



## UNIDO Report Launch 'Networks for Prosperity'

**Intervention by Prof. Dr. Jan Wouters, Director, Leuven Centre for Global Governance Studies / Institute for International Law, University of Leuven**

Mr. Chairperson, Excellencies, Ladies and gentlemen,

The world has been **changing** dramatically over the course of the past decades and this process will continue and probably **accelerate further in the foreseeable future**. There are many facets and dimensions to this process. Please allow me, at the occasion of the launch of *Networks for Prosperity*, to point to a number of points that stand in direct relation to this overall evolution and the report.

Looking merely at the evolution in the number and variety of actors involved in the international community, one simultaneously observes both **a multiplication and a diversification**. First, the number of stakeholders that has gained a voice in the international debate has risen dramatically in recent years, with **numerous states, particularly in the East and in the South**, rightly **staking their claims to be heard** and **to participate in international governance** processes; from a bipolar world we have entered an era where even multipolar models struggle to give an accurate representation of international political dynamics. Second, this **emancipation of new actors** has not been limited to a habilitation of those states that were not or not adequately represented until now. Instead, the international stage has seen **the appearance of altogether new actors and governance systems**. In this latter category we think notably of processes of regional integration – one need only think of organizations such as **ASEAN, CARICOM** or the **African Union**, which are on their way to becoming full fledged regional intergovernmental organizations. Let us also mention private and **public-private** governance initiatives, often concerned with **facilitating international trade** and increasing its transparency by imposing standards of quality and safety on the goods traded. These standards are sometimes privately set and often privately enforced, yet their impact makes them more akin to public international regulations. Finally, we must make reference to transnational corporations, organizations that span the globe and that therefore indisputably have their role to play in ensuring its good governance.

This multiplication of international actors has added breadth and depth to the international community, broadening it at the level of states and adding extra

layers to it with the appearance of both regional organizations and private and public-private entities and initiatives. Consequently, there has been a corresponding increase in potential and actual interactions and interaction mechanisms between these actors, old and new, public as well as private. **The networks they form** have become an integral part of the global governance puzzle.

For us academics, for development practitioners in organizations such as **UNIDO** as well as for the international community at large, these changes are not making our jobs any easier. However, in spite of the complications they present, they might make our work more interesting. Indeed, it is my firm belief that for all of us they present lots of opportunities.

For the academics among us, they may serve as a timely reminder to carefully reconsider the way we look at international relations. In law and political science, the shift from government to governance compels us to consider not only in a critical manner classical international organisations such as the United Nations and its specialized agencies, but to also take into account the new governance schemes just mentioned. **The theory of networks**, originally developed in social sciences but widely appropriated elsewhere, is there to account for the surplus above the sum of their parts they present and **to look more closely into the way networks are governed**. In economics, finally, the theory of knowledge and **knowledge management** examines the way in which knowledge functions as an input in a productive process, how it is created, shared and sometimes even lost. All this makes it abundantly clear that in order to get a sufficient grasp of the processes at hand, we must transgress or perhaps transcend the boundaries of the subdisciplines of the humanities and instead take an interdisciplinary approach.

For **the development professionals** and international organizations concerned with development, the change is perhaps even more fundamental. They are faced with an intricate web of individuals, organizations and networks, all concerned with ensuring sustainable economic development. In order to know who these actors are and how they can work together best, it is crucial to develop a clear conceptual and practical understanding of these networks and their effects on private sector development.

For the international community at large, we hope that it may provide an impetus to continue to move towards a global political system in which all actors participate on an equitable basis.

In ***Networks for Prosperity***, we have adopted a **multi-actor** and **multi-level** perspective. Such a comprehensive approach is crucial in order to grasp the complexity of current-day governance arrangements and their effect on private sector development and development in general. We have examined the private sector development 'ecosystem' as a whole, with particular attention for each actor's role in the governance of the system. We have tried to quantify the effect that networks have on private sector development, and although the results are

highly promising, the main outcome is that a lack of specific, reliable data and indicators still hampers research and must be addressed in the future.

Let me conclude by expressing my sincere hope that *Networks for Prosperity* is read and interpreted not as the final word on networks and knowledge management in private sector development, but rather as a useful step along the way, a spur for academics and development practitioners alike to continue investigating the role of networks and knowledge management and the benefits they can deliver to those who need it most.

Thank you for your attention.

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