



home > [online community](#) > [blogs](#) > global governance in the 21st century the role of standard setters

Global governance in the 21st Century: the role of standard-setters

[ElizabethAnneBennett](#)

20 Dec 2012

In this online commentary for the ISEAL Community, Elizabeth Bennett, a PhD Candidate in the Department of Political Science at Brown University, offers her thoughts on the increasing leadership role of sustainability standards in global policy and the importance of multistakeholder decision-making.

Global governance—the identification and resolution of global problems—used to be the work of governments. Today, however, corporations, NGOs, financial institutions, and transnational social movements all shape global affairs. One has only to think of recent scandals where banks have falsely inflated or deflated interest rates so as to profit from trades to know that financial institutions have formidable influence over global economic health these days.

Likewise, the environmental movement has generated myriad initiatives on climate change. Research shows that now, more than ever before, governments are consulting international NGOs in high-level decisions, outsourcing activities to the for-profit sector and relying on private actors to generate new innovations.

Why the shift? By most accounts, non-governmental leadership in global policy is a backlash to the neoliberal turn that dominated the 1990s. As economist Michael Conroy noted in his keynote address at the [ISEAL conference](#) last June, many civil society organizations attending the Rio+10 Conference in 2002, gave up on the idea that the United Nations (much less individual governments) could create sustainability standards at the high level they demanded. In his words, this was a moment of “birth” or “maturing” for new, private systems of governance.

Standard-setting organizations are part of this trend. ISEAL members now regulate labor conditions, set prices, develop environmental norms and create new incentives for responsible, ethical behavior in the global marketplace. They are respected as legitimate sources of authority. Their standards are baselines for spin-off enterprises, and their leaders heralded as experts on the world’s most pressing problems. Standard-setting organizations bring new voices, ideas, and priorities to international affairs. By complementing the leadership of elite heads of state with the values of global social movements, these organizations are “democratizing” global governance.

However, in order to bring a new voice and broad representation to global governance, standard-setting organizations need to democratize their own governance structures. This means transparency, democratic decision-making, public participation, representative bodies, and carefully balanced multi-stakeholder decision making processes. Ironically, these “governance” aspects of standard-setting bodies do not receive as much attention as the standards and certifications they produce. Perhaps this is because the leaders of standard-setting organizations rarely

identify as global governors—How many ISEAL member CEOs see themselves on par with a head of state? Do board members truly consider themselves akin to a Security Council?

Standard-setting organizations need to identify and operate like global governors by making thoughtful governance decisions that reflect their missions. This process is neither easy nor expeditious. Fairtrade International, for example, has always struggled to balance stakeholder interests—Who determines what is ‘fair’? Over the past decade, [Fairtrade](#) has worked to align its governance structure with its objective of empowering producers: in 2002, producers became voting members of the Board of Directors; in 2006, producer networks were promoted to “full members”; and in 2011 producers were given 50% vote. These are the kinds of changes that standard-setting organizations should be making.

I am not alone in arguing that governance matters. ISEAL’s [Standard-Setting Code](#) requires multi-stakeholder participation; watchdogs monitor who influences standards; and pop media draws attention to this point. (Check out [“Stakeholder Engagement” by Joss Tantram](#) on the 2Degrees Blog and [“Fair Trade and governance, revisited” by Michael Sheridan](#) on the CRS blog).

In the 21st century, standard-setting organizations are bona fide global governors, but their power to democratize global governance depends on their ability to create representative organizational structures.

*Elizabeth A. Bennett is a PhD Candidate in the Department of Political Science at Brown University and a Visiting Research Associate in residence at the Center for Fair and Alternative Trade at Colorado State University. She is the author of several chapters and articles about the development and organization of Fairtrade labeling, and the co-author of *The Civic Imagination*, an ethnographic account of political engagement in America.*