

Geneva Lake Region: A Strategic Location for Multi-stakeholder Cooperation

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Abstract

Much attention has been given to the idea of multi-stakeholder cooperation within the academic literature. The theoretical benefits of multi-stakeholder actions to both organizations and local governments have been discussed. The problem, however, is that much less attention has been focused on the real world issues related to the successful implementation of multi-stakeholder actions. In order to examine the practical applications of implementing multi-stakeholder actions from the standpoint of both the organizations involved and the policies and efforts of government, a case study method is used. The case study involves Geneva, Switzerland, a place in which companies from around the world have established operations specifically to take part in multi-stakeholder actions. This examination of multi-stakeholder actions in Geneva focuses on the issues of creating common objectives, the implementation of multi-stakeholder actions, and overcoming territorial animation. The results of this case study demonstrate that government involvement by implementing policies that are favorable not only to business, but also to foreign workers is an important part of what has made Geneva a strategic location for multi-stakeholder actions. In addition, a variety of multi-stakeholder actions from business ventures to research ventures have implemented. Finally, territorial animation is reduced because of forums and government policies that make it easy for foreign employees of companies to move to Geneva.

Keywords: *Multi-stakeholder actions, Geneva, Switzerland, Multi-stakeholder Cooperation, Government*

1. Introduction

Multi-stakeholder cooperation have gained a great deal of attention in recent years on the part of private corporations, as well as on the part of governments around the world. The reason for the attention that the concept of multi-stakeholder cooperations have received in both the public and private sectors is because they are viewed as a way for companies from around the world to work together and to break down some of the territorial and cultural barriers that have existed in the past (Martens, 2007). However, why multi-stakeholder cooperations have received a great deal of attention as a means by which to break down barriers and to increase the economic productivity and output, the issue of how common objectives, the actual implementation of multi-stakeholder actions, and the way in which territorial animation are overcome in order to allow for strengthened economic productivity and output is still needed to be addressed and understood. There is a need to move from the theoretical concept of multi-stakeholder cooperations to a better understand of how they are formed and how they operate.

The purpose of this paper is to conduct an examination of the issues of common objectives, the implementation of multi-stakeholder actions, and the issue of territorial animation. The way in which these issues will be examined is by conducting a case study of a city that has gained a great deal of attention around the world as being a place in which multi-stakeholder cooperations and entities have thrived: Geneva, Switzerland. This analysis begins with a discussion about the theory behind multi-stakeholder cooperations and their operations. Then, the examination moves from the theoretical to practical with an examination of Geneva, Switzerland and the actions taken by both companies and the local government in order to encourage the proliferation of multi-stakeholder actions.

The benefit in conducting this examination of multi-stakeholder actions using a case study methodology of a single location is that it allows for an examination of the interactions between companies, as well as the interactions between local development groups and the local government. A more well-rounded examination and discussion of the larger issues that are present that has allowed Geneva, Switzerland and the surrounding region to become a focal point for multi-stakeholder actions on the part of companies and organizations around the world can be carried out.

In addition, the challenges that multi-stakeholder actions can face if specific variables are ignored, such as the interaction between companies and local governments, can also be addressed through this case study methodology. With the information that is reviewed with regards to multi-stakeholder cooperation in Geneva, Switzerland, a conclusion will be provided that will include the issues that must be addressed and the actions that must be taken in order to create a location in which these types of entities can thrive.

2. Theoretical Concept of Multi-Stakeholder Cooperation

2.1 Overview of Regional Cooperation Theory

The theory that is the foundation for multi-stakeholder cooperation is regional cooperation theory. The theory of regional cooperation is based on the idea of organizations, entities, and even governments that have divergent interests come together geographically with a unified strategy in order to achieve a set of common goals and objectives. The theory is focused on economic issues because the cooperation of entities that would otherwise have divergent interests is viewed as a way to allow for economic benefits for the various players that are involved that would otherwise be difficult to achieve if they acted singularly (Axline, 1994).

Regional cooperation requires that organizations and entities allow themselves to be more open and to work more closely with other firms and organizations in order to bring together the knowledge, skills, and assets of several firms. The geographical part of the theory is important because the ability to overcome territorial obstacles that often occur when companies and entities operate across international borders can be removed, or at least lessened, when the entities in question are located in the same geographical space (Axline, 1994). Because the entities that are involved in cooperative actions are located in the same geographical region, problems related to the supply chain, regardless of whether the supply chain involves the movement of materials and goods or whether it involves the movement of knowledge and information can be overcome by all of these things can easily move between them (Utting, 2002).

