridad conceptual y marcos analíticos más sólidos, resultará difícil realizar comparaciones de utilidad u obtener conclusiones prácticas.

En el trabajo se describe el creciente número de asociaciones que se han dado en todo el ámbito de las Naciones Unidas y se destaca el énfasis que recientemente se ha dado a la incorporación y el aumento de las actividades de colaboración en el sistema de la organización. Los autores sostienen que el aumento de estas asociaciones y la manera de llevarlo a cabo depende de que pueda demostrarse de forma plausible que dicho incremento tendría por sí mismo una repercusión decisiva sobre los problemas o las cuestiones en juego. Tanto la teoría sobre las asociaciones como los estudios empíricos que se han conducido sobre experiencias reales indican que es crucial estudiar los efectos de estas alianzas desde la perspectiva de la economía política: ¿Las asociaciones fortalecerán las capacidades locales o simplemente facilitarán una penetración más expedita y profunda del capital extranjero y la mundialización?; ¿estas asociaciones son realmente compatibles con la naturaleza, los mandatos y las prioridades de las Naciones Unidas en general y los organismos del sistema en particular?; y ¿cómo afectan las relaciones de poder entre los diversos actores e instituciones del desarrollo?

A partir de estos elementos de análisis, los autores concluyen que es necesario desarrollar una cultura intelectual crítica más activa en torno de las actividades asociativas de las Naciones Unidas. Esto quiere decir que las Naciones Unidas han de trascender el énfasis que dan

actualmente a la acumulación y demostración de ejemplos de mejores prácticas de las asociaciones y dedicar mayores recursos y más energía a la formulación y aplicación de herramientas metodológicas que faciliten la realización de evaluaciones ex ante y ex post de las repercusiones directas e inmediatas de las asociaciones sobre el desarrollo, así como de sus implicaciones más generales en este ámbito.

Es fundamental prestar mayor atención al contexto más general y tener presente las contribuciones, contradicciones y compensaciones clave. Esto requiere la elaboración de una serie de métodos de evaluación que vayan más allá de algunas herramientas convencionales y un marco conceptual del desarrollo que sea más amplio que el que se utiliza actualmente en el escenario de las asociaciones entre las Naciones Unidas y el sector empresarial. Por ejemplo, el énfasis en las inversiones extranjeras directas, las relaciones entre las empresas multinacionales (EM) y la pequeña y mediana empresa y la privatización como objetivo o resultado de las asociaciones es problemático desde el punto de vista del desarrollo equitativo. La responsabilidad social y ambiental de las empresas, los flujos netos de balanza de pagos, el valor agregado, los precios de transferencia y el desplazamiento de la competencia interna, entre otros elementos, deben incluirse también en la fórmula.

Si bien la evaluación del impacto no ha sido una prioridad entre los organismos de las Naciones Unidas que promueven las asociaciones entre ésta y el sector empresarial, se han tomado algunas medidas para reformar el entorno operativo y normativo de dichas asociaciones. En el documento se presta particular atención a las reformas relacionadas con la rendición de cuentas, sobre todo en lo que tiene que ver con el Pacto Mundial de las Naciones Unidas, así como los temas de descentralización y la identificación local con las asociaciones.

Los autores destacan la necesidad de ser más selectivos al determinar qué tipo de asociaciones pueden contribuir para alcanzar las metas fundamentales de las Naciones Unidas. Destacan, entre otros criterios, el principio de “coherencia de política”, en el sentido de evitar intervenciones aisladas que estén desconectadas de la política fundamental gubernamental o de agencia, o una situación en la cual una política o enfoque gubernamental contradiga otra, como ocurre en los casos de algunas asociaciones en el área de la privatización de los recursos hídricos, o los fondos mundiales para la salud, que generan tensiones relacionadas con la política de salud pública.

No obstante la complejidad del tema, corresponde a las Naciones Unidas, como institución cimera del desarrollo internacional, reflexionar sobre la forma en que las asociaciones se relacionan con patrones específicos de desarrollo. Sin embargo, el razonamiento crítico de las Naciones Unidas sobre su relación con el sector privado en general y las asociaciones con las EM en particular se ha visto marginado en los últimos años.

Habida cuenta de las funciones clave que cumple en promover las asociaciones y como foro de aprendizaje, es importante que el Pacto Mundial agilice sus esfuerzos por trascender el aprendizaje de las mejores prácticas y adoptar un enfoque de “razonamiento crítico”. Esto requeriría un mayor pluralismo intelectual y mayores interacciones con una gama más amplia de subdisciplinas e instituciones de investigación, así como con organizaciones de la sociedad civil que estén orgánicamente vinculadas a los movimientos sociales. Si no cuenta con este equilibrio de fuerzas intelectuales y sociales, el Pacto Mundial corre el riesgo de trabajar a cargas iguales por legitimar el poder de las empresas y promover la adopción de patrones incluyentes y equitativos de desarrollo.

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Introduction

In the field of international development, different decades seem to usher in new champions of change: the developmental state in the 1960s and 1970s; free-market forces and non-governmental organizations (NGOs) in the 1980s and 1990s. The new millennium has offered up a hybrid variant: public-private partnerships (PPPs). Through entities like the United Nations Global Compact and global health funds, various United Nations (UN) summits and commissions, and the activities of organizations such as the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Environment Programme (UNEP) and the World Health Organization (WHO),¹ the UN has emerged as one of the principal proponents of PPPs. These are generally defined as initiatives where public-interest entities, private sector companies and/or civil society organizations enter into an alliance to achieve a common purpose, pool core competencies, and share risks, responsibilities, resources, costs and benefits.²

Despite their appeal to pragmatism,³ the ideas and arguments in favour of partnerships have coalesced into what can be described as a partnership ideology: "partnership" has become a mobilizing term, implying that all manner of desirable objectives can be achieved through collaboration between the UN and the private sector (Zammit 2003; Dommen 2005). The idealizing of the concept and its normative content, as well as the feel-good discourse that infuses the mainstream literature, risk diverting attention from various tensions and contradictions that characterize partnerships and which raise questions about their contribution to equitable development and democratic governance.⁴ Although there has been a rapid scaling-up of partnerships, relatively little is known about their contribution to basic UN goals associated with inclusive, equitable and sustainable development. While considerable effort has gone into advocating partnerships, far less attention has been paid to developing the analytical tools and capacities needed to adequately assess their development impacts and implications, and to draw lessons for the way ahead.

Potentially the Global Compact should play a role in this regard, given its current emphasis on promoting partnerships and its official designation as a "learning forum". In practice, however, the resources and energies associated with learning have been channelled primarily into so-called best practice learning, which tends to focus on identifying and disseminating good practices, the scope for "win-win" situations, and understanding the elements of success and replication. Far less attention has been focused on "critical thinking" that is concerned with winners and losers, conflicts of interest, contradictory policy agendas, the politics of knowledge and institutional reform, imbalances in power relations, the relationship between institutional innovations (of the type associated with partnerships) and different models or patterns of development, and more transformative development and governance alternatives.⁵

In this paper we consider the implications of UN-business partnerships (UN-BPs) for inclusive and equitable development, defined in terms of patterns of economic growth, resource distribution and decision-making processes that contribute to reducing social and income deprivation and inequalities, enhancing people's rights and empowering groups who historically have experienced marginalization and injustice. Part 1 identifies the major

¹ In using the term UN-business partnerships (UN-BPs) or UN partnerships with the private sector, "UN" is used here as a catch-all phrase. It embraces UN funds (such as UNICEF), programmes (such as UNDP), and the Commission on Sustainable Development (part of the UN Secretariat), plus specialized agencies such as WHO, all of which constitute part of the UN system. When appropriate, however, each UN entity is referred to separately. We refer only in passing to the World Bank, which is independent of the UN but considered part of the UN system.

² See various definitions of partnerships outlined in Rein et al. (2005:2).

³ The term pragmatism, employed in this paper, is used more in the common than philosophical sense. The latter involves various positions and debates that will not be addressed here. The former conveys the notion that entities promoting PPPs believe they are being guided less by theories of development and ideology, and more by practical outcomes associated with social, economic and sustainable development.

⁴ For a discussion of how international development agencies use "seductive buzzwords", see Cornwall and Brock (2006).

⁵ See, for example, Ocampo (2006); Guttal (2006); Cornwall and Brock (2006). See also Reed and Reed (2006).

ideational, institutional, economic and political factors and forces underpinning the turn to PPPs, and the very different logics and agendas involved, not all of which bode well for equitable development and democratic governance. Part 2 describes the proliferation of PPPs in recent years within the UN system and suggests that both the scaling-up and diversity of PPPs implies very different objectives, relationships and impacts that need to be disaggregated and analysed. Both the theory and practice of PPPs point to the need for far greater scrutiny of their potential and limitations, and yet, as is argued in part 3, UN-BPs are being mainstreamed and scaled-up in a context where impact assessment is relatively weak within the UN system. Part 4 discusses recent institutional innovations and reforms that have emerged to address some of the concerns associated with UN-BPs. It raises various questions concerning these approaches and argues that there needs to be a shift in approach from “the more the merrier” to selectivity in terms of promoting partnerships that are congruent with both government and agency priorities, as well as broader UN goals associated with equitable development. By way of conclusion, the final section argues that such a shift requires more than awareness and resources; it also requires a certain capacity for critical thinking, which has declined within UN circles since the 1980s. The challenge for the Global Compact as it seeks to enhance its role as a learning forum, is whether it can go beyond best practice learning, which tends to draw on a limited range of disciplinary perspectives and academic institutions, and embrace critical thinking and intellectual pluralism.

Our motivation for researching and writing this paper stems not only from the concern that some types of UN-BPs may potentially or in practice have a developmental downside which needs to be considered, but also that within much of the UN system there is a certain reluctance to openly discuss and debate these issues, let alone allocate the time and resources necessary for critical assessment. Spaces for autonomous inquiry, however, do exist and it is important that these are utilized to ask difficult questions and, when necessary, suggest alternative approaches.⁶

1. Understanding Public-Private Partnerships

Why are the world’s business, international development and civil society organizations, and elites so taken by the partnership approach? Answering this question is important for understanding not only why a particular type of institutional form has emerged with such force in international development circles, but also the controversies and debates surrounding PPPs, and their potential and limits in terms of equitable and sustainable development. Several powerful ideational, institutional, political and economic forces are driving the PPP phenomenon. Some are generally recognized in the mainstream literature that is supportive of PPPs; far less attention is paid to others. Yet consideration of those that are often ignored reveals a very different picture of the pattern of development that partnerships are helping to structure. If their contribution to equitable development is to be adequately assessed, this narrow approach to understanding partnerships needs to be overcome.

Pragmatism and institutional change

PPPs are generally understood with reference to changing patterns of governance, as well as adaptations in management practices and in perceptions regarding the roles and responsibilities of different development actors in the context of globalization and liberalization. They are often portrayed as part and parcel of a “pragmatic turn” in official development practice that is thought to have occurred during the post-Soviet era. Approaches to development interventions, and in particular the role of the private sector, are said to be driven by “what works” and less by ideology.

⁶ Through research and various interactions with relevant UN officials, we have been tracking developments associated with UN-business partnerships since the late 1990s and have authored several publications on this topic (see, in particular, Utting 2001, 2002, 2006; Zammit 2003). We regularly participate in UN, academic and civil society meetings on partnerships and corporate social responsibility.

Concerning governance, two dimensions are particularly relevant; one normative, the other structural. The former relates to the notion of *good* governance. PPPs are associated with desirable attributes of collaboration, trust, responsibility and participation. These are features of the new institutionalism associated with “embedded liberalism”, concerned with developing and strengthening institutions that can minimize or mitigate the perverse effects of markets and economic liberalization, as well as of patterns of globalization that have created imbalances in corporate rights and obligations (Ruggie 1998, 2003; Tesner 2000). PPPs are a response not only to market failure but also to state failure—the perceived or real inability of governments, particularly in developing countries, to be effective agents of regulation and development, and providers of essential goods and services. Regulation, considered “inefficient, ineffective and undemocratic” (Freeman 1997), was seen to be in crisis. Global governance is characterized by a shift from an institutional arrangement dominated by formal structures of a more corporatist nature to “functional coalitions”⁷ and multistakeholder initiatives that are considered more dynamic than traditional hierarchies and authority, and geared toward cooperation and problem solving rather than adversarial interest representation, bargaining and trade-offs (Freeman 1997).⁸

In the realm of UN-BPs, this rationale for bringing in business to work with the UN is reflected in claims that the UN can benefit by drawing on private sector resources, skills and core competencies to achieve UN development objectives more effectively and efficiently. Hence the frequent exhortation to “leverage the complementary skills of the private sector in order to achieve greater impact” (United Nations System Private Sector Focal Points 2006a).

PPPs are also seen as a logical response to structural changes in state-market-society relations that have occurred since the 1980s. Globalization, liberalization and the expansion of “civil society” have resulted in the rolling back of certain state functions and capacities, the massive growth in the number and global reach of corporations, and the emergence of new policy actors (notably NGOs), as well as the strengthening of so-called technocratic policy making. Such changes and contexts have ushered in new forms of “collaborative governance”⁹ of which public-private partnerships and various multistakeholder initiatives are a concrete manifestation. The strategies of many NGOs reinforce this approach. Not only have they been drawn into collaborative arrangements with business, government and international organizations through their growing role in service delivery and consultancy activities, but they have also been part of the ideological shift that saw “state failure” emerge as one of the main explanations of the causes of maldevelopment. Some had also become weary of criticism itself, proclaiming that it was time to stop chastising corporations, elites and “the system”, and start engaging more constructively with processes of policy and institutional reform.

The upshot of these developments was an approach to governance that has been described as “principled pragmatism”.¹⁰ Ideologically, PPPs, in combination with the emerging voluntary standard-setting initiatives associated with corporate social responsibility (CSR), legitimize the shift from state-led “developmental” patterns to ones not only driven and delivered by market forces, but where the principal agents have internalized values associated with social, sustainable and rights-based development as part of a model of “enlightened global capitalism” (Likosky 2005:xi).

When objective or structural conditions change, it is not inevitable that a specific institutional approach such as PPPs should emerge as the preferred solution. Which approach emerges also depends on the power of particular ideas, and how those ideas become embedded, gain traction

⁷ See UNDP (1999:v). The term was used by Mark Malloch Brown, when he was UNDP administrator, to outline certain changes in global society.

⁸ See also Zadek (2005).

⁹ Regarding the concept of collaborative governance, see Freeman (1997) and Zadek (2005).

¹⁰ This term was used by the UN Special Representative on Business and Human Rights in his 2006 interim report on the issue of human rights and transnational corporations (TNCs) (UN Economic and Social Council, Commission on Human Rights 2006).

and influence, or are resisted in existing institutional settings and policy processes (Blyth 2002; Utting 2006). The turn to PPPs has been reinforced by several schools of thought and concepts associated with certain subdisciplines. Of particular importance has been governance theory, which has been concerned with the increasing inability of the state and traditional structures of authority to provide and regulate in contexts of economic globalization, integration and fragmentation (Hewson and Sinclair 1999). It has also addressed the threat of increased social and environmental degradation in situations where free-market forces and corporate rights gain ground over corporate obligations (Ruggie 2003). The solution to both state and market failure was seen to lie with “multilayered” and “multiplayered” patterns of governance, involving collaborative networks in which public and private actors “meshed more effectively in a way that would be regarded as legitimate by attentive publics” (Keohane 2002:16). An important strand of New Public Management, which in turn derived from New Institutional Economics (Bangura and Larbi 2006), justified PPPs related to basic service provisioning on the basis of efficiency, transparency and accountability.

Another aspect of institutional analysis, namely path dependency, is also important for understanding the meteoric rise and internationalization of PPP discourse and practice, and the extent to which global corporations have promoted this approach. Path dependency is the notion that processes of institutional and policy change are shaped significantly by what has come before, and the values, cultures, policies and practices that are already internalized in institutions. In essence, PPPs draw on two prominent features of two models of capitalism, namely moral individualism, which has characterized the so-called Anglo-Saxon (United States/United Kingdom) or liberal model, and the tripartite and collaborative features of the so-called stakeholder model of continental Europe. PPPs may constitute one area where convergence in these two models is occurring, although as seen below, PPPs constitute a very heterogeneous category, with some initiatives resembling conventional forms of philanthropy while others are characterized by more substantive forms of multistakeholder engagement.

The mainstream literature also relates PPPs to modern and innovative forms of management in both the private and public sectors and to organizational learning. In contexts associated with globalization and modernity, where complexity, risk and uncertainty are on the increase, it makes sense for different actors to come together to share core competencies, risks and knowledge (Kaul 2006). Management studies, and in particular, thinking related to stakeholder theory and CSR, yielded influential ideas that reinforced this approach. Stakeholder theory, which took off in the 1980s (Freeman 1984), emphasized the responsibilities of firms vis-à-vis multiple stakeholders. Such relationships were seen as crucial for organizational learning, risk management, competitive advantage, coordination in complex systems, as well as trust and other benefits that derive from multistakeholder engagement. The “win-win” potential of environmental responsibility that Porter had emphasized (Porter and van der Linde 1995) was further refined in the notion of “strategic philanthropy”, which stressed the competitive advantages to be derived from a strategic approach to philanthropy, whereby corporate giving can improve the quality of the business environment (Porter and Kramer 2003; Knudsen 2004).

Some point out that CSR and multistakeholder partnerships often follow a path whereby management recognizes that it is in the interests of a company to ratchet up its approach, moving from the initial phases centred on denial and public relations toward new business models characterized by proactivity and heightened responsiveness to both threats and opportunities (Zadek 2005; SustainAbility 2004). PPPs can be seen as a concrete manifestation of this process.

