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TRANSNATIONAL NORM-BUILDING NETWORKS AND THE LEGITIMACY OF CORPORATE SOCIAL RESPONSIBILITY STANDARDS. UN Global Compact and ISO 26000

NEW LINKAGE BETWEEN VOICE AND ENTITLEMENT UNDER THE CONDITIONS OF DECENTRATION

In this paper, we are going to interpret and reconstruct globalisation as a process of decentration. The term decentration refers to a multifold shift as a result of which the gravitational points of the old mode of governance no longer (or only partially) hold their former factual and legitimate decision-making power (Mückenberger 2008a and b; Mückenberger 2010). The predominance of the nation-state, one of the main elements of modern democratic thinking, has eroded to the point where the fundamental nexus of voice (democratic participation) and entitlement (legal and social rights and duties) has been weakened or even broken. In other words, decentration stresses the loss of democratically legitimised power and influence of the former ‘centre’ nation-state (Zürn, 1998; Sassen, 2003) and it fundamentally changes the option of citizens’ voice as one of the most important responses to crisis and change (Mückenberger, 2004). Thereby, decentration is benefiting supranational agencies, but at the same time it is resulting – if not in a loss of sovereignty – in at least a decrease in central regulatory (and law-enforcement) power (Telò, 2001).

Decentration, therefore, also forms the basis for a public discourse on Corporate Social Responsibility, which focuses on the moral responsibilities of businesses with regard to their stakeholders and the natural environment (Bassen, Jastram, & Meyer 2005: 235). Decentration does not, however, primarily refer to a loss of global governance structures, but rather to the emergence of new ones. An interest in decentration is therefore also an interest in the question of whether governance systems with a new nexus between voice and entitlement are either developing or can be developed under the conditions of decentration, and what significance can be attributed to them. In order to establish such research questions, decentration has to be made a focal point and has to be examined – both as a crisis of the centrality to which we have been accustomed and as a multifold transformation towards possible new forms of the nexus of voice and entitlement (see detailed argument in Mückenberger 2010 and Mückenberger/Jastram 2010).

We are proposing this theoretical perspective because we believe that it offers a more differentiated basis for the following analysis, as it allows us to use the analytical categories of voice and entitlement, which have hitherto been ignored in the academic debate on new forms of governance beyond the nation-state level. Against this background, the theoretical part of this article will focus on the nexus of voice and entitlement with regard to Transnational Norm-Building Networks. Transnational Norm-Building Networks are a new form of governance which is playing a significant role in the context of Corporate Social Responsibility, because it provides a platform for private self-regulation and norm-building in areas where traditional state regulation has been failing or is impossible. After the presentation of the theoretical foundations of our research, we will undertake an empirical analysis of two normative initiatives in the field of CSR, namely ISO 26000 and the Global Compact. Both initiatives fit into our notion of Transnational Norm-Building Networks and constitute large multi-stakeholder approaches to the standardisation of ethical business behaviour. In each case, we will indicate the voice-entitlement nexus and conclude with remarks on the legitimacy and effectiveness of these standardisation initiatives.

Although the Global Compact has recently been a relatively popular object of research (e.g. Cetindamar & Husoy 2007; Hemphill 2005; Kell & Levin; Kell, McIntosh & Waddock 2004;
Rasche 2007; Ruggie 2002; Williams 2004) we believe that our theoretical approach and the comparison with ISO 26000 will add new and more differentiated findings to the current debate on standardisation in the field of CSR by multi-stakeholder-networks. ISO 26000 is a fairly new initiative and has only been analysed by a few authors up to now (Schmiedeknecht, M. & Wieland, J. 2006; Tamm Hallström K. 2005, 2006, 2008). Most other studies with a related research interest concentrate on already established standards like SA 8000, AA 1000, the OECD Guidelines for Multinational Enterprises and the like (for instance Esser & Rasche 2006; Gilbert & Rasche 2007, 2008; Waddock 2004). We can therefore provide some fresh empirical material to the debate on CSR standards and are opening up a new and very promising field of research. But firstly, we will introduce our theoretical approach.