The actual reason for different organizations and entities wanting to come together to cooperatively work together can be quite varied. The overall desire is typically one of economics. The entities that are involved in a cooperative effort want to achieve a better

economic outcome that could otherwise be achieved. However, the actual reasons for the cooperation to occur at all can range from a need for the technology and knowledge that are held by other organizations to a need to pool resources because of strict environmental or business regulations simply to the desire to achieve a common goal with a greater level of efficiency (Horrigan, 2009). By bringing together the combined abilities of different organizations and entities, a unified set of strategies can be pursued with each of the member benefiting. Another way of thinking about the underlying regional cooperation theory is that an integration of ideas, skills, knowledge, and abilities must occur between different organizations and entities. Without some level of integration, true cooperation cannot occur between the entities in question (Koester, 1986).

In relation to the idea of integration, regional cooperation theory and the underlying multi-stakeholder actions that occur require that all involved parties be more open and transparent in how information and ideas are shared than would traditional occur. Transparency is necessary and vital because multi-stakeholder actions can only create benefits for all of the entities involved if they are willing to share the information and knowledge that they have with their partners. Otherwise, the entities that are involved in these actions are simply acting on their own without receiving or providing necessary information, ideas, and knowledge to each other (Mena & Palazzo, 2009).

2.2 The Role of Government in Regional Cooperation

A vital part of regional cooperation that has sometimes been overlooked or even outright ignored is the involvement of government agencies and organizations (Malcolm, 2008). The reason that government involvement and cooperation is so important is because governments have the ability to provide the necessary foundation from which international companies can work together. For example, a country or region in which government policies are designed to be restrictive or preventative to relocation of foreign companies is not likely to be a place in which regional cooperation can thrive. Even more, governments that do not provide information, support, and even simple encouragement for international companies to locate themselves in the same geographical space are not creating the environment that indicates to companies and other types of entities that they can establish long-term cooperative operations (Biermann, Chan, Mert & Pattberg, 2007).

Governments also have the ability to establish the infrastructure that is vital to at least initially encourage various companies, entities, and organizations to locate to a specific area. Governments must ensure that the infrastructure exists, such as communications infrastructure, travel infrastructure, and even an underlying business infrastructure, that will support the operations of regional, national, and international organizations. Without an infrastructure that can allow organization and entities of all sizes to efficiently operate and conduct their basic business activities, the creation of multi-stakeholder actions that are likely to flourish for the long-term is unlikely (Katrandjiev, 2006).

It is important to understand that the realization exists that being able to create and maintain a foundation for multi-stakeholder actions to occur on the part of governments is difficult (Utting, 2002). The difficulty is related to the way in which government bureaucracies operate, as well as within the larger integration between companies and governments that often has to occur within multi-stakeholder cooperation (Wollenberg, Anderson & Lopez, 2005). However, the involvement of government is something that cannot be overlooked. Instead, it is something that must be considered, and is considered within the examination of Geneva, Switzerland and the surrounding region.

