

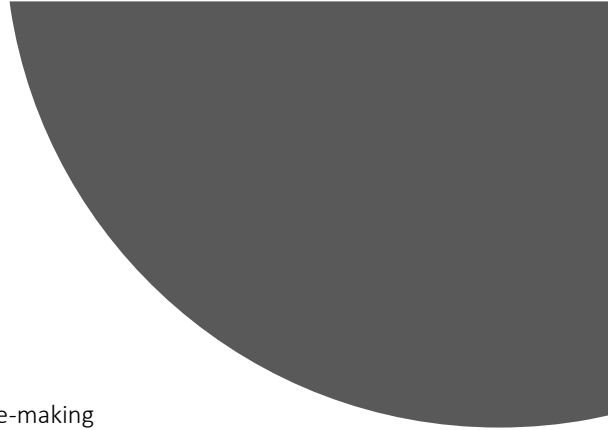
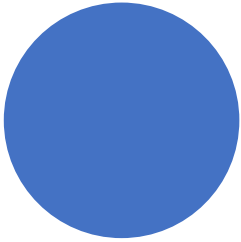
# Rethinking Stakeholder Participation in Global Governance: Challenges and Reforms in Financial and Health Institutions

Ayelet Berman (National University of Singapore), Tim Büthe (Technical University of Munich),  
Martino Maggetti (University of Lausanne), Joost Pauwelyn (Graduate Institute/Georgetown)

Financially Supported by the Swiss Network of International Studies (SNIS)

## Overview

- Main Research Questions
- Methodology
- Global Finance and Global Health Case Studies
- Country Comparisons
- Preliminary Findings
  - Typology of Stakeholder Participation Reforms
  - From Participation Rights to Effective Participation
    - Institutional Factors
    - Stakeholder Characteristics
  - Managing Risks of Stakeholder Engagement



International institutions have introduced reforms to engage stakeholders which had hitherto been excluded from the rule-making and standard-setting processes – ‘**Participation Reforms**’.

- 1) Have these reforms *improved the voice and the influence* of marginalized stakeholders ?
- 2) Have these reforms *improved the perceived legitimacy* of the international institutions?

## Main Research Questions

## Methodology

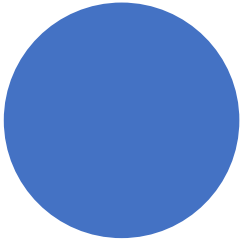
- 1) **Marginalized stakeholders:** Developing countries (large/emerging vs. smaller/lower-income) and non state actors (commercial vs. public interests)
- 2) **Policy Areas:** Global Finance Governance and Global Health Governance
- 3) **Range of Governance Bodies:** Intergovernmental Organizations, Trans-governmental Regulatory Networks, Multi-Stakeholder Partnerships, Private Standard Setting Bodies
- 4) **Comparison between large emerging economies and comparable yet smaller and slower growing developing countries**

	<b>Global Financial Governance</b>	<b>Global Health Governance</b>
Intergovernmental Organizations	International Monetary Fund (IMF) World Bank Bank of International Settlements (BIS)	WHO Codex Alimentarius Commission
Trans-governmental Regulatory Networks	G20 Basel Committee (BCBS) Financial Action Task Force (FATF) Financial Stability Board (FSB) International Organization of Securities Commissions (IOSCO)	International Conference on Harmonization (ICH) International Medical Devices Regulators Forum (IMDRF)
Private Standard-Setting Bodies	International Accounting Standards Board (IASB)	GlobalG.A.P.
Multi-Stakeholder Partnerships		Global Fund to Fight AIDS, Tuberculosis and Malaria GAVI Alliance

## Country Comparisons

(incl. Non-State Actors)

<b>Large, emerging economy</b>	<b>Smaller and slower growing developing country</b>
Brazil	Argentina
China	Vietnam
India	Philippines/Bangladesh



1. Membership
2. Redistribution of Voting Quotas
3. Non-Decisional Participation rights:

Observers, notice and comment, outreach bodies etc.

### Types of Stakeholder Participation Reforms

## General Formal Trends

#### Developing countries:

In both global finance and global health international institutions have opened up towards developing countries --through membership, redistribution of voting rights or non-decisional participation rights.

That said, many formal reforms have improved the participation rights of large emerging countries, but not or to a lesser extent of lower income or smaller developing countries.

Exception: In Global Health, IOs (Codex) and Multi-stakeholder Partnerships

#### Non-state actors:

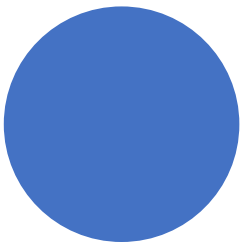
Global health governance has formally opened up to non-state actors, going so far as granting membership rights (in MSPs, TRNs).

In contrast, global finance governance has not granted non-state actors significant participation rights, let alone membership rights. Moreover, when non-state actors have been formally included in global finance, they disproportionately represent business interests, while NGOs and other nonprofit actors are almost fully excluded.

In health related standard-setting, business is also formally disproportionately represented (ICH, IMDRF, GlobalG.A.P., Codex).

# Has it Improved Voice and Influence?

Circumstantial/anecdotal evidence that in some cases, previously marginalized states have had more influence.



From Formal Participation Rights to Effective Participation.

1. International Level/Institutional Factors

2. Stakeholder Factors



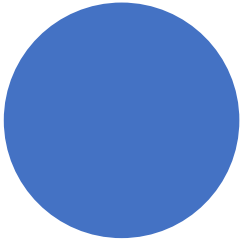
**Factors which influence whether, the extent to which and how effectively stakeholders take advantage of their participation rights**

## International Level/Institutional Factors

- (a) Notwithstanding equal participation rights, underlying power asymmetries often continue playing an important role. Can participation procedures overcome power asymmetries?
- (b) Notwithstanding membership rights granted, in some cases, global institutions have maintained the U.S./EU advantage, such as by shifting from consensus to majority voting and founders' veto rights.
- (c) Business is often overrepresented (through formal pre-selection or *de facto*)

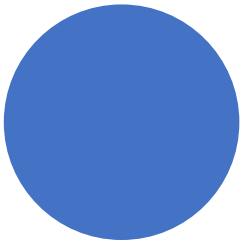
## Stakeholder Characteristics

- Resources
- Capacity
- Importance/Saliency
- Foreign Policy
- Policy Learning and Teaching
- Availability of Domestic Processes



WHO Framework of Engagement with Non-State Actors?

Risks of Non-State Actor  
Engagement



Thank You!

[cilayel@nus.edu.sg](mailto:cilayel@nus.edu.sg)

Comments welcome!