To the logics of good governance and smart management has been added another in recent years that is particularly potent in certain UN circles: PPPs are seen as an instrument for pro-poor growth through infrastructural development and unleashing entrepreneurship and competition in developing countries, all considered vital for development (UNDP 1999:v; UNDP 2004). Such an approach draws partly on the thinking of scholars such as Prahalad (2005), who have stressed the key role that various types of linkages between companies and

poor communities, producers and consumers can potentially play in poverty alleviation. Through programmes such as the Growing Sustainable Business Initiative and PPPs for the Urban Environment, UNDP has been promoting a model of development assistance whereby, in effect, the UN acts as a broker to facilitate foreign investment in poor countries and the privatization of certain services such as water.

Changing fortunes

The rise of PPPs, and in particular UN-business partnerships, took place in a context where the financial circumstances of both public and private actors were changing. Whereas many developing country governments and UN agencies experienced fiscal and financial crises in the 1990s, corporate capitalism was enjoying a heyday. Corporate philanthropy, particularly in the United States, was reinvigorated by the boom in sectors such as information and communications technology and financial services, the general increase in profitability of large TNCs, and the tremendous growth in the incomes and assets of the corporate elite during “the roaring nineties” (Stiglitz 2004). The rise of CSR coincides with a phase of capitalist development where returns to capital have generally outpaced returns to labour, with the share of profits in the national income of many countries having increased and that of wages and salaries having declined. Data on income distribution in the United States indicate that the share of national income in the United States accounted for by the top 1 per cent of income earners, which had remained stable at around 8 per cent from the mid-1950s to the mid-1980s, nearly doubled to 15 per cent by 1998 (Piketty and Saez 2003:8–10; Harvey 2006:148). In the United Kingdom, the top 1 per cent of income earners increased their share from 6.5 per cent to 13 per cent over a 20-year period (Harvey 2006:149). In a similar vein, in the United States “the ratio of the median compensation of workers to the salaries of CEOs increased from just over thirty to one in 1970 to more than four hundred to one by 2000” (Harvey 2006:149).

Such a backdrop was highly conducive to the reactivation of philanthropic sentiments. In the United States, the number of corporate foundations doubled from 1,295 to 2,549 between 1987 and 2003, and their level of grant giving reached US\$3.5 billion. In real terms, this represented a doubling of the value of grants over the same period. The larger 1,000 US foundations, which include corporate, independent and community foundations, increased their grants from US\$9.7 billion in 1998 to US\$14.3 billion in 2003, with a peak being reached in 2001.¹¹ The World Economic Forum estimates that the Fortune Global 500 companies provide annual cash donations in the region of US\$12 billion and roughly an equivalent amount (US\$10–15 billion) in kind. Total private philanthropic giving to low-income countries is estimated to approach or surpass foreign direct investment (FDI) net inflows to many low-income countries (WEF 2005:5). Individuals such as Ted Turner and Bill Gates, and more recently Warren Buffet, have donated billions of dollars for international partnership programmes.

Despite the substantial increase in the volume of corporate-related funding for philanthropic or partnership activities, it does not appear to have dented corporate profits and pre-tax incomes. In the United States, for example, corporate charitable contributions as a percentage of pre-tax income declined from a peak of 2 per cent in 1986 to 1 per cent in 1996. Whereas such contributions increased 4.2 per cent a year, the annual increase in corporate profits was 5.6 per cent (Schmitt 2000).

Another subset of actors experiencing good times were Northern NGOs, many of whom entered the arena of CSR and PPPs. They were increasingly courted by bilateral donors and, as the CSR movement gathered steam, by big business itself. They engaged in consultancy and other service delivery activities that brought them into closer contact with the corporate world functionally, financially and philosophically.¹²

¹¹ Data from The Foundation Center, www.fdncenter.org, accessed in July 2006.

¹² These included, for example, CSR NGOs such as SustainAbility, AccountAbility, Business for Social Responsibility (BSR), Business in the Community and the International Business Leaders Forum. But some of the leading advocacy NGOs, such as Oxfam, Novib, Greenpeace, Amnesty International and the World Wide Fund For Nature (WWF-International) also established CSR and private sector units.

Other features of the financial backdrop conducive to new modalities of resource mobilization also relate to the declining trend in official development assistance (ODA). Between 1992 and 1997, ODA declined by one-third as a percentage of gross national income of donor countries – from 0.33 to 0.22 per cent, moving ever further away from the internationally agreed target of 0.7 per cent. There was also the growing recognition that contemporary patterns of FDI were not the panacea for economic growth in developing countries that some had expected. Much of it was not in so-called greenfield investments but was used to finance foreign takeovers of national firms, and was heavily concentrated in a few countries, with just five currently accounting for 60 per cent of all inflows to developing countries (UNCTAD 2005a). In Africa, much of FDI is concentrated in the extractive industries. Given their enclave character, capital-intensive nature, reliance on migrant labour and environmental effects, such investment is extremely problematic from the perspective of sustainable human development (UNCTAD 2005c). New sources of financing for development needed to be found, and the International Conference on Financing for Development, held in Monterrey, Mexico in 2002, called on businesses “to engage as reliable and consistent partners in the development process” (United Nations 2002a:6).

Corporate globalization

Two other logics that underpin the turn to PPPs do not receive much attention in mainstream international discourse related to development and good governance, yet they are crucial for assessing the potential and limitations of PPPs from the perspective of inclusive, equitable and sustainable development. PPPs facilitate “corporate globalization”, that is, they are part and parcel of the structuring and legitimization of a global economic system that is not only increasingly interdependent and interconnected but also moulded and controlled by global corporations and corporate elites.

Such structuring takes place via privatization, FDI, commodification, expanding global value chains and the cultural penetration of brands. It also takes place via TNC influence in the public policy arena, and regulatory regimes that combine a heterogeneous mix of “de-regulation” (for example of labour markets), “voluntarism” (for example, codes of conduct), and “hard” regulation (for example, patent protection). PPPs are closely associated with such aspects.

Projects related to the privatization of public services now figure prominently in the PPP portfolio. PPP discourse is particularly strong in the field of water privatization in general and build-operate-transfer (BOT) projects in particular (Hall and Lobina 2006; Prasad forthcoming). Partnerships also operate in tandem with patent protection. Indeed for Pfizer, partnerships centred on cost reduction/drug donation programmes and “strong patent protection” appear to be two interconnected core components of a global strategy (Pfizer Canada 2001).

For TNCs, partnership projects represent an additional set of instruments to expand or consolidate their presence in developing countries. As examined below, UN-BPs have facilitated access into largely virgin markets. But many PPPs are concentrated in developing countries that attract FDI. An assessment of PPPs that were supported by the German Development Cooperation found that “development partnerships” were mainly located in economies attractive to business, such as Brazil, China and South Africa. Furthermore they were thin on the ground in relation to health, primary education and rural development. Few projects focused on the needs of the poor, or elaborated low-tech/low-cost approaches. Moreover, the participation and influence of partner governments, civil society and target groups were found to be limited (Hoering 2003).

The new addition to UN agency discourse, the so-called “bottom of the pyramid” approach, which engages corporations, and the private sector more generally, in commodification, consumerism, and entrepreneurship at the level of poor communities and households, further extends the presence and control of TNCs (UNDP 2005).

The philanthropic dimensions of PPPs also need to be viewed from the perspective of state-market relations. Philanthropy is not simply about altruism, public relations or tax breaks. Historically, as in the United States, it emerged as an important feature of a particular model of capitalism whereby philanthropy was scaled up and institutionalized as part of a “grand compromise” to minimize certain forms of state intervention in the economy.¹³ This relationship between philanthropy and regulation is also relevant to what is happening today in the field of international development where “moral individualism” in the shape and form of corporate social responsibility and philanthropy is part and parcel of a model of development also characterized by de- or soft regulation and the strengthening of corporate rights.

From these perspectives then, there are concerns that PPPs reinforce the logic of neoliberalism that promotes corporate globalization and attempts to engineer a fundamental shift in state-market relations. The connections between PPPs and corporate globalization also have to do with the age-old tension between autonomous state-led decision making and the institutional or regulatory capture of public institutions by private interests. Some forms of PPPs not only enable industry or corporate interests to gain a seat at the consultation and decision-making tables but also cultivate a new set of social, institutional and cultural relations where interaction and influence no longer take place informally or behind the scenes, or have to rely on indirect mechanisms such as secondments, but are upfront and legitimate, with big business seen to be playing its part in “principled pragmatism”.

Much of the PPP literature referring to institutional capture has focused on its implications for public health. There are concerns that the relationship between the pharmaceutical industry and the WHO, which must set standards for that industry, has become too close for comfort, and that organized business interests have gained excessive influence in decision making and regulatory processes at both international and national levels through several global health-related public-private partnerships (Ollila 2003; Beigbeder 2004). The increasing cosy relationship between big business and international organizations constitutes a setting that is rife with conflicts of interest, yet analysis and training about conflicts of interest within the international organizations that promote partnerships are quite limited (Richter 2004a).

Smart politics

Another crucial dimension of the agenda of corporate globalization that needs to be considered in any discussion of PPPs relates to the question of legitimization and the struggle for hegemony.

A powerful driver of PPPs, and of the changing nature of the relationships involved, relates to social contestation and politics. PPPs are as much about political responsiveness as they are about technocratic innovations and institutional reforms. Like CSR, PPPs emerge partly in response to pressures from civil society organizations, campaigns and movements concerned with the power of TNCs and corporate malpractice, and the perverse effects of “corporate globalization”.¹⁴ TNCs and organized business interests have attempted to calm the opposition through PPPs and other voluntary initiatives and institutional arrangements associated with CSR. But big business is not simply on the defensive. The fact that corporate and other elites have promoted the PPP cause is also part and parcel of a hegemonic strategy, in the Gramscian sense. They not only respond defensively to societal pressures, but also proactively, by accommodating and anticipating oppositional demands and exercising intellectual, moral and cultural leadership (Utting 2002). PPPs, and CSR more generally, conform to this logic.

From this perspective, it is no coincidence that the upsurge of PPP discourse and practice, and the ratcheting-up of standards governing partnerships, coincided with the gathering momentum of a “corporate accountability movement” in the build-up to the 2002 World

¹³ The term “grand compromise” has been used to describe the type of social pact involving business, labour and the state that characterized the so-called Fordist model of capitalism (see Lipietz 1992).

¹⁴ Bendell 2004a; Broad 2002; UNRISD 2004; Utting 2005a.

Summit on Sustainable Development (WSSD), and the unfolding of the process of drafting the Norms on the Responsibilities of TNCs with regard to Human Rights. Several NGOs and networks pushed for corporate accountability as an alternative to CSR. Corporate accountability implied both an obligation to answer to different stakeholders and the imposition of penalties in cases of non-compliance with agreed standards (Bendell 2004a; Newell 2002). Specific proposals for a corporate accountability convention or organization did not get far, but the notion of corporate accountability was discussed and did get a mention in the final declaration of the WSSD. Big business lobbied forcefully against any such harder regulatory approaches, and PPPs emerged as a concrete alternative. At the summit some 200 PPP initiatives were announced. In practice many were no more than ideas and took years to materialize,¹⁵ if at all, but the discourse itself was powerful enough to take some of the wind out of the sails of a shift toward corporate accountability.

The evolution of the Global Compact—the UN’s flagship partnering initiative—and the relative ease with which big business has accommodated to some measure of accountability and other reforms (discussed below), also, to some extent, conform to this logic. Since its inception, the Global Compact has been on the receiving end of considerable criticism from civil society and other actors. The Compact was not only seen as “lacking teeth”, but also as a mechanism for “bluewashing” corporations that could project a socially responsible image through their association with the UN (TRAC 2000). Several leading activists, advocacy and research NGOs, and other civil society organizations from around the world signed a “Citizens Compact” in 2000.¹⁶ Some went on to form the Alliance for a Corporate-Free UN. In general, these organizations called attention to the need to restrict commercial and corporate influences in UN affairs.¹⁷

While sharing these concerns, several high profile advocacy and development NGOs joined the Global Compact in an attempt to reform from within. In 2003, however, their patience ran thin, and a group of “Compact NGOs”—Human Rights Watch, Amnesty International, Oxfam International and Lawyers Committee for Human Rights—went public with their concerns. In a letter to the UN Deputy Secretary-General they complained of the weakening of certain accountability mechanisms, limited evidence of progress, and lack of criteria for dealing with companies alleged to be in breach of the principles. They also stressed the need to monitor compliance through the annual reporting mechanism; to disclose publicly the quality of information provided by companies; for greater leadership by the Global Compact and companies in promoting the principles; the application of the principles in UN procurement policies; and greater participation of human rights NGOs and trade unions when the Global Compact is applied at the national level.¹⁸ In June 2004, another Compact NGO, Human Rights First, denounced the extent to which companies could use the Compact as a marketing tool and called for a more “results-oriented structure and approach” that would include a transparent process for evaluating company participation, and greater interaction between the Global Compact and certain other multistakeholder initiatives such as the Fair Labor Association. The NGO also denounced the “unfounded attacks” against the UN Norms on the Responsibilities of TNCs with Regard to Human Rights, and called on the Secretary-General to support this initiative.¹⁹

When government and corporate leaders met a few days later for the Global Compact Leaders Summit, numerous NGOs gathered for the Global Compact Counter Summit. They issued the Joint Civil Society Statement on the Global Compact and Corporate Accountability, reiterating some of these concerns and demands:

¹⁵ See United Nations Economic and Social Council, Commission on Sustainable Development (2004).

¹⁶ See *Citizens Compact on the United Nations and Corporations* (CorpWatch 2000).

¹⁷ See *What is the Alliance for A Corporate-Free UN?* (CorpWatch 2001).

¹⁸ See www.globalpolicy.org/ngos/int/un/access/2003/0606compact.htm, accessed in July 2006.

¹⁹ See www.globalpolicy.org/reform/business/2004/0604hrfirst.htm, accessed in July 2006.

Instead of bringing social values into the market, the Global Compact threatens to bring commercialism into the UN. It rewards rhetoric rather than deeds, and it undermines our efforts to bring a measure of corporate accountability, rather than purely voluntary responsibility, into the intergovernmental arena.²⁰

Recent reforms to the Compact derive partly from such criticisms and pressures, but they also relate to another aspect of regulatory politics. The Global Compact has provided, in effect, an alternative to stronger international regulation of business. When the UN Sub-Commission on the Promotion and Protection of Human Rights designed and adopted in 2003 the Norms on the Responsibilities of TNCs and other Business Enterprises with Regards to Human Rights, a set of standards and compliance procedures, the reaction of some governments and business interests was to argue that they were unnecessary because the Global Compact and other voluntary instruments already existed. At a multistakeholder consultation on the Norms, organized by the Office of the High Commissioner for Human Rights in 2004, several representatives of TNCs and business-interest organizations accepted that there was a need for a “Global Compact Plus”, that is, for some ratcheting-up of standards and compliance mechanisms through voluntary approaches, but that harder aspects of the Norms related to monitoring and redress were unacceptable or politically impracticable (Utting 2005a:16).

Whereas pressures associated with civil society activism have been a crucial determinant of accountability reforms that have occurred in relation to PPPs and multistakeholder standard-setting initiatives, there is a tendency in the mainstream literature and best practice learning circles to suggest that reforms derive essentially from “learning by doing”. In other words, pragmatism, rather than politics, is the keyword. Furthermore, mainstream discourse tends to suggest that social contestation is somewhat passé and that the key determinants of institutional reform are dialogue and learning.

From the above analysis it becomes apparent that the PPP dynamic is fuelled by actors and logics associated with reform agendas that attempt to shape contemporary patterns of globalization in very different ways (Evans 2005). In broad terms, such agendas can be categorized in terms of neoliberalism, embedded liberalism and alternative globalization (Utting 2005a:23). For this reason, it is extremely difficult to impose any sweeping value judgements on PPPs as an approach to development. What it does mean is that international development agencies, NGOs and others that are actively promoting PPPs in the interests of inclusive and sustainable development, need to be cognizant of the multiple logics, agendas, forces and contexts that explain the rise of PPPs, as well as the checks and balances required to control for perverse and contradictory impacts.

2. UN–BPs: An Expanding Agenda

What are UN–business partnerships?

Given the intrinsic and instrumentalist values associated with partnership, it is hardly surprising that the term has acquired such a positive connotation and is now widely employed for its “mobilizing” capacity. It has come to be an infinitely elastic concept, embracing a range of actors, each inspired by different motivations and objectives, and involving varying types of relationships between the partners. It is therefore essential to try to unbundle the notion in order to be able assess the relevance and effectiveness of UN–business partnerships and their implications for the UN as a multilateral policy-making body and for equitable development.

²⁰ See www.globalpolicy.org/reform/business/2004/07gcstatement.pdf, accessed in July 2006.

Attempts to define the term public-private partnership are many and are often so open-ended as to be of little analytical use.²¹ However, that proposed by the UN Secretary-General is a useful starting point as it serves to highlight a number of key issues that need close scrutiny and careful monitoring: “Partnerships are commonly defined as voluntary and collaborative relationships between various parties, both State and non-State, in which all participants agree to work together to achieve a common purpose or undertake a specific task and to share risks, responsibilities, resources, competencies and benefits” (UN General Assembly 2003:4).²²

In practice, the term tends to be used far more loosely, particularly in the public arena, to describe myriad forms of collaboration. Even agencies that have tried to adopt a more rigorous terminology often revert to the partnership discourse in certain forums. UNICEF’s 2001 Guidelines for working with the business community attempt to avoid the pitfalls of the partnership terminology by referring to “alliances” and “allies” (UNICEF 2001). The language on the organization’s Web site, however, features “partnerships” and “partners”.²³

In theory, categorizations or taxonomies could enable a better understanding of UN-business partnerships and facilitate comparative analyses, drawing of lessons, and reference to the analytical literature relevant to particular types of UN-business partnerships. However, typologies often hide more than they reveal and may be of little practical help in this respect. As in the examples presented in annex 1, they are generally categorized in relation to what they broadly seek to achieve in terms of development and the nature of their governance structures, for example, issue advocacy and embedding markets, or in terms of their specific functions, such as policy dialogue, social learning, resource mobilization and operational delivery.