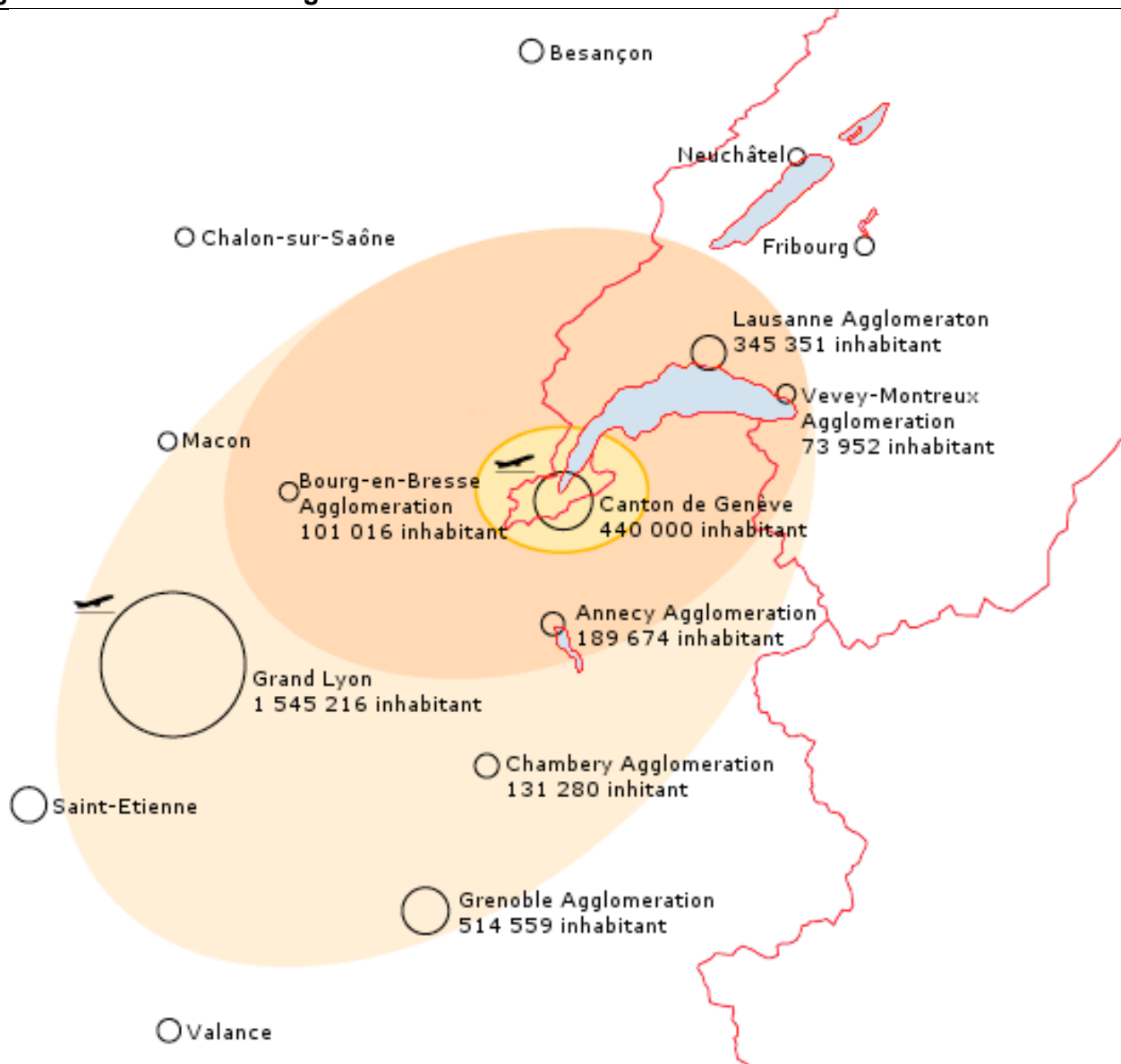
Overall, this examination of regional cooperation theory and the larger issues of government that have been discussed has provided a foundation from which to conduct the case study that follows. The case study will focus on issues of common objectives, the implementation of multi-stakeholder actions to include the role of government, and issues of territorial animation. By including all of these issues within the larger discussion, a better understanding of why Geneva, Switzerland and the surrounding region has become a strategic location for multi-stakeholder actions on the part of organizations and entities from around the world will be possible.

3. Case Study of Geneva, Switzerland

3.1 Overview of the Region

Figure 1 shows the Geneva Lake Area, the region in which Geneva is located. The map shows that Geneva has about 440,000 inhabitants with several hundred thousand additional people living within the area around Geneva. The map also shows that directly outside of the Geneva are other large cities. The area has access to a large number of people and a large transportation infrastructure as shown by the location of an airport in Geneva and one located outside of the Geneva Lake Area near Grand Lyon. Geneva is also known for being the home of many well-known and well-respected organizations and universities, such as the Red Cross, the World Economic Forum, University of Geneva, and the European Organization for Nuclear Research (CERN) (Why Geneva is Your Best Choice, 2010).