The notion of Transnational Norm-Building Networks is shaped by the thesis of decentration and follows the paradigm of "reflexive modernisation" (Beck, Giddens & Lash 1996; Beck & Lau, 2004). Mückenberger provides the following conceptual definition of TNNs: “Transnational norm-building networks are 1) purposeful connections 2) of current or formerly novel actor constellations 3) between and within politics, economy and civil society. These purposeful connections are 4) to be regarded as being linked to decentration, are 5) not primarily governmental, 6) reach beyond the nation-state level towards the supra- or intranational, and 7) show a certain longevity. They attempt 8) to set up and 9) standardise 10) behavioural imperatives, norms and/or conventions 11) in their particular field that 12) either reduce the transaction costs among the parties involved and/or are 13) supposed to 14) bind 15) outsiders who are not involved. With the help of these norms, 16) transnational nexus comparable to the 17) nation-state voice-entitlement nexus challenged by decentration 18) may be reconstructed” (2008b; 2010) Mückenberger explains these elements in detail (ibid.). Following him we will only briefly go into some of them here. The attribute purposeful is related to the concept of decentration and implies that TNNs aim to have an active impact on their relevant surrounding conditions. They are composed by novel actor constellations and gain ground wherever international organisations or institutions or organisations are either incapable of dealing with problems that reach across borders or handle them in a merely suboptimal way (Hilf & Oeter 2005). TNNs mainly occur within the triangle of states, economy, and civil society. Based on Cohen and Arato (1992) and Habermas (1994) the term civil society refers to (mostly collective) actors who belong to the lifeworld but who are also its representatives in a certain way and therefore have already acquired the capacity as well as the preparedness for articulation ("voice"), or have even already become institutionalised.

The fact that the TNN approach is linked to decentration excludes those networks that already existed during pre-modernity or the first modernity. It focuses on those actor constellations that have emerged on a supra- or intranational level in order to solve problems for which no centres of meaningfulness, power, or decisions and a related voice-entitlement nexus exist. The element ‘not primarily governmental connections’ excludes international state interactions across borders in the sense of ‘governance by governments’. Similarly, it excludes intergovernmental networks such as those analysed by Anne-Marie Slaughter (2004). It does, however, not exclude constellations where states participate as one actor if economic and/or civil actors are involved as well (‘governance with governments’). It also explicitly includes those interactions, where only private or civil society actors participate (‘governance without government’). TNNs show a certain longevity and are therefore to be differentiated with momentary "ad hoc" transnational movements as they may exert voice but lack the capacity for the agglomeration of interests or for norm-building of any kind.

The norm-building and standardising element is crucial to the notion of TNNs and marks the line to other transnational activities such as campaigns, advocacy, or negotiations, which may, however, constitute prerequisites for norm-building activities by TNNs. It is irrelevant which kind of behavioural imperatives, standards or conventions the outcomes are, be it ethical,
technical, legal, hard, or soft norms. What is crucial is that all of them come with a certain form of sanction armouring. Norms created by TNNs are not targeted at individual cases (not even collective ones) but form general rules following criteria of justice that can be generalised for an uncertain and undetermined number of current and future case constellations. This criterion is linked to the fundamental leading question as to whether transnational networking is capable of generating the nexus of voice and entitlement under the conditions of decen
tration, which are comparable to those of the "centred" system. A ‘comparable transnational nexus’ means that the voice-entitlement-nexus analysed here, is not expected to be equal to the one at nation-state level. As long as the global society has not yet been constituted as a global democracy, this mechanism will not exist at the level of the global society. The question here is, whether TNNs can create new forms of this nexus in a decentralised, "rule-vacant," tendentially anomic (Durkheim 1930) delimited space.

Voice and Entitlement as Analytical Categories

With regard to our empirical study we propose an analytical framework consisting of the following criteria and indicators of voice and entitlement.

Voice in this context refers to stakeholders – i. e. people or institutions affected by a decision without necessarily being able to make the decisions themselves. Voice means that stakeholders have the opportunity to effectively articulate their particular points of view and interests and thus exert an influence on the decision-makers. We can break down “voice” into the following indicators:

- Are there any enforceable legal instruments for voice in the given context (i.e. freedom of speech or of the press and media; the freedom to collectively and publicly articulate opinions; freedom of coalition and association; the freedom to form political parties in order to exert voice)?
- Are there any non-legal instruments of this kind?
- Are these legal or non-legal instruments effectively supported and protected against active prohibition or misuse?
- Do stakeholders make use of these instruments of voice a) in a representative manner (i. e. not only selectively), b) regularly (i. e. not only occasionally), and/ or c) in a well-informed, well-organised, and effective manner (i. e. not only by means of spontaneous protests, for example)?
- Do stakeholders organise themselves and act in networks?
- Does the subsystem to which voice might be articulated provide for ‘sensors’/‘antennas’ which make it aware that voice is being addressed to it?
- Does the subsystem make use of the information given by these sensors/antennas?
- Does the subsystem provide for mechanisms of consultation/consensus-building/compromise-finding in order to take voice addressed to it into account?
- Does the subsystem make use of the information provided by these consensus-building mechanisms?
- Is any form of network-building between stakeholders and decision-makers observable?