While such classifications or taxonomies may be useful for comprehending the range and diversity of collaborations involved and for simple accounting exercises, they have limited analytical value from the perspective of assessing their contribution to equitable development. The focus on purpose and functional types reveals little, if anything, about the relative weight of commercial and social motivations underpinning partnership initiatives, the power relations involved, and possible tensions, contradictions and trade-offs, let alone the potential of partnerships to achieve their stated objectives. Each of the functional groupings may span a number of partnerships with very different characteristics regarding, for example, partnership activity and the type of relationship between the public and private “partners”, and may have multiple purposes. If typologies are to serve an analytical purpose, then such aspects need to be factored in.

More robust frameworks are emerging. Kaul’s research contribution on *global* PPPs,²⁴ based on a sample of 100 out of 400 such partnerships that reflects their sectoral distribution, is one example (Kaul 2006). Kaul develops a typology (in terms of type of partners and their

²¹ For a listing of definitions and a discussion of various concepts of partnership, see Rein et al. (2005). For a discussion of different understandings and types of partnerships, particularly in relation to UN CSD Type II partnerships for sustainable development, see OECD (2006:5–10). See also footnote 5 of Kaul (2006). For a recent overview of different strands of literature on public-private partnerships, see Weihe (2006).

²² See Richter (2003, 2004a and 2004b) for analyses of partnership as a policy paradigm and for an identification of key public interest concerns in the field of health.

²³ This loose application of the term partnership has been the subject of much discussion and debate within UN, academic and activist circles. It seems, though, that common parlance has won the day, and that we are unlikely to see UN and other development institutions adopt a more rigorous terminology throughout their structures. However desirable a change in language might be, the immediate purpose of this paper is not to transform the discourse of collaboration. Rather, the task at hand is to analyse the different types of activities and relationships often subsumed under the partnership label in order to reflect on their contribution to equitable development.

²⁴ The World Bank defines global public-private partnerships as “partnerships and related initiatives whose benefits are intended to cut across more than one region and in which the partners reach explicit agreement on objectives, agree to establish a new (formal or informal) organization, generate new products or services and contribute dedicated resources to the programme” (Lele et al. 2004:2). Kaul posits five defining features of global public-private partnerships: they are voluntary; horizontally organized; participatory; global and involve a variety of actors; and constitute organizational forms that are situated between markets and states. The study focuses on partnerships that are operational (as opposed to those mainly engaged in advocacy and international policy dialogue) and that address global concerns such as control of communicable diseases, the fight against world poverty and hunger, and climate stability.

motivations) that comprises three basic venture classes.²⁵ Each comprises subclasses according to function, nature of the partnership product, public good, mode of partnering, legal status of the partnership agency and main sources of funding. The typology differentiates a complex universe of global PPPs. The partnerships fall into the following categories, according to main functions:

- trade comparative advantage;
- pioneer new institutions;
- design rules and set standards;
- advance the frontiers of markets;
- broker affordable price deals;
- leverage research and development; and
- manage for strategic results, in particular where problems require urgent attention.

This multidimensional grid or framework facilitates a more systematic and analytical approach to understanding global public-private partnerships. In helping to map out the relationships between the UN and private sector partners, partnership functions, and broad governance mode, among other things, the framework facilitates a closer examination of what is subsumed under the UN-business partnership banner. It could therefore also facilitate an assessment of the relevance or effectiveness of different types of UN-business partnerships, and also of the implications for the UN as a multilateral policy-making body, both with respect to matters of governance and policy formulation.²⁶

To date there has been a fairly ad hoc or laissez-faire approach to partnerships' governance and accountability arrangements, resulting in considerable heterogeneity. However, there is increasing awareness that the performance of partnerships depends to some extent on how well they make decisions and manifest their legitimacy to key stakeholders. Accountability is also seen as a crucial means to "civilize power" and ensure that partnerships do not simply reinforce existing patterns of control but facilitate "shifts in wealth creation, distributional and political outcomes" (Zadek and Radovich 2006:21). The result is a growing recognition of the need to systematize governance and accountability in partnerships and to develop different approaches that are appropriate to specific types of situations. Greater attention is now being given to governance and accountability structures, processes and norms (Zadek and Radovich 2006:1).

Recognizing and seeking to address the potential imbalances in power relationships that can affect partnerships, Zadek and Radovich (2006) have developed a multidimensional framework that focuses on the primary stakeholders involved, and the purpose and motivation of the partnership. Three broad types of partnership are identified: primarily commercial service and infrastructure delivery, non-commercial provision of resources often to assist the weak, and rule-setting, and for each type they also identify the primary stakeholders involved (Zadek and Radovich 2006:8). Using this categorization to examine governance and accountability practices in a variety of partnerships in the different functional categories, they conclude that no single model of governance and accountability is suitable to all. Zadek (AccountAbility 2006) has elaborated a framework for partnership governance and accountability intended to help partnership brokers, managers, funders and affected stakeholders better design, implement and assess the quality of partnership governance and accountability.

²⁵ The three "venture classes" comprise business ventures (seeking mainly private gain), double-bottom-line ventures (seeking to combine private returns on investment with such social or public interest goals as water provision in poorer countries) and social ventures (pursuing as a primary objective, such public interest concerns as poverty reduction or the eradication of communicable diseases) (Kaul 2006:223).

²⁶ Similar issues arise also at the national level.

An important element that is often marginalized in definitions and analysis of partnership relates to participation and empowerment. Rein et al. (2005:123) suggest that partnerships should be viewed as enabling devices to give voice to different stakeholders:

[P]artnerships are more to do with the provision of legitimate platforms for problem solving and access to resources and less about 'delivery'...What is important is how partnerships ensure that different voices are heard clearly and equitably, so that 'working together'[²⁷] to address development issues is made more inclusive and sustainable.

Weihe (2006), referring to the nebulous concept of partnership and the confusion that reigns in much of the discussion, refers to five different sets of literature or research traditions in the study of partnerships, with cross-cutting interconnections, that could contribute to greater clarity. These comprise

1. the local (urban) regeneration approach;
2. the policy approach that describes and analyses public-private constellations within particular fields of policy (such as nuclear power, health or education);
3. the infrastructure approach that analyses public-private financial arrangements for the development of infrastructure;
4. the development approach, where the focus is on public-private partnerships aimed at fostering development and development-related policy issues (such as dealing with environmental challenges or poverty alleviation); and
5. the governance approach, which is more wide-ranging than the previous categories since it focuses on relational, institutional and organizational aspects of new ways of governing.

These approaches have different understandings of the concept of public-private partnership and generally refer to different practices, and to some extent emerge from different contexts and experiences. As such, they serve as useful, even necessary, reference points for discussion and analysis of partnerships.²⁸

The above brief overview suggests that unless the UN's partnering work is founded on greater conceptual clarity and more analytical frameworks, it will be difficult to make useful comparisons or draw appropriate conclusions that can be applied in the Global Compact and elsewhere. Moreover, greater analytical rigour is also essential in order to develop appropriate tools for monitoring and evaluation, without which there is a danger that UN partnering will lose credibility and legitimacy.

Growing numbers across the UN spectrum

For the reasons outlined in part 1, it is hardly surprising that the number of entities described as UN-business partnerships has grown considerably in recent years. The Global Compact itself, established to promote more responsible behaviour on the part of business by encouraging the adoption and implementation of nine principles – now extended to 10 – considers itself to be a UN-business partnership.²⁹ Its business participants now number over 2,500 companies (of which 106 are among the FT [Financial Times] Global 500) (see UN Global Compact 2006a). While the Global Compact Office has, from the start, encouraged closer relations between the

²⁷ This study of selected partnerships in Southern Africa notes that in some of the region's languages, partnership is translated as "working together".

²⁸ UN personnel charged with promoting and establishing partnerships with the private sector, and those contributing to efforts to develop impact assessment of partnerships, could benefit from documentation that sets out the development of these traditions and the key issues associated with them, and with references to key conceptual and analytical works.

²⁹ By participating in the Global Compact, businesses commit to "embrace, support and enact, within their sphere of influence, ten principles that concern human rights, labour standards, the environment and preventing corruption" (www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html, accessed in August 2006).

United Nations and the business community, over time this aspect of its work has received increasing emphasis. This is reflected in the recent Global Compact communiqué “The UN Global Compact: A Platform for UN/Business Partnerships”, which draws attention to the fact that “The Global Compact now explicitly encourages all UN Agencies/Funds and Programmes to use the Global Compact and its 10 universal principles as a platform for engagement with the private sector” (UN Global Compact 2006b:1).

Since 2005, the Global Compact has been particularly active in developing the UN System of Private Sector Focal Points, whereby most UN agencies have designated staff whose task it is to foster partnerships with business. The system’s specific objectives are to:

- share information more effectively to engender joint learning;
- provide a forum for the UN system and private sector to engage on an equal footing;
- develop specific tools that could help focal points better engage with business;
- organize annual events to take stock of progress;
- improve coordination and cooperation;
- encourage action on the ground and experience sharing between country offices and UN headquarters; and
- demonstrate the relevance of working with business to others in the system.

Private sector businesses, particularly large Northern multinationals, have shown a positive response to partnering with the UN. The UN’s “values proposition” or “value platform” is deemed to provide brand value that attracts business partners (United Nations System Private Sector Focal Points 2005). Witte and Reinicke (2005:63) report results from a survey of business participants in the Global Compact indicating that the two most important factors by far influencing their decision to engage in partnerships were that it demonstrated “good corporate citizenship” and increased their reputation.³⁰

This is not, of course, incompatible with the clear business opportunities that association with the UN provides. UNDP itself provides a lengthy list of “obvious benefits” for business (UNDP 2006:20). Many partnerships are driven by the growing recognition that careful examination of the “value chain” indicates many areas where business could apply its core competencies or capabilities to help meet pressing development challenges, while yielding immediate or future streams of profit or some other benefit to the companies involved.³¹ Often this is by virtue of establishing new or potential markets for products and services, and in many instances this requires collaboration with national governments as well as the UN, and the latter’s public standing provides acknowledged benefits to business.

It is not possible, however, to give a precise number for the collaborations included under the label UN-business partnerships, as there is no UN-wide database. Estimating the number of partnerships is complicated by the way in which different UN bodies present partnership information. Classifications of partnerships differ, and there are different ways of describing partnerships. There is also a lack of a clear indication of how many partnerships are subsumed under different labels and programmes. In their preliminary survey of UN-business partnerships, Witte and Reinicke (2005:49, endnote 1) refer to the more than 125 currently active partnerships, not counting the more than 300 Type-II partnerships registered with the United Nations Department of Economic and Social Affairs (UNDESA) Division for Sustainable

³⁰ “Showing good corporate citizenship” was said to be very important or important for 93 per cent of respondents and “increasing reputation” for 85 per cent.

³¹ See for example, table 1 and figure 2 in World Economic Forum (2006), in relation to hunger. Apart from actual or potential profits, businesses also gain local access, new skills and implementation experience, and influence over policy, including in areas affecting their core business interests.

Development.³² According to Broadwater and Kaul (2005), there are estimated to be around 400 global public-private partnerships that address global concerns—such as control of communicable diseases, the fight against world poverty and hunger, and climate stability—compared with 50 in the mid-1980s.

Agencies such as UNICEF and WHO report that they have entered into approximately 1,000 and 90 “partnerships” or “alliances”, respectively, in recent years, although the types of collaborations involved vary considerably. Unlike WHO, UNICEF has actively sought corporate funding to support various initiatives.³³ In 2005, the organization received individual contributions of US\$100,000 or more from approximately 250 companies, with total proceeds received through the corporate sector amounting to US\$142 million.³⁴ The United Nations Commission on Sustainable Development listed 341 partnerships as of May 2006. UNDP’s Public-Private Partnerships for the Urban Environment (PPUE) currently lists 396 partnerships between local government, business and communities to increase the access of the urban poor to basic services such as water, sanitation, solid waste management and energy.³⁵

UNDP has many partnerships in other programmes. For example, it plays a brokerage/facilitating role to foster the growth of small businesses through its Growing Sustainable Business (GSB) initiative that is currently active in seven developing and transitional countries.³⁶ The work is focused on five sectors—financial, energy, water and sanitation, telecommunications and agriculture. UNDP, together with UNEP and the World Conservation Union (IUCN), has established Supporting Entrepreneurs for Environment and Development (SEED), a partnership that fosters The Seed Associate Partners Network (Steets 2006).³⁷

UNEP has various partnerships initiatives. As indicated above, it is involved with UNDP and IUCN in the Seed Initiative. It also promotes local-level public-private initiatives to improve public services by providing clean drinking water and reliable energy services to poor consumers while at the same time contributing to environmental objectives (UNEP no date:7–8). UNEP also has policy-type partnerships, as, for example, the UNEP Finance Initiative (UNEP FI).³⁸ This constitutes one of UNEP’s major partnership efforts, bringing together global financial institutions, including commercial and investment banks, insurance and reinsurance companies, fund managers, multilateral development banks, and venture capital funds. The aim is to develop and promote the linkage between the environment and financial performance by developing and applying voluntary guidelines on key environmental concerns, and to influence relevant international policy. Between 1992 and 2004, UNEP FI has grown from six banks to 217 financial institutions (Holz 2004).

In the field of health, WHO is involved in some 90 partnerships covering a variety of collaborations.³⁹ The International Federation of Pharmaceutical Manufacturers and Associations (IFPMA 2006) lists and describes 92 “Partnerships to Build Healthier Societies in the Developing World”, which are said to include the “vast majority” of such initiatives.

The International Labour Organization (ILO) is a rather different case in that it is a tripartite structure that gives equal voice to governments, employers and workers, and considers itself to be a public-private partnership. Its activities to promote labour standards, the Fundamental

³² Type II partnerships refer to those that are not negotiated between member states of the UN.

³³ A core element of UNICEF’s strategy vis-à-vis the business sector is to promote corporate investment in children, be it through UNICEF programmes or other organizations (personal communication with Anne-Marie Grey, UNICEF, 7 September 2006).

³⁴ Personal communication with Anne-Marie Grey, UNICEF, 7 August 2006; UNICEF 2005. For a list of several of the companies involved, see www.unicef.org/corporate_partners/index_25124.html.

³⁵ See <http://pppue.undp.org/index.cfm?module>, accessed on 14 June 2006.

³⁶ www.undp.org/business/gsp/about.htm, accessed on 10 July 2006.

³⁷ See also www.seedinit.org, accessed in July 2006.

³⁸ Holz 2004. See also www.unepfi.org, accessed on 4 August 2006.

³⁹ Personal communication from Derrick Deane, WHO, 15 August 2006.

Principles and Rights at Work and corporate social responsibility are undertaken on a sectoral basis, and no partnership relations are established with individual businesses.

The trend toward partnerships has been reinforced by the association of partnerships with the achievement of the Millennium Development Goals (MDGs). In section III, paragraph 19 of the United Nations Millennium Declaration (United Nations 2000)—a resolution adopted by the General Assembly—heads of state and government resolved, “To develop strong partnerships with the private sector and with civil society organizations in pursuit of development and poverty eradication”. Since then businesses involved in partnerships often use, as evidence of corporate social responsibility and their contribution to the public good, the fact that their goals and actions relate to one or other of the MDGs or other globally agreed goals. Similarly, UN agencies refer in often rather broad terms to the contribution that their partnership efforts will make to the achievement of the MDGs.

UNDP, for instance, plays a key role in relation to the MDGs by facilitating partnerships directly associated with the attainment of specific MDGs and targets. UNDP’s GSB partnership initiative, referred to earlier, traces its origins to the 2002 Global Compact policy dialogue on “business and sustainable development”, and involves the World Business Council for Sustainable Development (WBCSD) and the International Chamber of Commerce (ICC) which, in cooperation with the Global Compact office, sought to mobilize private sector interest in the MDGs.⁴⁰ Officially endorsed at the WSSD, the GSB initiative focuses on the financial, energy, telecommunications, agricultural, and water and sanitation sectors and involves several major multinationals as “lead companies”.⁴¹ Energy, telecommunications, and water and sanitation constituted 92.8 per cent of investment in total world infrastructure projects, with private participation totalling US\$649 billion in developing countries between 1995 and 2004. In principle, improvements in these sectors would contribute to the achievement of MDG 7, target 10 and MDG 8, target 18 (see box 1), but indirectly to several others, in so far as providing reliable and cheap energy, water and sanitation would contribute to poverty reduction. UNDP’s PPPs for the urban environment relate directly to target 11 of MDG 7—to achieve a significant improvement in the lives of slum-dwellers.

A number of the MDGs relate specifically to health: the reduction of child mortality (MDG 4, target 5); the reduction of maternal mortality (MDG 5, target 6); halting and beginning to reverse the spread of HIV/AIDS (MDG 6, target 7); halting and beginning to reverse the incidence of malaria and other major diseases (MDG 6, target 8); and, in cooperation with pharmaceutical companies, providing access to affordable essential drugs in developing countries (MDG 8, target 17).

⁴⁰ See www.undp.org/business/gsb/faq.html#What_is_the_history_of_the_GSB_initiative, accessed on 1 August 2006.

⁴¹ www.undp.org/partners/business/gsb/qa, accessed on 10 July 2006.