Figure 1: Geneva Lake Region



Interestingly, Geneva is a city in which 40% of its inhabitants are from foreign countries. In addition, 125 multinational companies operate in Geneva and the surround area (Why Geneva is Your Best Choice, 2010). The importance in these facts and figures is that they demonstrate to true global nature of Geneva and the Geneva Lake Area. However, they also indicate that many large and respected companies, research organizations, economic organizations, and non-governmental organizations have come to prosper and grow in this region of the world. Even more, a great deal of decision-making that impacts not only the region or only private sector firms occurs within the Geneva region. The decisions that are made within this region of

the world impact many aspects of the lives of people in countries around the world (Innovation Champions, 2010). The fact that this city and region has become a place for multi-stakeholder cooperation between private sector companies, universities, research institutions, and non-governmental organizations allows for an examination of the reasons why it has become so population in this regard, as well as the specific issues and factors that are related to the success of multi-stakeholder actions not just in the Geneva region, but in other locations throughout the world.

3.2 Common Objectives

The theoretical discussion of regional cooperation theory focused on the idea that various organizations and entities working together to achieve common goals and objectives (Axline, 1994). In Geneva and the surrounding region, the common objective of being able to share ideas, information, and resources to achieve innovation and economic outcomes is understood not only by the corporations that operate from this area, but also by the local government. The government in Geneva has actually been working since the late 1980s to become a place of innovation (Cleantech: Geneva Sets the Standard, 2010). The local government has implemented a variety of laws that have encouraged companies to establish operations in the area. First, the area has laws that are considered to be highly flexible in terms of hiring and maintaining employees and labor, as well as low income taxes. In fact, the income taxes in Geneva are only 10%, which is lower than the 15% income tax rate that exists in Hong Kong (Life of Luxury, 2010).

While the basic issues of flexible labor laws and low taxes may not seem very important. These two issues alone have encouraged companies to establish operations in Geneva that might have chosen other locations around the world. Companies generally have a goal of being able to operate in a location in which they do not face laws that greatly restrict their ability to operate with a high level of efficiency. At the same time, companies are organizations that generate income, and that generally want to be able to keep more of what they earn and pay less in taxes. Laws that are considered to be highly flexible have drawn many companies to Geneva in the past two decades (Innovation Champions, 2010). The reason that these laws have drawn companies of all sizes to operate in Geneva is because they are the basis for common objectives between the government and the companies that the government has sought to

operate in the region.

Another common objective between many of the companies and organizations that have created operations in Geneva that has allowed for multi-stakeholder actions to proliferate is the ability to allow people from around the world to feel comfortable within the business and cultural environment. Geneva and the surrounding region has created an environment in which people from countries around the world feel welcome. People that move to the area face fairly easy laws governing the movement of foreign visitors and citizens. Even more, companies and organizations are able to easily move goods and services through the region because of its shipping ports and transportation infrastructure (Why Geneva is Your Best Choice in Europe, 2010). Once again, there is a common objective between the government and public and private sector entities regarding the foundation from which business and innovation are able to occur.

In fact, innovation has been at the core of government actions in Geneva. Various laws have been implemented within the region within the past two decades, and particularly within the past decade, that have been focused in innovation in relation to environmental protection. These laws have been designed to help provide the resources to bring public and private sector organizations together to find ways to reduce harm to the environment and create technologies that will allow for a reduction in pollution and an increase in the creation of sustainable sources of energy (Industrial Ecology in Geneva, 2010). While laws related to environmental protection might seem to be a goal of a government or of organizations operating in the area of sustainable energy, the reality is that these laws have been implemented with the realization that the government cannot simply implement restrictions on organizations, but must also take the lead in providing financial and legal incentives for multi-stakeholder actions to take the forefront in technology innovation. The result has been multi-stakeholder actions between local universities and between companies in which research and development can lead to innovations that can be marketed and provide both an environmental and economic benefit to all parties (Cleantech: Geneva Sets the Standards, 2010).

What is vital within this discussion of common objectives in relation to the environment that has allowed Geneva to be a strategic location for multi-stakeholder actions is the role of the

government. The government has created a set of regulations and a larger environment in which companies recognize that their objectives to be able to achieve economic and innovation benefits can be achieved (Innovation Champions, 2010). The government has not taken a backseat to simply allow companies and other organizations to attempt to find each other and work together on their own. Instead, the foundation has been established over the past two decades for certain common objectives to exist almost automatically. It is from basic common objectives related to a quality business environment, a place in which innovation is encouraged, and a pool of high-trained people from local universities and research facilities that are willing to work with private-sector companies that multi-stakeholder actions can then be implemented.