Entitlement refers to the results of decision-making with respect to opinions and interests articulated through voice by the stakeholders. Entitlement here means that stakeholders represented by voice in a decision-making-process either obtain identifiable particular rights or obligations which were claimed before by the execution of voice, or they
maintain identifiable particular rights or obligations which before the decision-making were challenged. Rights and obligations here can be legally binding and non-binding. Our indicators for entitlement are, therefore, as follows:

• Has decision-making in the given constellation led to a) clearly recognisable changes in rights or obligations in areas where such changes have been claimed, or to b) the maintenance of rights or obligations in areas where changes have been threatened?

• Did the change/maintenance a) fully, b) partly, or c) only marginally reflect the contents of voice articulated by stakeholders?

• Did the decision-makers provide for precautions and intend to make their decision effective with regard to stakeholders’ voice?

• Has the decision taken already become effective with regard to stakeholders’ voice?

The indicators of this analytical framework do not necessarily have to be met completely. Rather, they constitute an ideal-type spectrum of possible signs for the existence or non-existence of voice and entitlement in a norm-building-process.

In the following paragraphs, we will analyse each norm-building process with regard to "voice" and "entitlement" and in doing so provide a contribution to the question of whether TNNs are able to produce legitimate and effective CSR norms beyond traditional nation-state structures. Our analysis will be guided by the search for a voice-entitlement-nexus, which is described by objective and subjective indicators. Empirical studies need to identify a) whether there was an “objective” influence of voice on the decision taken in the given context and b) whether this nexus was “subjectively” experienced by stakeholders and decision-makers.

The study presented in this article is based on the analysis of documents, online resources, and secondary data and will therefore focus on objectively visible indicators for a voice-entitlement nexus. The analysis will be divided into three sections: the pre-standardisation phase, the actual norm-setting process and the norm implementation stage.

THE UN GLOBAL COMPACT

The UN Global Compact (UNGC) describes itself as a “strategic policy initiative” (Global Compact 2008a) with the objective to mainstream ten ethical principles in business activities around the world. (Kell 2003: 36) At the heart of the initiative are the following principles on the fields of human rights, labour, the environment and anti-corruption (Global Compact 2008b):

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and


Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Businesses, who are willing to fulfil these criteria may join the initiative on a voluntary basis, become active within the Global Compact Network, and implement the principles within their corporate activities. Today, the Global Compact is the largest (Cetindamar & Husoy 2007: 166; Hemphill 2005; Rasche 2007) and one of the most prominent initiatives in the field of Corporate Social Responsibility with nearly 5,000 corporate and about 1,500 non-business participants from over 130 countries (Global Compact 2008c).

The Global Compact can be regarded as a hybrid network of networks, with the New-York office as its coordinating hub, which is surrounded by a number of country and regional networks, whose aim is to implement the ten principles at both national and local level (United Nations 2008). Organisationally, the UN GC is structured by a multi-centric governance framework, within which governance functions are shared by six entities each with its own specific remit: a triennial Leaders Summit, a Board, Local Networks, an annual Local Networks Forum, the Global Compact Office and an Inter-Agency Team. Strategic decisions are made by the multi-stakeholder Board based on the input provided by all the other governance entities. The Board consists of twenty members (eleven business representatives, two UN/GC members, four civil society representatives, two labour representatives, and the head of the Global Compact Foundation). All administrative and coordinative work is carried out by the Global Compact Office, which is located within the Office of the Secretary-General of the United Nations in New York (Global Compact 2008).

Historical Background

The UN Global Compact began operations in 2000, after Kofi Annan – at that time Secretary General of the United Nations – had called businesses to become involved in sustainability and responsible business practices at the World Economic Forum in Davos in 1999 (Kell 2003). He explained his motivation for launching the Global Compact with the fear that “if we do not act, there may be a threat to the open global market, and especially to the multilateral trade regime. There is enormous pressure from various interest groups to load the trade regime and investment agreements with restrictions aimed at preserving standards in the three areas I have just mentioned (human rights, labour standards, and environmental protection). These are legitimate concerns” (United Nations 1999: 2). It becomes obvious, that the increasingly articulated public concerns about the negative effects of globalisation have led the United Nations to act on this issue. Kofi Annan even mentions a fear of “fanaticism and terrorism” if people cannot rely on certain minimum standards in the global marketplace (United Nations 1999: 3). We can see here that recognition and anticipation of public voice has had a significant impact on the decision to start the Global Compact initiative (Kell 2005).

In this case voice was based on the freedom to collectively and publicly articulated opinions but it was not executed in a representative or regular manner but rather as occasional ad hoc public protest. Yet, the massive public, so-called ‘anti-globalisation’ protests can be regarded as a main trigger in the revival of the CSR debate of the late 90s and its fruits (new kinds of polity), are what we are discussing today. To identity whether there is actually a new nexus of voice and entitlement with regard to the Global Compact we need to further analyse the norm-setting as well as the implementation phase.