Box 1: Millennium Development Goals and Targets

Goal 1. Eradicate extreme poverty and hunger

- Target 1: Reduce by half the proportion of people living on less than a dollar a day
- Target 2: Reduce by half the proportion of people who suffer from hunger

Goal 2. Achieve universal primary education

- Target 3: Ensure that all boys and girls complete a full course of primary schooling

Goal 3. Promote gender equality and empower women

- Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015

Goal 4. Reduce child mortality

- Target 5: Reduce by two thirds the mortality rate among children under five

Goal 5. Improve maternal health

- Target 6: Reduce by three quarters the maternal mortality ratio

Goal 6. Combat HIV/AIDS, malaria and other diseases

- Target 7: Halt and begin to reverse the spread of HIV/AIDS
- Target 8: Halt and begin to reverse the incidence of malaria and other major diseases

Goal 7. Ensure environmental sustainability

- Target 9: Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
- Target 10: Reduce by half the proportion of people without sustainable access to safe drinking water
- Target 11: Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020

Goal 8. Develop a global partnership for development

- Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally
- Target 13: Address the special needs of the least developed countries. Includes: tariff and quota free access for least developed countries' exports; enhanced programme of debt relief for HIPC's and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction
- Target 14: Address the special needs of landlocked countries and small island developing States
- Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term
- Target 16: In cooperation with developing countries, develop and implement strategies for decent and productive work for youth
- Target 17: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- Target 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

Global public-private partner initiatives have been established in the field of health to fight diseases that disproportionately affect developing countries. In addition to being prompted by the MDGs, other factors have also played a role. The international debate on developing country health issues – particularly the growing awareness that market conditions (poverty and, hence, a lack of effective demand) – has been an important factor. Also, there is greater recognition that the overall political and economic conditions in many developing countries inhibit government and private sector initiatives to develop appropriate diagnostics, vaccines and medicines to provide universal (and at least basic) healthcare (CIPRIPH 2006). Another

factor whose role cannot be ignored is the warning given by more than 10 large institutional investors that the pharmaceutical industry should behave in a way that demonstrates greater corporate social responsibility (Dyer 2003).

Twenty-four public-private partnerships have been established to promote more research and development (R&D) to create new health products for the benefit of developing countries. While the large-scale pharmaceutical sector is an important partner in such arrangements, there is substantial collaboration with small biotechnology or pharmaceutical companies, public sector research institutes or universities, contract research organizations, and developing country partners in the public or private sector (CIPRIPIH 2006:91). Funding for such initiatives has increased rapidly and totalled more than US\$1 billion over the last 10 years. However, it is important to note that private foundations contributed 76 per cent, governments and governmental agencies 21 per cent, and private entities (other than the pharmaceutical industry, which provides support in kind) 3 per cent. The Bill and Melinda Gates Foundation is the largest single contributor, providing more than 60 per cent of the total funding. It alone funds 17 of the 24 public-private partnerships and is the single funding source for nine organizations (CIPRIPIH 2006:92).

Other parts of the health chain also play a vital role in determining how much progress is made in reaching the MDGs. Health interventions, in addition to being available in sufficient quantities, and being acceptable in terms of usability and appropriateness given cultural and other factors, also need to be accessible at reasonable cost. Over 20 global public-private health partnerships now exist, devoted to improving access and/or increasing the distribution of currently available drugs, vaccines or other health products that address neglected diseases and conditions in low- and middle-income countries. These involve long-term donations, and discounted, subsidized or negotiated pricing of products. However, when it comes to the crucial area of improving the infrastructure or systems of delivery of health services in low- and middle-income countries, there are far fewer global PPPs.⁴²

The IFPMA (2006:5), referring specifically to MDGs 4, 5 and 6, estimates that, through research-based partnerships, the industry contributed substantially (in kind) toward achievement of the MDGs: “in the period 2000–2005, the industry provided enough health interventions to help up to 539 million people, or more than two-thirds the population of sub-Saharan Africa, with a conservative value of US\$ 4.4 billion”.⁴³

It is generally agreed that there is now a substantial momentum for change, but the CIPRIPIH (2006:10,11) states that “it would be complacent to think that it is sufficient, or commensurate with the scale of suffering. ... Much more needs to be done to increase the funds available on a sustainable basis and to promote synergy among the efforts of the different partners”. Funds committed by governments are largely on a short-term basis and fall short of what is required. They suggest there is a need for governments to take a stronger role in global public-private partnerships that are undertaking R&D to develop products for diseases that disproportionately affect developing countries.

To date, progress toward achieving the health MDGs is very mixed. The most prominent shortfall is in reaching the goal for HIV/AIDS, while that regarding tuberculosis is hardly better, although some regions are broadly on track. There is still a long way to go in reaching malaria targets. Progress on reducing child mortality is also mixed, while progress in reducing mortality is poor (CIPRIPIH 2006:21).

⁴² Initiative on Public-Private Partnerships for Health, <http://ippph.org/index.cfm?page=ippph/partnerships/approach&print=1>, accessed on 10 October 2006.

⁴³ This data was derived from IFPMA's Health Partnerships Survey (2005). IFPMA states the survey methodology and data were validated by the London School of Economics and Political Science. The latter is published as Kanavos et al. (2006).

Is more better? Mainstreaming and scaling-up

Mainstreaming and scaling-up are now regarded by the main promoters of the partnering idea in the UN as both desirable and essential steps.⁴⁴ The Global Compact plays a key role in this regard. It is “uniquely positioned to serve as a key entry point for business to engage in the work of the Organization. Its light governance structure, combined with operational flexibility and the focus on pragmatic solution-finding has helped the Compact to become the largest worldwide initiative of its kind” (United Nations Global Compact 2006b:1). The UN System of Private Sector Focal Points, promoted and serviced by the Global Compact, is itself a manifestation of the desire to mainstream partnering, with each agency, fund or programme in the UN system encouraged to appoint a member of staff as a focal point.

However, it is also reported that while some UN organizations have taken initial steps to integrate such work into their operations, partnership work in several of them “often remains at the institutional fringes, conducted parallel to, but disconnected from, the main lines of work”. It also frequently “remains separate from regular project management in many United Nations organizations” and they “have not supported their rhetorical commitment to partnerships with adequate resources (that is, finances, staff etc.)” (Witte and Reinicke 2005:72). Partnerships are developed on an ad hoc basis, often in response to approaches from business, suggesting the lack of a strategic framework. UNICEF reports that a major constraint in relation to partnerships is the limited in-house capacity to manage them, and particularly the need to invest in staff with the experience and skill sets that partnerships require.⁴⁵ While collaborative activity with business has increased considerably in recent years, very few additional staff have been taken on at headquarters, while country and field offices often lack the expertise and experience required to deal with this dimension of their work.

The advancing “partnership agenda” is also reflected in the fact that some UN organizations, for example, UNDP and UNICEF, have established “portfolios” of projects offering potential partners a range of opportunities to work with them. However, it is not clear that the UN would have the resources to cope with a large number of expressions of interest, if the institutional guidelines and rules are adhered to. Indeed, in an attempt to strengthen the human resources and skill sets required to deal with partnerships, some agencies now include partnership management in job descriptions and “provide various incentives for staff to reach out to external stakeholders” (Witte and Reinicke 2005:63).

There are also lingering doubts among some UN staff regarding the benefits and appropriateness of partnerships between their organizations and the private sector, a situation which may dampen efforts to mainstream. Such doubts are valid in view of the lack of solid evidence confirming that, overall, partnerships work, or that partnering between the UN and business is essential to achieving the desired results. Clearly, mainstreaming is likely to be more relevant in some areas of UN work and for some types of partnerships than others, but, until the dearth of in-depth evaluations of partnerships is remedied and the lessons learned are more fully absorbed, too much emphasis on mainstreaming could be counterproductive.

Achieving greater impact of partnerships through scale and replicability emerged as a theme at the 2005 meeting of focal points and was also on the agenda of their 2006 meeting (United Nations System Private Sector Focal Points 2006a). However, there seems to be little UN literature that provides greater precision by discussing the different dimensions of the concepts. Scaling-up involves both quantitative and qualitative aspects and can range from the replication of types of efforts, industry-wide involvement in partnerships, increasing the intensity or geographical spread of particular partnership initiatives, or simply increasing significantly the overall number of partnerships. Each dimension has different implications for the various

⁴⁴ Sometimes little distinction is made between mainstreaming and scaling-up.

⁴⁵ Personal communication with Anne-Marie Grey, UNICEF, 10 July 2006.

partners and intended beneficiaries. For example, efforts to establish industry-wide partnerships can have disadvantages (in terms of delays) as well as potential advantages.

Clearly, scaling-up in the sense of simultaneously increasing the intensity and the spread of efforts to eradicate endemic or communicable diseases (such as polio, leprosy or smallpox) is essential; it has long been recognized by governments worldwide, and is part of WHO's rationale. That complete eradication has not been achieved is largely due to a lack of resources.

The case for scaling-up, and how this should be done, rests on whether it can be plausibly demonstrated that such scaling-up would, of and by itself, have a decisive impact on the problems or issues at stake. The absence of greater information derived from evaluations of existing UN-business partnerships suggests that advocating scaling-up may be premature. In this context, it is important to note the more guarded tones of the UN Secretary-General in his report on partnerships (UN General Assembly 2005:17): "Specific actions are required in order to scale up *successful* experiments and allow cooperative arrangements with non-State actors to be a stronger force for institutional change" (authors' emphasis). There is frequent reference in his report to the need for systematic impact assessment.

Nevertheless, how UN-BPs that relate to certain development initiatives should be scaled-up is not self-evident. Is a multiplication of business partners appropriate? Or is a rather different institutional approach required? These are complex issues that require careful consideration. Different types of scaling-up require different types of institutional capacity, the shortage of which has already been noted. Business itself has caveats about scaling up PPP approaches that involve an increase in the number of partners, pointing to the information gaps and divergent perspectives that make it difficult for potential partners to find and engage with one another (WEF 2006:42). Other problems identified in this World Economic Forum study include the cost of initial negotiations and feasibility studies, and financing.

Thus the appropriateness and effectiveness of replication, or scaling-up, cannot be a foregone conclusion. Befeki's (2006) study on the ILO partnerships in Vietnam that help small enterprises to upgrade and integrate into broader production networks and value chains in order to raise productivity and employment, provides an indication of the complex issues that determine whether scaling-up is feasible or desirable.⁴⁶

Furthermore, in considering scaling-up, it cannot be assumed that partnership initiatives that have shown themselves to be effective in one environment can be replicated with success elsewhere. In-depth research of particular cases of public-private partnerships reveals how important the local and historical context is to various key elements of the partnership (Rein et al. 2005).

There is an important additional dimension to this issue, namely, that mainstreaming and scaling-up of UN-business partnerships make it all the more important to study the wider effects of such partnerships from a political economy perspective. Whether, for example, larger numbers of partnerships will strengthen local capacities or result in faster and deeper penetration of foreign capital and globalization are key issues for developing countries.

Another key issue that does not seem to feature explicitly in the discussions of the Global Compact and other UN bodies that promote UN-business partnerships concerns the question of how mainstreaming, replication and scaling-up will affect the nature and mandates of the UN. The growth of relations with business in the process of devising and implementing partnerships, especially *sustainable* partnerships, can intensify the already favourable disposition toward business involvement in UN activities to the point where there is serious

⁴⁶ This United Nations Industrial Development Organization (UNIDO)/Kennedy School of Government joint research project (Building Linkages for Competitive and Responsible Entrepreneurship) analyses a variety of emerging partnership models and, based on detailed analyses, aims to make recommendations for increasing the scale and effectiveness of different models.

erosion of the political framework for UN–business partnerships established in various UN General Assembly resolutions. To avert this situation, a more active, critical intellectual culture developed in and around UN partnership activities is needed in order to make its own contribution to transforming the UN “into a more effective partnership player”.⁴⁷ This itself will also depend on systematic in-depth monitoring, impact assessment and wider evaluation of UN–business partnerships. Furthermore, as the Organisation for Economic Co-operation and Development (OECD) emphasizes, “An important reason to evaluate partnerships is to assess their value-added. ... Evaluations need to demonstrate convincingly that partnerships are an alternative or complementary approach to traditional policy-making and implementation” (2006:11).

3. Where is the Evidence?

Monitoring, impact assessment and evaluation

PPP practitioners from the business world included the following among the guidelines they considered essential for the success of partnerships: “create a win-win partnership with measurable benefits and results...agree on clear targets...and conduct consistent and long-term monitoring and evaluation studies to evaluate PPP outcomes” (WEF 2006:41, box 10). However, in the case of UN–BPs, monitoring and evaluation have only recently been put on the agenda: the 2006 UN General Assembly Resolution 60/215 requested the Secretary General “in consultation with Member States, to promote, within existing resources, impact assessment mechanisms, taking into account the best tools available, in order to enable effective management, ensure accountability, and facilitate effective learning from both successes and failures” (UN General Assembly 2006:paragraph 13).

The UN Secretary General’s report on Partnerships for Sustainable Development (United Nations Economic and Social Council, Commission on Sustainable Development 2006), provides a synthesis of various aspects of the current situation as reported by the partnerships themselves, and states that “[m]any partnerships have reported on the successes of ongoing pilot projects and research studies at the regional and country levels”. But no evidence is provided regarding the existence or otherwise of detailed evaluation and impact assessment studies. The results of a recent OECD survey aiming to examine evaluations of UNCSO Type II environmental partnerships present a dismal picture. Of the 101 partnerships included in the survey, 34 responded to the questionnaire and, of these responses, two were considered insufficiently complete to be included in the analysis. Only 28 per cent of the remaining 32 partnership responses indicated that they had completed an evaluation (OECD 2006:11).

The burgeoning UN literature on partnerships presents numerous “showcase” examples suggesting success, though little robust evidence, if any, is presented in support. In the section “What we know and are learning about partnerships” in its publication, *Partnering for Development*, UNDP relates that “There are some descriptions of individual partnerships but when it comes to a more comprehensive description of a larger number of cases based on comparable information the information is limited” (UNDP 2006:54). The overview of UN–business partnerships conducted by Witte and Reinicke (2005:44, 50) finds that impact assessment is rare and is not conducted consistently. The Food and Agriculture Organization of the United Nations (FAO) and the World Bank Group, on the other hand, are considered more advanced than other UN agencies in developing partnership impact assessment frameworks. The United Nations Industrial Development Organization’s (UNIDO) Automotive Partnership involving Fiat (an example of harnessing markets for development by providing assistance to

⁴⁷ The final report relating to the May 2005 meeting of the UN System of Private Sector Focal Points included the proposition that “Existing institutional incentive structures that emphasize avoiding risks and safeguarding the status quo need to be adapted to better support partnerships”, and also the recommendation that “In the long run, such challenges must be addressed on a comprehensive, organizational scale, in order to transform the United Nations into a more effective partnership player” (United Nations System Private Sector Focal Points Meeting 2005:1, 2).

Indian SMEs supplying manufacturing automotive components) has strong and well-developed impact assessment mechanisms (Witte and Reinicke 2005:37). Similarly, the ILO-linked project in Vietnam was subject to detailed monitoring and evaluation (Befeki 2006).

As a “contribution to promoting an informed debate on the role of partnerships in sustainable development”, Steets (2006:5) undertook a survey of 70 applicants for SEED awards and case studies of five SEED award winners. The study focuses on issues concerning structure and financing, and the mechanisms and processes involved in establishing and running partnerships. One conclusion was that locally driven partnerships have “a high potential to create real impact”. However, evaluation and assessment of concrete results, which could help to ascertain whether partnerships are really worthwhile approaches to achieving widespread sustainable development, were found not to be at the top of the SEED partnerships’ list of priorities. Only 6 per cent of the SEED partnerships reported that they are required by their donors to conduct an impact assessment (Steets 2006:7). As projects often lacked the resources or skills to conduct impact assessments, the report suggests that governments and donors could provide tools and experts for this purpose (Steets 2006:96).

In their analysis of cross-sector partnerships in Southern Africa, Rein et al. (2005) find that while there is increasingly widespread resort to cross-sector partnerships, including in the area of development, there is little solid research to indicate which partnership models have the greatest potential to eradicate poverty.⁴⁸

To assess the feasibility, direct impacts, and short- and longer-term development implications of UN-BPs, appropriate instruments need to be developed. The UN, judging that measures “are in place to ensure that we don’t do harm”, has announced its intention of facing the challenge of “establishing the extent of the good resulting from partnerships” (United Nations Global Compact Office and UNDP Nordic Office 2006:1). To this end, the Global Compact and the UNDP Nordic Office have announced plans to develop a tool that will demonstrate the value of these partnerships (UN Global Compact Office and UNDP Nordic Office 2006:1, 2), and propose to provide UN staff with ex-ante information about a partnership’s development prospects. The aim is to measure the likely degree of economic, social and environmental sustainability of a partnership, that is, to ascertain whether the effects of a partnership are likely to continue to work over time or have a long-term development impact in the sense of resulting in “significant or lasting changes in people’s lives”. Once developed, it is expected that the tool will facilitate the evaluation of the risks and opportunities of partnerships and hence enable UN focal points to make more informed choices regarding which ones to develop, before proceeding to invest resources in particular partnership initiatives (UN Global Compact Office and UNDP Nordic Office, 2006:1, 2).

The use of an ex ante assessment tool to provide an educated guess about a partnership project’s development impacts and implications is to be welcomed. Care should be taken, however, not to mix analytical and promotional purposes, both of which are currently being emphasized in the process of designing the tool.⁴⁹ The development of such a tool also confronts major methodological challenges, not least to avoid a situation where assessment is confined to a project’s immediate or direct development impacts, including the number of beneficiaries, infrastructural expansion, and stakeholder dialogues, rather than a consideration of the wider development implications addressed below. Neither, of course, does it obviate the need for ex post assessments that may stand a better chance of gauging such aspects.

⁴⁸ For a summary of the main conclusions of their analysis, see Institute of Development Studies (2006).

⁴⁹ Personal communication from the Office of the Global Compact to the United Nations Research Institute for Social Development (UNRISD), 11 September 2006.

