

Andreas Rasche

## *Global Compact 2.0 - Reflections on the Next Phase<sup>1</sup>*

Since its operational launch in 2000, the United Nations Global Compact has attracted both a lot of support and criticism. While over 8,600 business and non-business participants are officially engaged in the initiative, critics argue that its overall impact remains marginal. Considering the contested nature of the Global Compact as a starting point for my discussion, my presentation addresses two key questions: (1) *What contributed to the sustained growth of the UN Global Compact over the last decade?* (2) *Which key challenges exist when looking at the initiative in 2011?* I argue that finding appropriate and well-reflected answers to these questions acts as a precondition for further developing the initiative.

Looking at the first question, I discuss three key enabling factors which contributed to the Compact's sustained growth over the last eleven years. First, I suggest that sustained political support from within the UN system (e.g. backed through various General Assembly resolutions) as well as strong leadership by two consecutive Secretary-Generals allowed the Global Compact access to one of the UN's key resources: legitimacy. Second, unlike traditional UN agencies, which are governed in a top-down manner, the Global Compact's network-based and multi-stakeholder governance structure enabled a demand-driven management of the initiative (i.e. major changes need the explicit support of participants). Third, the explicit link between global governance problems and the idiosyncratic local context of implementation by establishing so-called Local Networks was a key driver of growth; only few (usually large multinational) firms identify directly with the global nature of problems, while smaller firms are looking for local platforms to develop knowledge about social and environmental problems.

Based on this discussion, I take a look into the future and identify three key challenges for the initiative: First, the Global Compact needs to better balance quantitative growth with qualitative engagement of participants and implementation efforts. I suggest that further differentiation among participants regarding their implementation efforts is significant in this context. Second, the Global Compact needs to better manage links to

---

<sup>1</sup> I thank Georg Kell for constructive discussions of some of the topics presented here. Kell's own arguments will be published in the article "12 Years Later: Reflections on the Growth of the UN Global Compact" (Business & Society, forthcoming). I also profited from many fruitful discussions with Colin Crouch (University of Warwick).

complementary initiatives. The corporate responsibility landscape has produced a plethora of different standards and initiatives, most of which remain decoupled. Because of its embeddedness in the UN system, the Global Compact is well positioned to act as an integrator building bridges between existing initiatives. Third, Global Compact Local Networks are currently not sufficiently used as platforms to create partnerships among participants. This problem points to the much greater challenge of more clearly defining how non-business stakeholders are supposed to interact with business participants in the context of the initiative.