3.3 Implementation of Multi-stakeholder Actions

The actual implementation of multi-stakeholder actions in Geneva have occurred in a variety of ways, but with the underlying goal of being able to share information and to create a greater level of output and innovation than would have otherwise occurred. DuPont is a company that has implemented a variety of multi-stakeholder actions in Geneva. One of the multi-stakeholder actions that has been created by DuPont is in partnership with the University of Geneva. The two organizations worked together to create the European Technical Centre. The purpose of the centre is to demonstrate how the development of high performance materials through scientific innovation is improving life for people around the world. The company has sought to work with universities such as the University of Geneva to fund research opportunities for professors and students. The benefit of the money spent on common research is that universities have the funds with which to conduct cutting-edge research and DuPont can take advantage of the talent at these institutions to create new products (Innovation Champions, 2010).

Even more, DuPont, which is highly involved in the creation of clean energy technologies such as solar cells, has worked with other companies in Geneva and the surround region that create the chemicals, parts, and that provide the materials that are necessary for the production of solar cells and the research related to clean energy. DuPont has essentially worked with these suppliers, some of whom might not have been considered to be part of the clean energy sector, to create what is known as a clean-tech cluster within Geneva (Cleantech: Geneva Sets the Standard, 2010). The company is bringing together other firms that can provide materials and

supplies for the development of clean energy technologies so that they are not only working together, but that they understand that a common goal exists between them.

In essence, the company has created an infrastructure within Geneva that is entirely focused on clean energy. The importance of this clean-tech cluster is that DuPont is not only willing to work with established firms, but is also encouraging start-up companies to demonstrate what they can provide to the larger clean energy sector and to become involved in the clean-tech cluster (Cleantech: Geneva Sets the Standard, 2010). By entering into the clean-tech cluster, a willing and ready market exists for those firms that can provide the materials and knowledge that are needed to expand clean energy technologies and solutions.

In contrast to DuPont's implementation of multi-stakeholder actions that are based on bringing together firms and institutions for a single area of interest, Hepia and the University of Geneva have created a multi-stakeholder action that is based on conducting research in a variety of areas. For example, the joint action is based on researching new technologies for doctors by bringing together biologists and doctors. In addition, the two institutions have also been awarded patents for shared research within the construction industry regarding building materials that contain seeds that can actually grow and provide insulation for a home (Cleantech: Geneva Sets the Standard, 2010). The multi-stakeholder action between Hepia and the University of Geneva has been very broad in nature, and focused largely on research initiatives as opposed to economic outcomes, but the result has been attaining patents and working to improve the operations of local hospitals.

PricewaterhouseCoopers, the international accounting firm, established a multi-stakeholder action in Geneva in the form of a networking club. The club that the company established holds regular meetings in which senior managers and leaders of firms that operate in Geneva are invited to attend to discuss best practices with regards to multi-stakeholder initiatives (Cleantech: Geneva Sets the Standard, 2010). The purpose of the networking club and other networking functions and events that have been implemented by PricewaterhouseCoopers is to encourage greater interaction between companies that might be able to help each other in the future. These networking events act as the basis by which companies come together to share ideas about taking part in multi-stakeholder actions while also encouraging greater openness

between companies so that they are more likely to want to work together.

Finally, Viterra, one of the largest agribusiness companies in the world, has established multi-stakeholder actions in Geneva between the banks, research institutions, and even surveillance companies that provide security and support to agricultural facilities, in order to increase its own operating efficiency and to be able to work with its partners and suppliers more closely (Life of Luxury, 2010). In this regard, the multi-stakeholder action undertaken by Viterra has been about being in close proximity to the firms that provide the money, materials, and protection to allow it to operate. In essence, the company has attempted to consolidate the space between companies within its supply chain.

3.4 Territorial Animation

Even with so many firms and institutions operating in such a close space, it must be remembered that many of these organizations are foreign companies that are based in other countries. One of the ways in which territorial issues involving different cultures and competition between countries has been overcome is through the creation of forums and other networking events, such as those created by PricewaterhouseCoopers that have been designed to overcome the cultural and social obstacles that can keep companies and entities from different countries from working together (Cleantech: Geneva Sets the Standard, 2010). Even more, the fact that local and regional governments are so welcoming of foreign citizens has allowed companies to bring employees from their home offices to work in their operations in Geneva (Why Geneva is Your Best Choice, 2010). Foreign companies do not feel as though they are obligated to give up their own cultural traditions when they establish operations in Geneva. Instead, they can integrate their own histories and cultures into the larger multi-stakeholder actions that are created in Geneva.