Assessing the contribution of global health partnerships

Systematic monitoring, impact assessment and evaluation (both internal and external) appear to be taken more seriously in global multipartner health partnerships (Lele et al. 2004).⁵⁰ These assessments cover a wide range of issues, going beyond investigating how far the initiatives actually meet their direct intended goals to analysing the broader implications (see annex 2).⁵¹

In particular, there is concern that the proliferation of horizontal relationships that characterize the growing number of public-private partnerships at the global level will fragment international cooperation in health and undermine the capacity of the WHO, which comprises 192 governments, to set standards and global health priorities and policies, and to coordinate action.⁵² Another problem is that, as indicated earlier, the growing numbers of PPPs are funded largely by philanthropic foundations, which puts into question the sustainability of these partnership initiatives, as such funding modalities are often not conducive to establishing long-term programmes at country and local levels.

This suggests that greater attention needs to be given to how the growing patchwork of alliances and partnerships in health could be turned into a system of global health governance built on existing organizations, common values and agreed regimes, in order to promote global public goods in the field of health, including research and development on health, the generation and dissemination of knowledge, norms and regulatory standards. In other words, while the determinants of health and the measures to address health problems have become increasingly subject to transnational forces, intergovernmental collaboration is becoming more and more essential.

This becomes clear from the assessment of global public-private partnerships that provide access to donated or discounted pharmaceutical drugs in low- and middle-income countries (Caines and Lush 2004). This synthesis report draws on studies in Botswana, Sri Lanka, Uganda and Zambia that analyse global PPPs addressing tropical diseases and HIV/AIDS.⁵³ With respect to global PPPs providing access to drugs for tropical (infectious and parasitic) diseases, the main findings were that the involvement of multinational R&D-based pharmaceutical firms had indeed facilitated improved availability of drugs. Regarding implementation, most PPPs were well integrated into services, with programmes following customary national systems for vector-borne diseases. In almost all systems, there had been a positive impact on health systems. The studies found no evidence of unreasonable conditionalities, impaired national ownership, distortion of national and district priorities, or unhelpful relocation of human and financial resources at central, district or community levels.⁵⁴

However, regarding enhanced access to HIV/AIDS drugs, it was concluded that pharmaceutical company involvement was more complex and problematic than for tropical diseases. Donation and discount programmes for HIV/AIDS drugs examined in these studies are “embedded in an evolving, multi-faceted global debate (related to intellectual property protection, the need to stimulate innovation for new and better products, competition among R&D-based and generic companies and trade in general) as these issues relate to access to medicines for poor populations” (Caines and Lush 2004:4). Drug donation programmes remain limited in scope and have distributed rather small quantities of essential medicines, compared

⁵⁰ Five global health programmes in which the World Bank is a partner have undergone external evaluations within the past five years (Lele et al. 2004:xii). These were the Special Programmes for Research and Training in Tropical Diseases, Global Forum for Health Research, the Joint United Nations Programme on HIV/AIDS (UNAIDS), RollBack Malaria, and the Stop TB Partnership.

⁵¹ Two reasons, in particular, explain this wider assessment. First, business needs to monitor performance so that it can estimate the benefits derived in terms of increased sales, profits, return on investment and/or growth of market share, and the ways in which the partnership outcomes will affect business brand and reputation. For their part, the major funding foundations, governments and the World Bank are each accountable to their respective contributors.

⁵² See, for example, Buse and Walt (2002); Richter (2003, 2004a); Reich (2002).

⁵³ The tropical diseases for which donated or discounted drugs were made available were leprosy, lymphatic filariasis, malaria, onchocerciasis and sleeping sickness.

⁵⁴ For recommendations emerging in relation to tropical disease programmes, see Caines and Lush (2004:41).

with the need among poor populations. The study concluded that, while individuals in sub-Saharan Africa had clearly benefited, there was very little information on the public health impact of the antiretroviral therapy and none on the specific contributions of PPPs or similar initiatives.

Three broad areas of concern emerged from this evaluation of programmes to improve access to HIV/AIDS drugs. First, the fragmentation of initiatives, funding and conditionalities has made the situation at the country level extremely confused. Second, the policy of excluding local private sector providers from most initiatives did not take into account the reality of health service delivery systems in sub-Saharan Africa. Third, there was a lack of understanding of the range of options regarding access to the medicines, a problem that had many dimensions, including the issue of intellectual property rights, trade and public health (Caines and Lush 2004:41). In regard to this:

Actions are needed on many fronts to strengthen the capacity of low- and middle-income countries to assess all options regarding access to medicines, including the role and nature of collaborations with sole source suppliers. Current activities of international agencies (WHO/AMDS [AIDS Medicines and Diagnostics Service], WIPO [World Intellectual Property Organization], WTO [World Trade Organization], UNCTAD [United Nations Conference on Trade and Development], World Bank) are insufficient and the health of poor populations is being neglected. International agencies should also review the currently fragmented efforts to collaborate on validating sources and build procurement mechanisms to assist poorer countries. Both pharmaceutical companies and international agencies should take steps to simplify and harmonize the discounts and procedures available to some countries, including information and eligibility for the different schemes they offer and clear information on the conditionalities of different schemes. In particular the position of donations and discounts vis-à-vis registration of generic products needs clarification (Caines and Lush 2004:41-42).

Global health partnerships (GHPs) have been assessed from two perspectives by the Bill and Melinda Gates Foundation and McKinsey and Company, first by examining in 2002 the outcomes of the partnerships themselves and then by conducting an assessment of country-level perspectives on GHPs (Bill and Melinda Gates Foundation and McKinsey and Company 2005). The first study found that such partnerships worked in that they “attracted attention and funding to diseases, spurred countries to craft smarter policies that plan for the future, encouraging countries to strengthen program monitoring and accountability, and boosted wider stakeholder participation” (Bill and Melinda Gates Foundation and McKinsey and Company 2005:1). But the 2005 research in 20 countries found that GHPs imposed considerable burdens on developing countries, as the gains made came at a cost. The introduction of vertically oriented resources into horizontally organized health systems in resource-constrained environments had two serious consequences. First, there were difficulties absorbing GHP resources, because GHPs did not provide adequate technical and other support to implement programmes. Second, countries were burdened with parallel and duplicative processes from multiple GHPs, because GHPs often bypassed the processes that countries already had in place. The assessment also found that GHPs had not adequately or effectively communicated with countries and partners. These findings prompted a number of proposals for remedying the situation that gave countries a greater role in deciding on the optimal timing, pace and scale of new technology and policies, and providing more funding to cover both overhead costs and administrative support for coordinating mechanisms. But the most radical proposal was that, on one hand, GHPs should ask countries to provide one unified multiyear health sector plan and on the other, they should collaborate to address the present cross-cutting constraints and create a single unified mission and a single unified report in each disease area to reduce the burden on country officials. In short, the global health community was asked to collaborate to address these health system issues (Bill and Melinda Gates Foundation and McKinsey and Company 2005:2).

The World Bank's evaluation of the global health programmes in which it is involved has also drawn attention to similar concerns. For example, for several of the global initiatives, the lack of continued grant aid commitment on an assured, predictable and long-term basis is a clear problem, as is the timely supply of quality, affordable drugs and an appropriate diagnostic and treatment regime. In connection with UNAIDS, the report noted that "While considerable progress has been achieved through advocacy, global programs in communicable diseases also underscore that the weakest links are the health system and financial capacities of developing countries to sustain the programs, particularly in the poorest countries" (Lele et al. 2004:xix, xx).

These strong qualifications regarding the effectiveness and implications of some of the newest global health partnerships pose the question whether the increased involvement of the private sector on present lines was the most fruitful way toward achieving WHO's goal of Health for All, of rebuilding healthcare systems, and advancing a coherent and properly funded global health system.⁵⁵

The findings above suggest that in establishing global public-private health partnerships in recent years, little heed has been given to wider development experiences and debates, as well the lessons from past development strategies. Parallels have been drawn, for example, between global health partnerships such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and the integrated rural development approach of the 1970s. The latter was the supposed panacea for broad rural development that has long since been abandoned. Like such schemes, some health partnerships continue to reflect the organizational preferences of the main donors rather than the institutional needs of partner states. Country ownership and local decision making remain tenuous, and partnership projects run parallel to existing health systems, diverting scarce human resources to the global partnership schemes. In sum, such partnerships have significant, though largely unintended, system-wide effects (Mkandawire forthcoming).

Seeing the bigger picture

There is a danger that impact assessment will become the new mantra in policy circles and that an impact assessment industry, akin to that associated with corporate sustainability reporting and CSR monitoring, will develop. Just as there are concerns about the substantive value of these CSR tools (Utting 2005b, *Financial Times* 2006), similar concerns arise in relation to impact assessment. Part of the problem relates to the methodologies used. Whether or not the ex-ante or ex-post assessment tools achieve their analytical objectives will depend partly on the questions asked, which in turn relate to the conceptual frameworks that shape the understanding of development. Focusing mainly on the contribution of partnerships to the achievement of the MDGs, for example, will not necessarily say much about either the sustainability of partnerships or economic and social sustainability.

OECD (2006:12-13) lists some of the most prominent assessment frameworks and methodologies for evaluating partnerships and points to the fact that "most focus largely on procedural aspects of partnerships. Not all examine the impact of partnerships and fewer still look at the efficiency aspects". However, other dimensions may also need to be considered to assess key contributions, contradictions and trade-offs associated with inclusive and equitable development, as the following study makes clear.

An evaluation of a PPP in the tannery industry in Pakistan, which involves UNIDO and UNDP, identifies various limitations regarding the use of "classical effect" evaluation methods, such as those advocated by the OECD for evaluating aid interventions (Lund-Thomsen 2006). These focus on criteria associated with relevance, effectiveness, efficiency, impact and sustainability. Such methods need to be complemented by others. These include both "realist" approaches, which emphasize the importance of theory and context in explaining the dynamics and

⁵⁵ Beigbeder 2004; Buse and Walt 2000; Richter 2004b.

outcomes of PPPs, and “participatory” approaches, which focus attention on the inclusion or exclusion of poor or weaker stakeholders and actors in design, monitoring and evaluation. Engaging with such perspectives ensures that attention is paid to other evaluation criteria connected to equity and procedural rules that relate to accountability, regulation and compliance (Lund-Thomsen 2006). Such perspectives would also likely draw attention to a prominent feature of many PPPs, namely their top-down character. The latter run the risk of not only limiting participation, but also fostering the design and implementation of methods and procedures that ignore important dimensions of local and national institutional and political contexts.

As mentioned above, a more comprehensive development-oriented assessment framework suggests the need to go beyond assessing the outcomes related to the immediate objectives of partnerships and to throw light on the wider implications for the economy and national policy. The IFPMA’s estimation of their contribution to achieving the MDGs referred to earlier⁵⁶ left out of the picture such matters as the extent to which these efforts helped build the local health infrastructure, and the nature of the contractual terms regarding intellectual property rights, licensing and parallel imports on which such partnerships were based. These issues, among others, are judged to be of considerable importance for developing countries in the assessments of global health partnerships.

Furthermore, assessing partnerships in terms of their contribution to MDGs or other similar targets diverts attention away from the macroeconomic policies and processes that underpin the Poverty Reduction Strategy Papers (PRSPs), that are themselves intended to help achieve the MDGs. McKinley (2004, 2005) and ActionAid International (2005a, 2005b), among others, have shown how supposedly locally owned PRSPs are in fact tied firmly to International Monetary Fund (IMF) policy prescriptions and fiscal disciplines.⁵⁷ It is perhaps insufficiently appreciated that the neoliberal regime favoured by the International Financial Institutions (IFIs), and also by big business, has not shown itself to be widely successful in reducing poverty or in inducing pro-poor structural change. It is, therefore, not surprising that reports indicate that it will be a difficult, if not impossible, task to meet the MDGs on time. Increasingly, alternative policy frameworks that involve a very different macroeconomic regime are being proposed, including from within the United Nations.⁵⁸

Focusing on FDI and on TNC-SME linkages per se as an objective or outcome of partnerships is problematic from the perspective of equitable development. As one of the authors of this paper argued previously, one also needs to consider the implications related to corporate social and environmental responsibility, net balance-of-payment flows, value-added, retention of profits in the host country and transfer pricing, the crowding out of domestic competitors, the nature of incentives for TNCs, and so forth (Zammit 2003). As a recent UNCTAD report has noted, there is a need to rethink the role of FDI (UNCTAD 2005c). Methodologies are now being developed to examine the implications of FDI and TNC activities in host countries from a broad-based developmental perspective. An example of this is a report by Oxfam and Unilever, which examined in some depth the impacts of the company’s activities in Indonesia (Clay 2005).

The Millennium Declaration Resolution affirms the responsibilities of states to their societies for upholding the basic principles of human dignity, equality and equity. It would therefore seem incumbent on all partnerships to observe this injunction. Yet many partnerships fail to live up to the equity challenge, particularly in the field of privatization. A number of research documents provide strong substantial evidence that involvement of the private sector in energy, and water and sanitation projects, through the contracting of infrastructure, commercialization

⁵⁶ IFPMA indicated that over the period 2000–2005 the industry provided “enough health interventions to help up to 539 million people, or more than two-thirds the population of sub-Saharan Africa, with a conservatively calculated value of US\$4.4 billion” (IFPMA 2006:5).

⁵⁷ See also Easterly (2004).

⁵⁸ UNDP 2005; UNCTAD 2005b; UNDESA 2005; Gottschalk 2005.

of services or outright privatization, cannot be said to promote poverty reduction. Furthermore, partnerships in this field often raise serious questions regarding the sharing of financial risk and the sustainability of privatization initiatives.

Where benefits have emerged, they have often accrued not only to the companies involved but also to middle- and higher-income groups. Water privatization has often had perverse effects in terms of equity. Research carried out by the United Nations Research Institute for Social Development (UNRISD) in seven countries reveals a mixed record in terms of the access of low-income groups to clean water, and a more negative situation in terms of affordability for low-income groups (Prasad forthcoming). Privatization has often occurred without due consideration of the regulatory context and capacity required to ensure inclusive and equitable outcomes (Ugaz and Waddams Price 2003). And what is clear from the sociopolitical reaction to privatization in many countries is that policy makers and international agencies also ignored the political economy of privatization, and how local responses and social contestation would ultimately undermine the sustainability of this approach. Global Compact companies like Suez and Veolia are now disinvesting in some countries, leaving behind an institutional vacuum that will be difficult to fill after years of state retrenchment and the debilitation of the civil service.

Moreover, research indicates that much of the investment that appears to be privately financed in fact comes from government subsidies or loans and from end users. An IMF report on PPPs notes

as in the early days of privatization, the driving force behind PPPs may not only be a quest to increase economic and social efficiency, but also the ability to bypass expenditure controls, and to move public investment off budget and debt off the government balance sheet, by exploiting loopholes in current fiscal accounting and reporting conventions (IMF 2004:5).

In such circumstances, the report notes, “it cannot be taken for granted that PPPs are more efficient than public investment and government supply of services. ... [T]he government still bears most of the risk involved and faces potentially large fiscal costs” (IMF 2004:3). In addition to the perverse developmental implications of this situation, one of the fundamental criteria of PPPs—the sharing of risk—is also undermined. The adoption of such approaches needs to be assessed critically and other approaches considered (Bayliss and Kessler 2006).⁵⁹

Achieving equity also implies enhancing the capabilities of disadvantaged groups not only through improved access to goods and services but also through rights and empowerment. From this perspective, it is important to examine how partnerships affect power relations. On the basis of six case studies of partnerships in southern Africa, Rein et al. (2005) identify very different collaborative relationships which have important implications in terms of the relative power of different partners, the degree of risk they assume and the sustainability of partnership initiatives. These include contractual, philanthropic, “notional”, donor-funded, and “implicit power” relationships. As the authors point out:

These different types of relationships affect the ways in which the partnership organisations operate and negotiate with each other. They also have a bearing on the depth and quality of different forms of partner participation, such as: incentives for partnering, sector involvement and organisational engagement. Furthermore, this typology raises questions about the underlying intentions of the partner organisations and the people representing them, and the ways in which these intentions affect the work of the partnerships (Rein et al. 2005:117).

The same study also emphasizes the need to assess how partnerships interact with their wider context:

⁵⁹ See also IMF (2004); Hall et al. (2002); Prasad (forthcoming) and BBC News Online (2003).

Partnerships are conditioned by the particular economic, political, cultural and social environments in which they work. ... One of the undoubted dangers of the fashionable status that partnership currently enjoys is the assumption that there is a model of partnership that can be applied to each and every situation. Our research suggests that partnerships need to be built very carefully both on the established good practice and on the constraints of local conditions (Rein et al. 2005:8,125).

The authors also highlight the fact that the effectiveness of cross-sector partnerships must also be viewed in the context of constraints associated with global structures and the so-called unlevel playing field in which many developing countries find themselves (Rein et al. 2005:123).

4. Coping with Partnerships

While impact assessment has clearly not been a priority of UN agencies promoting partnerships, certain measures have been undertaken to reform the operating and normative environment of UN-BPs. These have attempted to address some of the major problems associated with UN-BPs, such as free-riding and the extent of top-down and supply-driven initiatives related to specific partnership projects. In this section we focus on accountability reforms, particularly in relation to the Global Compact, and reforms relating to local ownership and decentralization. The section ends by considering the need to be more selective about partnerships and the criteria that might inform selectivity.

Accountability

In 2002 one of the authors of this paper presented three scenarios for the future development of the Global Compact and CSR regulation associated with the UN (Utting 2002). The first related to “more of the same”, that is, ongoing soft voluntarism centred on PPPs, voluntary standard-setting initiatives and reporting, and best practice learning.⁶⁰ Another involved a two-pronged strategy whereby the Global Compact would coexist with other regulatory initiatives associated with corporate accountability and harder forms of regulation. Some elements of this scenario have emerged with the creation of new bodies of international law such as the WHO Framework Convention on Tobacco Control and the Aarhus Convention.⁶¹ What predominates, however, is a third scenario, where the Global Compact has responded to calls for reform and organizational learning by gradually ratcheting-up its standards, procedures and governance arrangements. It has emerged as a major international initiative in the field of CSR, but in the process, as noted above, has crowded out some other regulatory initiatives associated with corporate accountability, most notably the Norms on the Responsibilities of TNCs with Regard to Human Rights. It should be pointed out that this effect is unintended: the Global Compact Office explicitly states that the Compact is meant to complement and not substitute regulation, and that it aims to contribute to improved public governance.⁶² Rather, the problem arises when other interests use the existence of voluntary initiatives in general, and the Global Compact in particular, as an argument to lobby against regulation and corporate accountability.

⁶⁰ The term “best practice learning” is used here to refer to an approach that focuses primarily on identifying good practices and “win-win” situations, and analysing the elements that account for “success”, usually with a view to promoting replication. Where constraints are identified, it is often assumed that they can be overcome through relative fine-tuning: allocating additional resources, managerial innovations, and improved accountability guidelines and procedures. Best practice learning stands in sharp contrast to approaches associated with “critical thinking” (discussed in the conclusion), which often adopt a political economy perspective that identifies winners and losers, conflicts of interest, contradictions and trade-offs, and pays more attention to the way in which power relations and structural inequalities shape both the design and outcomes of development interventions. Whereas best practice learning often assumes that good practice can be exported relatively easily, or adopted by other organizations and localities once there is sufficient knowledge, resources and “political will”, critical thinking suggests that the effectiveness of development interventions depends as much, if not more, on national and local contexts and their particular institutional and political settings, as specific combinations of inputs.

⁶¹ The “Aarhus” Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters was adopted in 1998 and reinforced with a legally binding Pollutant Release and Transfer Register protocol, signed by 36 countries and the European Union. In 2004 the Aarhus Convention’s compliance committee began to hear complaints from NGOs alleging non-compliance.

⁶² Personal communication with the Global Compact Office, 11 September 2006.

The Compact's relation to the issue of corporate accountability is ambiguous in other respects. The term figures prominently in the learning process associated with the Compact and in various institutional and governance reforms (Zadek 2002; Zadek and Radovich 2006). The notion of corporate accountability *à la* Global Compact appears, however, somewhat truncated with attention focused primarily on one particular dimension of accountability, namely "answerability", and less on the other crucial dimension, namely, penalties for non-compliance.

Some of the limitations of the Global Compact that were identified early on by civil society campaigners and others were confirmed by the Compact's own review process. A wake-up call was provided by an evaluation carried out by McKinsey and Company in 2004, which found that only 6 per cent of Global Compact participating companies reported that they were taking action that would not have happened without participation or that would have been difficult to implement without participation. A total of 60 per cent of companies stated that Global Compact participation had not made much difference: 33 per cent said that it had not prompted any change and 27 per cent said that changes they had taken would have happened with or without the participation in the Global Compact. The final third (34 per cent) reported that change would have happened anyway, but that association with the Compact had significantly facilitated change (McKinsey and Company 2004). These findings appeared to confirm the concerns of some civil society and other critics that centred on two major problems: first the scale of free-riding, and second, that best practice learning was either not working or remained at the level of ideas and awareness, and was not impacting corporate policy and practice in a meaningful way.

Concerning partnerships more generally, the United Nations General Assembly periodically considers the topic in its annual deliberations. Initially it called attention to the need for accountability and balance in terms of the types of countries and enterprises involved (United Nations General Assembly 2002). These and other guidelines and criteria were ratcheted up in 2004 with the addition of a clause which stressed that "partnerships should be consistent with national laws, national development strategies and plans, as well as the priorities of countries where their implementation takes place" (United Nations General Assembly 2004:3). In its 2006 resolution, the General Assembly reiterated these points but also, as mentioned earlier, called on UN organizations and agencies "to share relevant lessons learned", and on the Secretary-General "to promote...impact-assessment mechanisms...and facilitate effective learning from both successes and failures" (United Nations General Assembly 2006:4).

Civil society and academic criticism continued to target the Global Compact. Companies and business leaders associated with the Global Compact and UN-BPs are regularly implicated in malpractice lawsuits, inquiries and "awards". Having been, for several years, on the receiving end of the Corpwatch "greenwash" awards, a new prize for malpractice emerged in 2005 when a number of NGOs organized the Public Eye on Davos awards. In 2005 and 2006, various Global Compact companies were either short-listed or won the categories for environmental malpractice or abusive human rights and labour practices. Several were also implicated in the Iraq Oil-for-Food corruption inquiry. Some companies involved in UN-BPs feature prominently in cases associated with so-called "foreign direct liability" (Ward 2001), notably those brought under the Alien Torts Claims Act (ATCA) in the United States. The Save the Children inquiry into company performance in relation to revenue transparency in the oil and gas industries revealed the poor performance of several Global Compact companies (Save the Children UK 2005). A recent inquiry into the state of CSR in relation to drug promotion by the pharmaceutical industry found that many of the problems identified, such as lack of transparency and provision of verifiable information, unethical marketing, and breaches of codes and laws, applied in varying degrees to Global Compact companies (Consumers International 2006). Similar accusations are regularly levelled at Nestlé with regards to the unethical marketing of breast-milk substitutes (IBFAN 2004). And high profile corporate leaders have also found themselves in the malpractice spotlight, as in the case of Goran Lindahl, the former Chief Executive Officer (CEO) of Asea Brown Boveri Ltd. (ABB), who had to step down as Special Advisor to the Global Compact following accusations that he had been on the

receiving end of an excessively generous pension deal at a time when ABB was experiencing financial difficulties (see Pehrson 2002).

Such contradictions between CSR discourse and practice should not come as a surprise, given the diversity of pressures and incentives to which global corporations and their staff are subjected, the difficulty of effective self-regulation within giant complex institutions, and the limitations of government regulatory capacity. And those promoting CSR often point out correctly that it is a process. What is important is the principle and practice of “continuous improvement”. One should not, therefore, interpret ongoing malpractice as evidence that CSR is ineffective. What the juxtaposition of good and bad practice does suggest, however, is not only the scale of the challenge in relation to CSR, but also, as Blyth (2002) points out, that processes and institutional reforms associated with “embedded liberalism” coexist with those associated with “disembedding”. The challenge for institutions like the Global Compact and other multistakeholder initiatives is both to build in strong accountability and procedural mechanisms to manage such contradictions and ensure that they do not undermine credibility, and to recognize that processes of institutional “reform” can work both ways, in terms of embedding and disembedding markets and corporations, and not assume that embedding (for example, CSR and partnerships) is a one-way street.

Several steps have been taken by the Global Compact in this regard. Since 2003, companies have been required to submit an annual Communication on Progress, which should illustrate what participants have been doing to further the Global Compact principles, as well as provide standardized and comparable indicators and analysis of achievements and difficulties. A review carried out in mid-2005 found that only 38 per cent of companies had complied. The Global Compact office announced that greater efforts would be made “to foster participants’ continuous quality improvement and to protect the integrity of the initiative”. A set of Integrity Measures was adopted that include more explicit guidelines governing restrictions on the use of the Global Compact logo; a mild “naming and shaming” procedure whereby companies that do not report on progress for two years in a row would be declared “inactive” and identified as such on the Global Compact Web site; and the introduction of a formal complaints procedure whereby “systematic and egregious actions that undermine [a company’s commitment] to, and the reputation of, the Global Compact” could be examined. The latter mechanism is “soft” in the sense that responsibility for dealing with cases seems to rest heavily with the Global Compact’s business participants or their representatives on the board, but it does contain harder elements. It allows, for example, the Global Compact Office to declare “inactive” a company that refuses to engage in a dialogue on the issue in question within three months of being informed by the Global Compact Office, and provides the possibility that the Global Compact Office can ultimately revoke a participant’s status if malpractice continues.⁶³ In April 2006, the Secretary-General announced the appointments to the Global Compact Board, which held its inaugural meeting in June. The board provides strategic advice and plays a role with respect to the implementation of the Global Compact’s Integrity Measures.

Another development that has received relatively little attention in the analysis and debates surrounding the Global Compact is potentially one of the most important in relation to “embedded liberalism”. This involves the increasing complementarities and synergies between the Global Compact and other standard-setting initiatives. The Global Compact serves to reinforce certain multistakeholder initiatives such as the Global Reporting Initiative (GRI)⁶⁴ and so-called international soft law such as the OECD Guidelines on Multinational Corporations and the ILO Tripartite Declaration of Principles on Multinational Enterprises and Social Policy. As is well known, such initiatives have their weaknesses but they have a certain legitimacy and are being tried and tested on an increasing scale (OECD Watch 2005; Utting 2006). The OECD

⁶³ See *Global Compact Note on Integrity Measures*, www.unglobalcompact.org/AboutTheGC/integrity.html, accessed on 1 August 2006.

⁶⁴ An alliance between the Global Compact and the GRI was announced in late 2001 when it was agreed that “company submissions made under the aegis of the GRI may also be considered as submissions fulfilling the participation requirements of the Global Compact” (www.unglobalcompact.org/NewsAndEvents/news_archives/2001_11_28.html, accessed on 1 August 2006).

Guidelines sit at the interface of soft and hard regulation,⁶⁵ being formally a voluntary initiative, but carrying greater authoritative weight and legitimacy, given their intergovernmental status. They also potentially carry more of a regulatory weight due to the existence, since 2000, of a complaints procedure. This in turn has prompted a group of 47 NGOs that are part of the OECD Watch to monitor the application of the guidelines and the functionality of the complaints mechanism (OECD Watch 2005). The OECD Guidelines and the Global Compact are emerging as the two foremost CSR institutions in the world today, and there are signs that they are increasingly working together rather than in isolation (UN Global Compact Office and the OECD Secretariat 2005).

The Global Compact has also played an important role in promoting and implementing the Principles for Responsible Investment, which were signed in April 2006 by the heads of large institutional investors from 16 countries, representing more than \$2 trillion in assets owned. The principles encourage companies to be cognizant of environmental, social and corporate governance issues in their investment decisions. While voluntary and aspirational, they could well be associated with a ratcheting-up process similar to that of the Compact itself: "The initial focus is on innovation, collaboration and learning by doing. As the project develops over time, the Board will consider how signatories can monitor and report on progress."⁶⁶ This will depend, however, not only on learning by doing but the types of civil society pressures and mobilizations that unfold in the area of investment in developing countries.

Through Global Compact dialogues, calls also emerged from certain NGOs and private sector and government leaders for the UN to put its own CSR house in order and to correct the contradictory situation where the UN was calling on the private sector to abide by principles the organization itself was ignoring. A review, carried out at the request of the UN Secretary-General, revealed a low level of awareness within the UN system on how the Global Compact principles might apply to UN operations and decision making; nor were there any organized efforts to promote organizational learning and the mainstreaming or internalization of the principles (Burstein 2004). Steps were subsequently taken to "[make] the United Nations a leading example of responsible corporate citizenship, as advocated by the Global Compact", with particular focus on practices related to procurement, investment management, facilities management and human resources.⁶⁷ The Global Compact Office supported this process and, by early 2006, initial measures included the scrutinizing of companies that the UN pension fund invests in to gauge their compatibility with Global Compact principles, and the drafting of a voluntary Code of Conduct for UN suppliers with supplementary implementation and remediation guidelines.⁶⁸

A fairly comprehensive set of guidelines governing UN-BPs have existed since 2000. These included important reminders to UN agencies that their relations with companies should not compromise the integrity of the UN, that agencies should, in effect, screen companies on the basis of the Global Compact guidelines, and that information about partnerships should be in the public domain. The guidelines also caution against the tendency for partnerships to evolve on an ad hoc basis, and note that the relationships should be properly assessed, and guidelines critically reviewed on a regular basis. Efforts have been made to further refine the guidelines that assist in the selection or acceptance of business partners and in rules defining the use of the UN's logo.

The letter and spirit of these guidelines were reiterated in General Assembly resolutions in both 2004 and 2005 which called on the UN entities to: "develop, for those partnerships in which it

⁶⁵ For more on this interface and the notion of "articulated regulation", that is, the complementarities and synergies between different regulatory approaches, see Utting (2005b). See also Ward (2003).

⁶⁶ See www.unpri.org, FAQs, accessed on 12 July 2006.

⁶⁷ See "The United Nations Working to Internalize the Global Compact Principles", February 2006, www.unglobalcompact.org/Issues/Business_Partnerships/index.html, "Overview on Progress To Date", accessed on 18 July 2006.

⁶⁸ "The United Nations Working to Internalize the Global Compact Principles", February 2006, www.unglobalcompact.org/Issues/Business_Partnerships/index.html, "Overview on Progress To Date", accessed on 18 July 2006.

participates, a common and systemic approach which places greater emphasis on impact, transparency, accountability and sustainability, without imposing undue rigidity in partnership agreements” (UN General Assembly 2006:3). Furthermore, all relevant UN organizations and agencies are encouraged to “share relevant lessons learned and positive experiences from partnerships, including with the business community, as a contribution to the development of more effective United Nations partnerships” (UN General Assembly 2006:4). The 2005 resolution also requests the Secretary-General to take action to

enhance partnership management through the promotion of adequate training at all concerned levels; institutional capacity in country offices; strategic focus and local ownership; the sharing of best practices; the improvement of partner selection processes; and the streamlining of United Nations guidelines for partnerships between the United Nations and all relevant partners, including the private sector (UN General Assembly 2006:4).

But these General Assembly resolutions went further by also addressing some of the development concerns associated with UN-business relations, in particular, the concerns that project and programmes were often ad hoc, externally imposed, and disconnected from national priorities and planning processes. They stressed that “partnerships should be consistent with national laws and national development strategies and plans, as well as the priorities of countries where their implementation takes place, bearing in mind the relevant guidance provided by governments” (UN General Assembly 2006:3).

From the above it is apparent that some refinements and reforms have occurred in the normative frameworks governing PPPs. What is less clear is the extent to which UN agencies are internalizing guidelines, particularly those adopted by the General Assembly, throughout their structures.

Some agencies, such as UNICEF, have developed more robust methods for screening and reviewing potential partners. At the time of writing, WHO is in the process of drafting a set of principles for engagement in partnerships. In April 2006, a new tool became available to aid in the screening process. UNDP, the United Nations Population Fund, the World Food Programme and the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) joined up with World-Check, a company that tracks and creates profiles of individuals, businesses and business associates, among others, for 180 regulatory authorities and government agencies worldwide (UN-Business Focal Point 2006).⁶⁹

There are clear tensions, however, between the pragmatic urge to scale up partnerships and the maintenance of strict guidelines. In relation to financing the Global Compact, for example, the Secretary-General informed the General Assembly in 2001 that “to avoid potential conflicts of interest, the Global Compact does not accept financial contributions from the private sector for its own operations” (UN General Assembly 2001:36). Nevertheless, in April 2006, the Foundation for the Global Compact was created. Chaired by Sir Mark Moody-Stuart,⁷⁰ the foundation is authorized by the Global Compact Office to fundraise on its behalf. By mid-July 2006 the foundation had received donations from 24 companies.⁷¹

UNICEF has also changed its approach to selecting corporate partners. The screening mechanism that was introduced in 1998, and which was applied more systematically throughout the agency’s global structure in 2000 through an Intranet-based screening process, initially sought to identify and exclude companies whose activities and reputation might tarnish UNICEF’s reputation. In recent years, this policy has been adapted from one of “risk

⁶⁹ The services of World-Check are provided free to the UN, and the service is free of charge and unlimited to any UN agency expressing interest to the UN Department of Management.

⁷⁰ Sir Mark Moody-Stuart is also chairman of the mining corporation, Anglo American, board member of Royal Dutch/Shell and a director of HSBC Holdings and Accenture.

⁷¹ See www.globalcompactfoundation.org.

aversion" to "risk awareness", with attention also focused on "corporate engagement", that is, working with firms whose activities are clearly associated with children's needs and rights, even if their credentials in terms of corporate social responsibility are not impeccable. This shift from an exclusionary to an inclusionary approach also aims to assist companies in improving their CSR performance by providing information and advice useful for a company's learning process.⁷²

Local ownership and decentralization

It is now UN policy to decentralize efforts to promote UN-business partnerships to regional and country offices. This is seen as an important means of increasing local ownership of partnerships. Judging by the number of countries involved, implementation of the policy appears rapid.

Partly in response to criticism of the concentration of Global Compact activities at the UN headquarters in New York, which tended to favour large corporations and well-funded NGOs, the Global Compact has made efforts in recent years to encourage the founding of country and regional networks worldwide. The aim is to promote the 10 principles and encourage participating companies to engage in dialogues and partnerships, among other things. This decentralization process has played a major role in internationalizing the discourse on CSR and engaging business associations and some companies in discussions on CSR in developing countries. To some extent it has also served to correct the image of the Global Compact as a Northern and TNC-centred initiative.

Whereas in the late 1990s UNDP had limited experience with private sector partnerships, it now has over 50 country offices that have initiated some private sector-related activities, and efforts are becoming more systematic (UNDP 2006). As part of this decentralizing and localizing effort, UNDP's Division for Business Partnerships established the Growing Sustainable Business initiative referred to above. UNICEF's regional and country offices and National Committees are also active in promoting or managing relationships with companies.

Major challenges affect the decentralization process. The shortage of national and local staff with the relevant skills to interact with the private sector and deal with the challenges posed by partnerships is a basic constraint. The addition of complex new tasks of promoting, "brokering" and implementing UN-public-private partnerships has generated rumblings of discontent over what is seen as mission creep that adds to the burden on personnel who are already overloaded. While some training and workshops are provided for regional and local staff to help them undertake "partnership work", this does not necessarily reduce the overload.⁷³

Decentralization is particularly problematic in the field of privatization of public services such as water. Research indicates that the failure of privatization schemes in some developing countries, and their negative impacts in terms of the affordability of services for low-income households, partly relates to the weak regulatory environment that often exists (UNDP forthcoming; Prasad forthcoming). A crucial aspect of the regulation problem is the limited capacity of government institutions to bargain and negotiate with large corporations, and avoid "institutional capture". Such capacity is often far more limited at the level of municipal authorities, a fact that has led some experts to argue against decentralization in relation to water privatization.⁷⁴

⁷² Personal communication with Anne-Marie Grey, UNICEF, 7 September 2006.