In addition, territorial issues are greatly reduced because of the large number of international firms that operate within Geneva. Companies that have operated in other locations have likely had relationships with some of the firms that operate in Geneva. This begins a longer process of being integrated into the multi-stakeholder environment that has been created in Geneva in order to develop additional relationships with other firms and institutions and to expand operations and activities. In addition, because of the transportation and communications

infrastructure that exists within Geneva, foreign companies do not have to feel as though they are disconnected from the larger activities of their organizations in their home countries (Why Geneva is Your Best Choice, 2010).

Overall, foreign companies and foreign citizens are welcomed in Geneva, which sets a tone that territorial differences between countries and between cultures are not necessary. Instead, foreign companies can bring their cultural and historical backgrounds with them while also developing new relationships and creating new histories by working with other firms and institutions. While this does not likely take away all territorial issues, it does help to reduce them so that multi-stakeholder actions can not only occur, but can also create beneficial outcomes.

4. Discussion and Conclusion

The purpose of this paper has been to examine multi-stakeholder cooperation from the standpoint of Geneva, Switzerland and why it is a strategic location for multi-stakeholder actions on the part of companies, institutions, and non-governmental agencies from around the world. In order for multi-stakeholder actions to occur, and particularly in order for them to be successful, organizations must have the infrastructure and ability to easily work together and to be able to establish common goals and objectives. The information that has been examined about the Geneva Lake Region has shown that the foundation exists for organizations to come together from around the world. The government has created a place in which foreign firms are not only welcomed, but in which all firms can operate at a low tax rate and with the ability to bring their operations and their employees to the region. An important part of the success of Geneva in being a location for multi-stakeholder actions as indeed been the government and the institution of policies and laws designed to encourage economic development on a global scale. For other locations around the world that would want to encourage companies to relocate and create multi-stakeholder actions, laws and regulations must be in place that will allow those firms to operate as efficiently as possible. Otherwise, moving to a location to work with other firms is likely to create more problems and require more cost than the short-term and perhaps even the longer-term benefits that can be obtained.

In terms of the actual implementation of multi-stakeholder actions, companies and institutions

have implemented these efforts in a variety of ways in Geneva. For some companies, the multi-stakeholder actions have been implemented with research institutions based on a single objective, such as creating new clean energy technologies. The company in question, DuPont, provided a university with access to financial resources in exchange for access to researchers. In other situations, however, institutions have joined together to take on a variety of projects and interests with the focus not necessarily being economic, but instead a focus on research and development.

Even more, there seems to be an environment in which firms have attempted to create an open network in which senior managers and leaders can come together if for no other reason than to simply share ideas and be acquainted with each other and the firms that they represent. Networking events and forums have been created as a basis to foster continued openness among the organizations that operate in Geneva. These events have helped to sustain an environment in which multi-stakeholder actions can flourish, as well as create an environment in which territorial and cultural obstacles that might otherwise exist can be overcome.

Overall, the way in which Geneva has attempted to create an environment for multi-stakeholder actions to occur seems to involve actions that could be taken by other locations around the world. The combination of involvement between governments, universities, and companies have allowed Geneva to be a place in which organizations from around the world feel as though they can work together and achieve desired objectives and outcomes. In addition, the fact that these organizations are willing to not only work together on a one-time basis, but to encourage additional multi-stakeholder efforts is what has allowed Geneva to continue to thrive as a strategic location for these types of efforts.

Finally, it seems as though the specific culture of Geneva or Switzerland has little to do with its strategic location as a place for multi-stakeholder actions aside from the efforts that have been made to be welcoming to foreign companies and to foreign citizens. Aside from the laws that have opened the region to international organizations, the specific culture of the region aside from its business and development practices seem to have little to do with its successes in relation to multi-stakeholder cooperation. This is important because it further suggests that other locations around the world could achieve the same success as Geneva. However, even

for Geneva, this success has taken about two decades of work. The type of success that Geneva and its surrounding region has obtained is not something that can occur in a short period of time. It requires ongoing and continuous work and development on the part of many different organizations.

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