⁷³ This training at the moment appears quite limited. Beginning in 2005, the UN System Staff College and The Partnering Initiative have been working with various UN agencies and business partners organizing courses on partnering skills to develop country and sector-specific capacity-building initiatives. Currently there is a one-hour session on partnerships included in the Resident Coordinator System (RCS) orientation programme for new resident coordinators. It is also intended that partnerships and the role of the private sector will feature in some regional and country-specific RCS workshops. In addition, UNDP and its Regional Bureaus are exploring the possibility of offering business partnership training to all Country Office focal points in targeted regions, with a possible start in the Asia-Pacific region in 2006 (Global Compact 2006c).

⁷⁴ This point was made by several experts at the UNRISD Workshop on Social Policy, Regulation and Private Sector Involvement in Water Supply, Geneva, 11–12 September 2006.

In the case of the Global Compact, it has often been difficult to replicate the same type of multistakeholder ethos and structure that exists at the global level. At this level, not only “business-friendly” organizations but also certain trade union, human rights and development NGOs with a more critical perspective participate in both operational aspects and governance structures. The official guidance given to local networks in relation to establishing and consolidating genuine multistakeholder structures seems weak: “Besides business, networks *can* include a variety of stakeholders such as”, suggesting that networks may pick and choose from a long list of possible stakeholders. It remains to be seen whether the set of self-assessment indicators that now exist for local networks to track their performance can encourage local Compacts to develop more representative multistakeholder structures.⁷⁵

The aim of mainstreaming and scaling up UN-business partnerships, on the basis of decentralization, reinforces the arguments for a routine and thorough assessment. There are major concerns that the increasing responsibility for partnerships at the level of country offices is not being matched by a commensurate increase in the human resources and skills needed to manage and assess partnerships. Central-level units dealing with private sector relations can play an important support and advisory role, and can track partnerships, but in agencies like UNICEF and WHO, for example, their capacities are severely stretched.

The need to achieve “local ownership” infuses the UN’s advocacy relating to partnership building to achieve various development objectives, conveying the idea that “participation” of local interests and organizations is essential to their success. It is inspired by one branch of the development literature that emphasizes that successful development initiatives depend on the capacity, power or influence of national and local stakeholders to set and take responsibility for a development agenda or initiative and to muster and sustain support for it. It is also associated with the idea that giving people a say in policies that affect them is also a means of empowering them.

A general injunction to promote local ownership or participation crucially calls attention to the dangers of an approach to partnerships that is characterized by externally imposed and supply-driven interventions. It runs the risk, however, of suggesting that it is always essential or that there are fairly standard ways of going about it. There is an emerging literature on the internal dynamics of partnerships that reveals the complexity of the matter and how such dynamics can affect outcomes (Rein et al. 2005; Steets 2006). There is evidence that failure to incorporate key stakeholders into the partnership decision-making and communication processes is a barrier to developing successful partnerships (Yakovleva and Alabaster 2003). Research indicates that partnerships can marginalize or exclude some social groups, often women, within the processes, even when they are the targets of the partnership’s activity (Geddes 2000).

Different modes and degrees of local ownership and their effects are likely to vary in different contexts and situations (Rein et al. 2005; Steets 2006). In discussing the issue of local ownership in the context of an assessment of UNDP’s SEED programme, Steets warns that the concept of local ownership should be applied carefully, as the effects are disputed and that it would be wrong to assume that more local ownership is always better than less.⁷⁶ This would suggest that, in promoting the partnership idea, blanket statements regarding the benefits to participants of local ownership and participation are inappropriate. Further, as Steets (2006:58,

⁷⁵ Guidelines relating to the formation of Global Compact Networks can be accessed on www.unglobalcompact.org/NetworksAroundTheWorld/gc_networks.html. In relation to the self-assessment guidelines, see www.unglobalcompact.org/NetworksAroundTheWorld/network_self_assessment.html.

⁷⁶ There is ambiguity in many UN statements when referring to local partners, illustrated by the following. “Having a trusted and experienced local partner that can identify organizations and enlist government support is especially critical for projects with tight deadlines”; and “Engaging local organizations in public-private partnerships helps build capacity by transferring knowledge, skills and technology” (UNDP 2006a:56). Here it is not clear whether the immediate aims of the project concern the transfer of knowledge, skills and technology or whether these are unintended, though beneficial, ancillary outcomes. Global businesses engaged in development-related PPPs and UN-BPs have also drawn the conclusion that they have been most successful when working in collaboration with local organizations: governments, NGOs and other agencies (WEF 2006:41). However, without further analysis it is not clear exactly what is meant: presumably this is meant to convey that working in partnership with others provides better results than particular acts of FDI that do not have these close links.

59) proposes: “we should try to analyse what effects local ownership can have in which situations and under what circumstances. Ultimately, these considerations should help determine what level of local ownership is most appropriate for what purpose. ... And...one must develop criteria for assessing local ownership”.

The notion of local ownership as applied to UN-BPs can mean very different things. For example, does it refer to initiatives in which local stakeholders participate, but which are essentially designed and promoted by external agents or international organizations? Or does it refer to partnerships initiated and driven by local agents (Steets 2006)? Such questions are relevant for the UN in general and, in particular, for brokering agencies like UNDP, UNICEF and WHO that receive numerous “supply-driven” requests from Northern-based companies. In promoting the partnership approach, the UN makes frequent reference to its own catalytic role in promoting ideas or themes for particular partnerships. If partnerships essentially involve the transfer of knowledge, skills, technology or products, this may well imply a truncated interpretation of local ownership.

Such tensions even affect showcase programmes promoting local ownership. Applying an expanded notion of local ownership that facilitates measurement, Steets conducted a survey of the partnership experiences related to the UNDP SEED Initiative. Promoted by UNDP, UNEP and IUCN, SEED aims to support nascent, locally driven, entrepreneurial partnerships involving various UN agencies, businesses, civil society organizations, public authorities and local communities.⁷⁷ The results of the study indicated that if the level of local ownership is said to depend upon how far and how meaningfully affected stakeholders are involved in the different stages of a development initiative,⁷⁸ then 63 per cent were found to be local. That is, local stakeholders took the initiative and remained the driving forces behind the initiatives.⁷⁹ One-third were found to be “participatory international”, whereby international partners took the initiative and involved local stakeholders in a significant manner. In the remaining three per cent of partnerships, local stakeholders had no say (Steets 2006).

More detailed research would be required to ascertain the degree of local ownership and success of other UNDP initiatives such as the GSB and the Equator Initiative, which is said to be a development strategy rooted in the knowledge and innovatory efforts of local peoples.⁸⁰ In this context, it is important to note the conclusion from Witte and Reinicke’s overview of UN-BPs (2005:45): “Bringing local ownership to partnerships is still a challenge. ... Many partnerships, especially those that bring together the United Nations with multinational companies and transnational civil society, face shortcomings related to local ownership”. The issue of local ownership presents a rich research agenda for scholars concerned to dig deeper into this issue in relation to UN-BPs. The idea of local ownership in the context of UN-BPs needs a great deal more conceptual and operational clarification. At the same time, there is need for more thinking on how this ties in with country ownership.⁸¹ As noted above, the two are not identical, and UN-BPs that can be defined as locally owned on the basis of clear criteria may not fit the aims and priorities of government development strategies and policies, and vice versa.

⁷⁷ The support is provided by means of a biennial awards scheme, capacity-building activities and a research programme.

⁷⁸ Such stages included identifying the problems to be addressed, defining the goals and targets of a development initiative, setting and implementing concrete policies or activities, and evaluating them.

⁷⁹ See Steets (2006). For a more detailed discussion of the concept of local ownership, types of local ownership and the costs and benefits, in the context of the SEED partnerships, see Steets (2006:57–69).

⁸⁰ The Equator Initiative is not to be confused with the Equator Principles, which comprise a set of ethical principles to be adopted by financial institutions in their financing activities.

⁸¹ The term “country ownership” often refers to planning and policy processes where national governments are supposed to be in the driving seat but consult with key development actors and organizations. The term is used in relation to the PRSPs promoted by the World Bank. PRSPs are supposed to be country owned in that they should be elaborated by governments on the basis of consultations with citizens groups and NGOs (hence the confusion with the term locally owned used in discussions of UN-BPs).

Selectivity and policy coherence

UN-BPs have evolved considerably during the current decade. The reality is that the UN, through partnerships of various kinds, is now closely allied with big business. Pragmatism suggests that much can be gained from this situation in terms of financial and human resources, synergies from blending the core competencies of different organizations, and the strengthening of the institutional environment governing globalization and liberalization. The mainstream literature on PPPs appears to suggest that their rise is part and parcel of a generally positive paradigm or policy shift that is occurring in terms of global governance, pro-poor growth and corporate social responsibility, and that the gains far outweigh the costs.

The analysis in this paper suggests, however, that the developmental and governance implications of UN-BPs need far greater scrutiny than has been admitted by “the pragmatic approach”. In part 1, it was shown that some of the forces, conditions and contexts driving the partnership movement are fundamentally about corporate globalization and political strategizing to shore up or reinforce the power and legitimacy of TNCs. Many partnerships not only have a strong business logic associated with public relations, competitive advantage and market share, which is to be expected, but are also associated closely with features of a variety of free-market capitalism that can yield contradictory or perverse effects from the perspective of equitable development. Such features are related to another set of PPPs, namely Philanthropy, Patent protection and Privatization. Parts 2 and 3 described the considerable scaling-up that has occurred in UN-BPs, the diversity of relationships involved and the lack of impact assessment that has taken place. Some UN entities simply have not had the time nor possessed the human resources, skill sets and other capacities either to effectively design and implement partnership initiatives, or to assess their costs and benefits, and developmental and governance implications. There may also be a tendency for pragmatism, that is, the desire to get on with the job, and for naiveté, that is, the failure to recognize the complexity of issues involved, and to place assessment and evaluation on the backburner. Part 4 raised a number of questions about recent institutional reforms aimed at addressing concerns about the UN-BP experience.

All these considerations seem to point in one direction: the need to be more selective about which partnerships potentially contribute to the fundamental goals of the UN. As the Global Compact publication *Business UNusual* argues, there needs to be greater selectivity in terms of both “functional selectivity”, that is, in relation to partnerships that can contribute “to the mission and goals of a specific UN organization” and “build on the core competencies of the organization”, and “performance selectivity”, that is, in relation to those that yield a positive “input/output ratio” (Witte and Reinicke 2005:84).

The concerns expressed by Zadek (2005), Ollila (2003), Richter (2004a) and others about issues of governance and accountability also suggest that such issues should inform the selection of partnerships. Rather than assume that aspects associated with credibility, legitimacy, participation and disclosure are unimportant, or can be bolted on at a later stage or fixed en route, they should be considered from the outset. As these authors show, such mechanisms crucially affect both the performance and legitimacy of partnerships. However, there are signs that accountability issues have been ignored as the floodgates to private sector collaboration have opened.

The concerns raised in this paper suggest that selectivity should also consider the principle of “policy coherence” that has gained currency in recent years. While very different interpretations of policy coherence exist, of interest here is the one that cautions against both ad hoc interventions where there is a disconnect between core government and agency policy and planning processes, and a situation where one policy or governance approach contradicts another (UNDESA 2005; Utting 2006). Of particular concern have been situations where economic policy yields perverse effects in terms of equity, inclusive social development and state capacity. The discussion of impact assessment in part 3, suggests that lack of policy coherence is a problem with certain UN-BPs, particularly in relation to PPPs in the domain of

water privatization, as well as in relation to the global health funds and their implications for public health.

The importance of including policy coherence as a core selection and assessment criterion is illustrated by the study of Global Health Partnerships commissioned by the UK Department for International Development (DFID) (Caines et al. no date). On balance GHPs were found to be achieving their objectives and were welcomed in the countries studied. On the plus side they had raised the profile of particular diseases, mobilized commitment and funding, accelerated progress and innovation, and were cost-effective. From the perspective, therefore, of performance and functional selectivity, their scorecard was fairly positive. And in relation to accountability issues, this assessment found that, at the central level, GHPs were “generally amenable to relatively straightforward solutions”, including, for example, greater transparency and partner representation on governing bodies (Caines et al. no date:6).

The same could not be said, however, in relation to the issue of policy coherence:

the wider concern is that [GHPs] do not and cannot have a whole systems view of the health system they work in, and in general rely on. There is a serious risk that weak human resources and systems capacity at central and local levels may be overwhelmed by the proliferation of multiple GHPs (and other HIV/AIDS initiatives), each with separate demands (Caines et al. no date:5).

The assessment also notes that “the availability of substantial amounts of new GHP funding—particularly through the [Global Fund for Aids, Tuberculosis and Malaria]—raises serious concerns about sustainability and perhaps macroeconomic stability” (Caines et al. no date:6).

The philanthropic dimensions of partnerships also need to be scrutinized from the perspective of equitable and sustainable development. Is the rise of philanthropy and its channelling through UN outlets simply a win-win situation? As noted above, historically philanthropy has been partly associated with deregulated models of development and, more recently, has emerged as an alternative model of delivering development assistance that may bypass or restrict the role of governments. Furthermore, it raises important issues from the perspective of social rights. Whereas a social rights agenda implies, in principle, universalism and redistributive commitments whose long-term sustainability is guaranteed by the state, philanthropy tends to be ad hoc and targeted, with no guarantee of long-term sustainability.

The issue of policy coherence in the context of partnerships is really a question of whether partnerships are part and parcel of a model of development that has positive or perverse effects from the perspective of equitable, rights-based and sustainable development. It is also about empowerment and about the extent to which PPPs reinforce the control and influence of TNCs and how they do this. Assessing such aspects and impacts ex ante or even ex post may be extremely difficult, given the complexity of factors involved and the difficulties of isolating the relationships of partnerships to broader societal processes (Jørgensen 2006). But it is incumbent upon the UN—as a leading institution in the field of international development—and the Global Compact in particular—as one of the most visible entities within the UN with responsibility for promoting the partnership idea—to consider such questions and to reflect on how partnerships relate to particular patterns of development.

Another way to approach this issue is to consider the value-added of partnerships from the perspective of equitable development. If one looks at several of the commonly referenced best practice examples in the field of partnerships, their principal merits do not relate only to social protection, additional resource mobilization, or the efficient mix of core competencies involved. Such partnerships also contribute to building state capacity, strengthening the capabilities of both disadvantaged groups and small enterprises in developing countries, empowerment, the realization of rights, promoting corporate accountability and cultivating a fairer global trading

system. Such aspects appear to feature prominently, for example, in the following partnership projects:⁸²

- the United Nations Development Fund for Women’s (UNIFEM) collaborations with Calvert to promote the Calvert Women’s Principles – a comprehensive code of conduct focusing on gender equality and women’s empowerment – as well as with L’Occitane en Provence, the Government of Burkina Faso and NGOs to assist rural women producers of shea butter to both access markets and obtain higher prices through restructuring the marketing chain;
- UNIDO’s partnership with Fiat, the Indian Automotive Component Manufacturers Association and the Government of India to strengthen 100 local enterprises, through a sustainability approach that has seen the role of Fiat gradually decrease; and
- UNDP’s collaboration with Statoil, Amnesty International and the Government of Venezuela to train magistrates in the application of international human rights law, or Statoil’s use of the Global Compact principles as a basis for a Global Framework Agreement with the International Federation of Chemical, Energy, Mine and General Workers’ Union (ICEM).

Such features point toward “another” pattern of development where the keywords are not simply market access, linkages with TNCs, philanthropy or infrastructural development through privatization, but rights-based development, equity, regulation, sustainability and local development.

Conclusion: Back to Learning

Addressing the concerns raised in this paper in order to select and prioritize partnerships is not easy. Various dilemmas, trade-offs and compromises are likely to be involved. Can UN agencies adopt a purist attitude—or should they? While continuing to screen and review companies, UNICEF has moved away from this position, arguing that the cause of children’s needs and rights is better served by engaging companies that are at least attempting to mend their ways through corporate social responsibility by reducing the scope for partnerships to all but the squeaky clean. WHO has tried to adopt strict criteria for partnering, particularly with respect to tobacco companies, and is currently considering a similar stance vis-à-vis alcohol companies. But systematically applying such criteria is difficult for various reasons. The decentralization of partnership management to specific departments or units within WHO gives rise to situations where the immediate concerns of one office will not be those of another. Partnering with a particular company may yield obvious benefits for one but may involve a company whose activities are frowned upon by another, given the health impacts of its core activities. Furthermore, WHO has also had to compromise on standards, because of its association with some of the global health funds where other norms and criteria are adopted. Moreover, applying strict criteria becomes increasingly difficult in contexts where the dividing line between firms producing “noxious” substances and others is becoming blurred, as companies in sectors such as food, beverages and tobacco become more diversified.

Should this matter? After all, given the very nature of the UN and its membership base, UN agencies have always had to associate with self-interested and rent-seeking actors in the shape and form of corrupt and undemocratic regimes. There are, however, two important differences. Within the UN system there is a vibrant and ongoing debate about the behaviour of governments. Furthermore, there are some institutions in place to receive evidence, analyse and monitor performance, hear complaints and be on the lookout for malpractice and perverse forms of behaviour. Such is the role, for example, of the UN Human Rights Council (formerly

⁸² We refer to these examples based on their stated goals and brief descriptions contained in various publications. We have not inquired into their actual performance or other criteria such as accountability or the reputation of the company involved.

the Commission on Human Rights) and the system of Special Rapporteurs, as well as certain ILO entities.

Corresponding debates and institutions related to the performance of TNCs, however, tend to be weaker. Entities like the Global Compact, as well as UNCTAD's and the ILO's work on CSR, focus to a large extent on best practice learning. Naming and shaming is rarely practised. The ILO review and complaints procedure associated with the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy Instruments is weak (ICHRP 2002). As noted above, an alternative approach did surface recently with the drafting, via the UN Sub-Commission on the Promotion and Protection of Human Rights, of the Norms on the Responsibilities of TNCs and other Business Enterprises with Regard to Human Rights.⁸³ But this initiative has lost momentum, particularly following the appointment of the UN Secretary-General's Special Representative on Business and Human Rights in 2005, who in April 2006, pronounced that the Norms were "a distraction" and that institutional reform should pursue the route of "principled pragmatism".⁸⁴

If the UN is to continue on its current course of forging closer relations with TNCs, the learning and institutional environment within the UN needs to evolve in ways that are not currently much in evidence. Historically, the UN has contributed much by way of ideas, policy approaches and institutional arrangements conducive to equitable development (Emmerij et al. 2006). Knowledge and learning associated with so-called critical thinking have been crucial in this process. The purpose of critical thinking is not, of course, simply to criticize. Rather it facilitates a particular mode of analysis that reveals precisely the sorts of issues that are often ignored in best practice learning, namely the complexities of power relations and how these affect outcomes, and the ideologies, agendas, contradictions and trade-offs involved in partnerships.⁸⁵ Critical thinking is useful for identifying "blind spots" and biases in analysis and policy agendas (Ocampo 2006).

Concerning the UN's relationship to the private sector in general, and partnerships with TNCs in particular, such thinking has been marginalized within the UN system. The lack of critical thinking is not simply a question of resources and priorities, or mindsets associated with pragmatism; it also has to do with imbalances and distortions that characterize knowledge management in international organizations. As in all public bureaucracies, there exist blind spots, questions that are not asked, turfs and perspectives to defend, skills sets that are not employed, jobs and promotions to protect, and self-censorship (Ocampo 2006; Toye and Toye 2006). So-called "defiant bureaucrats", that is, those that question mainstream views and policies, and implicitly or explicitly challenge authority, are few and far between (Toye and Toye 2006:93). This situation applies particularly to the Bretton Woods institutions but is also a feature of learning and knowledge management in parts of the UN.

The relationship of several UN entities with the private sector may already be too close for comfort to allow for objective comprehensive assessments of partnerships along the lines suggested above. UNDP has to some extent reinvented itself, in part, due to its association with business. Throughout the 1990s, UNDP was an agency in search of a mission. It found that mission at the turn of the millennium by assuming a lead role in promoting poverty reduction, pro-poor growth and CSR in developing countries. Partnerships have been a crucial component of this shift in image and approach, with the agency acting as a broker for foreign investors wanting to work in developing countries and promoting the Global Compact at the national level.

⁸³ The draft Norms contained not only a set of standards for TNCs that derived from international law but also a monitoring mechanism and complaints procedure.

⁸⁴ The Norms are, however, being tested by a group of major corporations involved in the Business Leaders Initiative on Human Rights.

⁸⁵ Rein et al. 2005; Richter 2004a; Zammit 2003.

UNICEF has become far more involved with the private sector through its corporate engagement approach and is strategically increasing its funding from the corporate sector. At UNCTAD, PPPs sit comfortably with the organization's role in promoting foreign direct investment in developing countries. Furthermore, there are concerns that the analytical capacity within UNCTAD may be declining as it focuses on building capacity in developing countries to interact with WTO processes. Given its historic tripartite structure, the ILO might be well-placed to take some distance on the partnership question. In reality, however, the strength of certain governments and the employers' group constrain critical thinking in areas associated with corporate social responsibility.

Scope for critical inquiry may be less in the "centre" and more on the "periphery" of the UN system, that is, in the autonomous or at least more arms-length research centres such as the United Nations University/World Institute for Development Economics Research (UNU/WIDER), the ILO's International Institute for Labour Studies, UNDP's International Poverty Centre and Office for Development Studies, UNRISD, and UNICEF's Innocenti Research Centre. Such inquiry is also encouraged by entities like the UN Department for Economic and Social Affairs that explicitly recognizes the importance of critical thinking (Ocampo 2006). Several of these entities experience, however, considerable financial constraints.

Compared to other UN agencies, the WHO may be in a somewhat different situation as regards the potential for critical inquiry. While there are concerns that the rapprochement with the private sector that took place under the leadership of Gro Harlem Brundtland may have swung the pendulum too far in terms of weakening the regulatory environment governing interactions with business,⁸⁶ the WHO seems, for various reasons, better placed to maintain a healthy distance from corporate interests. Cash or in-kind contributions from the private sector account for just 1 per cent of total funding, and most of this is accounted for by in-kind donations related to a handful of drugs. More important, there exists within the institution a strong public health tradition which has cultivated vibrant discussions on ethics, conflicts of interest, and the relationship between private and public authority. Its governance structures also provide a space for questioning not only by governments but also civil society organizations, and it has had to face the fact that the new global health funds raise all sorts of complex policy, governance and accountability issues.

Given the status of the Global Compact as a learning forum, could this entity play a part in resurrecting critical thinking? Some aspects of learning promoted by the Global Compact have a potentially important role, notably the promotion of dialogues on specific development and governance issues, and the global dissemination of knowledge about CSR. Furthermore, the considerable convening power of the Global Compact has ensured that the issues it chooses to address have a wide international audience. What has proven more difficult relates to the original goals of learning from best practice, and scaling-up and ratcheting-up on the basis of inductive learning. In this regard, the Global Compact has, to some extent, been a casualty of its own success. The fact that it has expanded so quickly and has far exceeded the original goal of enlisting the support of 1,000 companies, has made it difficult to learn from such a vast field. Indeed, attention appears to have shifted from learning – in terms of "analysing...an expanding empirical record from different stakeholder perspectives...to delineate the constituent elements of proficient and poor performance and further illuminate how the Compact's principles may be embedded into the business practices of participating companies"⁸⁷ – to promoting collaborative arrangements without much regard for content, process and outcome.

Despite occasional publications that question current approaches and suggest some modifications,⁸⁸ the Global Compact has not embraced critical thinking. Such thinking would

⁸⁶ See Richter (2004a) and Beigbeder (2004).

⁸⁷ The role of the Global Compact learning forum was originally described in these terms (www.unglobalcompact.org/un/gc/unweb.nsf/contet/learning.htm, accessed 14 January 2002).

⁸⁸ See, for example, Witte and Reinicke (2005); Zadek and Radovich (2006).

likely focus attention on a set of crucial issues that to some extent explain the plight of many developing countries, and in which TNCs are heavily implicated. These include socially perverse patterns of deregulation and labour-market flexibilization, privatization and FDI, as well as global economic rules that are applied to countries at very different levels of development and that favour corporate interests and developed countries. They also include the gross distortions that have occurred in the distribution of income between capital and labour under corporate globalization, and the salaries of CEOs and workers.⁸⁹ Specific concerns on which more discussion is needed include speculative financial flows, transfer pricing and tax evasion, monopolizing practices and competition policy (Zammit 2003; Bendell 2004b). Many of these issues relate more to broader policy frameworks associated with neoliberalism than company policy. However, companies that claim to be proactive on the CSR front, and UN institutions that promote CSR, should be concerned not only with what measures are being taken to compensate for the negative effects of certain conventional business practices, but also what, if anything, companies, and the business associations to which they belong, are doing to lobby against such macroeconomic policies. The issue of lobbying and corporate influence on public policy is a crucial one that has received only limited attention in the UN system.⁹⁰

The issue has been raised by the Global Compact through recent work on “responsible lobbying” (Accountability and the Global Compact 2005). The approach adopted suggests a number of useful principles, instruments and guidelines to encourage companies to consider their lobbying practices more carefully. The problem is that an approach that centres on the firm, and on normative appeals and calls for greater consistency of lobbying practices with CSR principles and discourse, can only go so far. The key to progressive lobbying, historically and at the present, has as much, if not more, to do with the political economy context in which firms operate. Whether organized business interests support (or at least do not actively resist) progressive social and environmental policies depends crucially on the correlation of social forces and the types of pressures they encounter from other social actors; the types of compromises and bargains entered into with the state and other actors; and the strategic interests of particular industries or business groups (Evans 1997; Wilson 2003).

Concerns have also arisen with regard to gender dimensions of development and human rights. The preliminary findings of a study which is examining whether the Global Compact has addressed issues of gender equality indicate that:

- “[there is] no indication that gender equality or women’s equality is an important issue;
- a signatory would have to look very hard to ‘learn’ about how the issue of gender inequality can be addressed, and whether it should be addressed...;
- [there are] very few references or case studies that refer to women specifically;
- the issue is missing from Global Compact discourse;
- [one is] left with the impression that having anti-discrimination and equal opportunities policies would address the ‘women’s question’.”⁹¹

The fact that the Global Compact has not embraced critical thinking is to some extent to be expected. From a strategic point of view it would not have made sense, early on, to ask difficult questions of those it was trying to court. And the Global Compact Office was quickly forced onto the defensive by the barrage of criticism that emerged from some civil society and academic quarters regarding UN relations with TNCs. As noted above, there are concerns,

⁸⁹ For a recent analysis of such aspects, see Harvey (2006).

⁹⁰ There are some important exceptions, such as the WHO report on the strategies of tobacco companies to influence public health policy (WHO 2000).

⁹¹ These findings were presented by Maureen Kilgour at the conference, *Beyond CSR? Business, Poverty and Social Justice*, co-organized by the Centre for the Study of Globalisation and Regionalisation (CSGR) at Warwick University, and Middlesex University, at the National Liberal Club, London, 22 May 2006, and are reproduced here with permission from the author.

however, that for several years the Global Compact Office seemed to move in the opposite direction, diluting certain mechanisms related to company reporting⁹² and not following through with an early proposal that there be an active public space on the Global Compact Web site for alternative perspectives on particular companies and their activities.

There are some signs that this situation may be changing as recognition grows that UN-business relations need to be reformed, as accountability issues assume a higher profile, and as learning networks are being expanded and consolidated. It is to be hoped that the emerging Global Compact Academic Network might also play a constructive role. But some things will need to change. At present, "learning" tends to draw quite narrowly on particular disciplines, literatures and organizations. What often predominates are particular strands of thinking associated with international relations, management studies and public administration where partnerships have become as much a well-intentioned cause as a subject for intellectual inquiry, and where best practice learning imposes certain blinkers.

The types of wide-ranging issues identified in this paper, and any comprehensive assessment of the contribution of partnerships to equitable development and democratic governance, require the involvement of other subdisciplines such as development studies, human geography, social anthropology and international political economy. Such subdisciplines are likely to highlight the importance of historical and cultural context, the dynamics of power relations, the politics of institutional and policy change, and how such elements shape and impact PPPs.

While some management and business schools, and consultancy NGOs have ventured into these disciplinary arenas, it is generally not their forte. For these reasons, it is important that intellectual pluralism and institutional diversity become hallmarks of the Global Compact, and of UN learning networks in general. It is important, however, that such engagement, as well as sorties into the realm of critical thinking, do not constitute mere tokenism. The Global Compact should interact with a more varied combination of intellectual perspectives and research institutions, as it should with civil society organizations that are organically linked to social movements. Without this balance of intellectual and social forces, the Global Compact runs the risk of doing as much to legitimize corporate power as promote more inclusive and equitable patterns of development.

⁹² These concerns were laid out in a letter written in April 2003 to the UN Deputy Secretary-General, Louise Fréchette, from the heads of four NGOs that participated in the Global Compact, some of which were also on the Global Compact Advisory Council (see www.global.policy.org/ngos/int/un/access2003/0606compact.htm).

Annex 1: Characterizing UN–Business Partnerships: Selected Typologies

In 2001, the United Nations Report of the Secretary General (United Nations General Assembly 2001:annex II) classified the partnerships under the UN banner in the following categories:

- public policy networks;
- voluntary standards initiatives on sustainable development;
- advocacy and fundraising partnerships;
- partnerships to facilitate private investment;
- global knowledge and learning networks;
- operational delivery partnerships;
- country-level cooperation;
- building partnership capacity in developing countries;
- partnerships to address global health issues; and
- partnerships to address global environment issues.

In one of the earliest publications to analyse the burgeoning relations between the UN and the private sector, the central notion was “cooperation” between the UN and business. Nelson’s analysis (United Nations 2002b) covered all types of UN–business relationships where private sector entities worked, or engaged in dialogue, with UN entities to address a mutually agreed issue or set of issues. However, as the author recognized (United Nations 2002b:45), only some of these relationships or cooperative initiatives are sufficiently comprehensive as to be defined as partnerships. The broad categories of “collaborative initiatives” were grouped as follows (United Nations 2002b:4, 5):

- promoting private sector development in developing and transition economies;
- enhancing direct development impacts and multipliers or private investment;
- harnessing business resources and competencies to support other UN goals; and
- sharing and spreading international values.

In addition to these four categories representing purpose or objective, ten categories or types of relationship between the UN system and the private sector were identified (United Nations 2002b:6):

- procurement from the private sector;
- products and services for private sector development;
- participation of business in intergovernmental processes;
- public policy networks;
- principles and mechanisms for corporate citizenship;
- public-private investment mechanisms;
- philanthropic resource mobilization;
- promoting UN values and activities;
- project design and operational delivery; and
- pursuing joint learning and research.

Zadek (2002) grouped partnerships in four functional categories:

- partnerships for mobilizing funds;
- policy dialogue;
- learning and knowledge; and
- operational delivery.

By 2005, the categories used in the Report of the Secretary-General (United Nations General Assembly 2005) had been narrowed down to the following four. These four categories are also used in the overview of recent partnership activities in the United Nations undertaken by Witte and Reinicke (2005):

- issue advocacy;
- developing norms and standards;
- sharing and coordinating resources and expertise; and
- harnessing markets for development.⁹³

Considerable attention has centred on a specific category of partnership, namely “global public-private partnerships”. Kaul (2006:222) specifies five defining characteristics of such partnerships, though the first four can be said to apply to the other UN-business partnerships:

- Voluntary. Arising from partners’ self-interest.
- Horizontally organized. Maintaining the partners’ autonomy.
- Participatory. Involving joint governance and specifying the issues on which the partners will consult or decide jointly.
- Multi-actor based. Bringing together different actor groups, such as government, intergovernmental organizations, business, academia, civil society, and charitable or philanthropic foundations.
- Global. Addressing issues or involving activities of worldwide reach and sometimes of multigenerational scope.⁹⁴

Individual UN agencies have each adopted their own categories. UNDP, for example, classifies its partnership programmes by objective, such as Public Private Partnerships for Urban Environment, and Partnerships for Growing Sustainable Business. UNDP also classifies its partnerships according to whether UNDP itself is an active project partner (whether by providing funding or technical assistance for example), or whether its role is limited to that of broker, bringing potential partners together.⁹⁵

The Secretary-General’s report on partnerships for sustainable development lists 319 partnerships (voluntary multistakeholder initiatives) spanning 27 thematic areas (down from 35 in 2004).⁹⁶ In addition to a statistical breakdown of partnerships by theme and broad areas such as protection and management of natural resources, agriculture, biodiversity, climate change,

⁹³ Witte and Reinicke (2005) in their report on UN-business partnerships commissioned by the Global Compact refer to some of the issues that arise, in addition to describing these four functional categories.

⁹⁴ Worldwide refers to partnerships that can affect several regions or countries.

⁹⁵ See UNDP’s Public-Private (www.capacity.undp.org/index.cfm?module) and PPPUE Web sites (<http://pppue.undp.org>), accessed in July 2006.

⁹⁶ The majority (66 per cent) have 20 partners or less, though some have significantly more, and it is expected that the number of organizations participating actively in individual partnerships will increase (United Nations Economic and Social Council, Commission on Sustainable Development 2006:12).

energy, human settlements, rural development and water, the report provides statistics on geographical and regional coverage and funding levels.⁹⁷

The WHO database lists partnerships in two ways. The first lists partnerships (92) by disease or condition, and the second (101) by type of approach, as follows:⁹⁸

- product development;
- improvement of access to health products;
- global coordination mechanism;
- health services strengthening;
- public advocacy, education and research;
- regulation and quality assurance; and
- other.

⁹⁷ Implementation mechanisms are also reported on, and a brief overview of progress since initiation is included.

⁹⁸ Over 50 per cent of the partnerships fall in the first two categories. For an earlier listing of classifications of global public-private partnerships in the field of health by four different authors and a brief discussion, see Zammit (2003:240, box 4). Most partnerships on the list of the IFPMA (2005) are said to "focus on improving access to medicines...usually under non-market conditions". Many of these partnerships involve developing country governments, although the nature or extent of the involvement is not clear from the brief descriptions. Various partnerships have multiple functions. The Stop TB Partnership, for example, draws attention to illnesses that affect developing countries disproportionately, encouraging local efforts to deal with the problem at hand while also aiming to bring resources to deal with the problem.

Annex 2: Selective List of Evaluations of Global PPPs for Health⁹⁹

Caines, Karen, Kent Buse, Cindy Carlson, Rose-Marie de Loor, Nel Druce, Cheri Grace, Mark Pearson, Jennifer Sancho and Rajeev Sadanandan. 2004. *Assessing the Impact of Global Health Partnerships. Synthesis of findings from the 2004 DFID Studies: Global Health Partnerships: Assessing the Impact*. Department for International Development (DFID) Health Resource Centre, London. www.dfidhealthrc.org/shared/publications/GHP/GHP%20Synthesis%20Report.pdf, accessed in July 2006.

Caines, Karen and Louisana Lush. 2004. *Impact of Public-Private Partnerships Addressing Access to Pharmaceuticals in Low and Middle Income Countries: A Synthesis Report from Studies in Botswana, Sri Lanka, Uganda and Zambia*. Initiative on Public-Private Partnerships for Health, Geneva.

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⁹⁹ For a more exhaustive list of external and independent Evaluations of Partnerships and Collaborative Programmes in Global Health, see Global Forum for Health, *External Evaluations*, www.globalforumhealth.org.

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