Norm-setting Process
The Global Compact has always been a personal initiative of Kofi Annan, who set up the principles and called business leaders for their application in Davos in 1999 (United Nations 1999). He explained his choice for the three general fields of human rights, labour standards, and environmental protection by referring to already existing agreed intergovernmental norms, namely the Universal Declaration on Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the Rio Declaration on Environment and Development. There was no multi-stakeholder norm-setting process in the case of the Global Compact. Rather, the decision for the initial nine principles seems to have been a result of individual reasoning by Kofi Annan himself. Yet, voice did have an indirect influence since it played a part in the formulation of ILO principles as well as in Rio. Kofi Annan therefore indirectly legitimatised the initial nine principles of the Global Compact by referring to basic norms which themselves have been legitimised either by governments alone – as in the case of the Declaration on Human Rights – or involving the consultation and involvement of CSOs, labour unions, and/or other stakeholders. Furthermore, shortly after its creation – due to the impact of the massive public protests at the WTO conference in Seattle in 1999 – the Global Compact actively involved labour unions and CSOs within its network and in the promotion and implementation of the ten principles, as the following paragraph shows (Kell 2003: 36). At this stage, voice changed from public protest to more organised and regular stakeholder participation within the Global Compact Network. In fact, the 10th principle of the Global Compact, which was added later than the others (in 2004), was a result of intensive dialogue between all the members of the Global Compact (Global Compact 2004; Waddock 2002).

Norm-implementation

The Global Compact has been designed as a voluntary and not a regulatory initiative and it does not undertake any active monitoring of norm-implementation, nor does it involve third party monitoring. It relies on the self-disclosure of principle-related activities by the participating companies (communications on progress). The GC webpages include a publicly accessible database of all submitted communications on progress and it invites civil society organizations (CSOs) to vet these reports. The idea is that through this CSOs “can help to provide checks and balances and lend credibility and social legitimacy to the initiative” (Kell 2003: 38). This vetting by CSOs may be regarded as kind of third party monitoring. It does, however, depend on the actual willingness and interest of CSOs to undertake such an endeavour, which requires some sound knowledge on the respective companies as well as the allocation of adequate resources. With regard to the large number of participating companies it is rather doubtful that this kind of civil-society-monitoring can work on a wide basis. Nevertheless, there have been incidents where CSOs actually identified member companies that were for instance involved in child labour like in the Nike case (Williams 2004: 762). This consequently led to harsh criticism of the voluntary character of the Global Compact, which has been called a ‘fig leaf’ or ‘tiger without teeth’, because of the absence of effective monitoring mechanisms and sanctions (Crane & Matten 2004: 425; for a review of the criticism see Rasche 2007; Richter 2001; Williams 2004). Against this criticism, the UNGC keeps reassuring its voluntary non-regulative character, since it neither has the mandate nor the capacity to undertake any monitoring or sanctioning activities (Kell 2003). And Ruggie argues: “The major criticism of the GC by the anti-globalisation front has been for what it is not: a regulatory arrangement, specifically a legally binding code of conduct with explicit performance criteria and independent monitoring of company compliance.” (Ruggie 2002: 31).

With regard to entitlement it is difficult to judge the actual effectiveness of the Global Compact. An assessment of the Global Compact’s impact by McKinsey in 2004 showed that only a few companies cited the Global Compact as major instigator of change with regard to
their policies. (McKinsey & Company 2004: 4) Many companies expressed that they would have implemented ethically oriented business policies anyway, irrespective of their membership of the GC. The report further detects inconsistent participation and unmet expectations which had threatened the Compact’s credibility (ibid.: 2). And Ruggie states: “there are certain things that such an approach cannot achieve. The fact that the GC recognises and promotes a company’s ‘good practice’ provides no guarantee that the same company does not engage in ‘bad practice’ elsewhere” (2002: 33).

What most critics ignore or undervalue is the effect of learning and dialogue fostered by the Global Compact (Kell & Levin 2003; Rasche 2007; Ruggie 2002). Since its launch in 2000 the GC and its local networks have hosted a number of fora, summits, conferences, meetings, and workshops on the international, national and local level, involving thousands of stakeholders over the years (Kell 2003). It is not without reason that the initiative is one of the most prominent in the global CSR community and has a high level of awareness amongst business leaders and other stakeholders. Most of the events hosted by the Global Compact target specific topics related to the ten principles and their implementation. Learning is based on the discussion of case studies and best practice examples and the Global Compact continuously produces publications on the consolidated findings Rasche explains that these mechanisms of learning, dialogue, and partnership projects „(a) enable business and non-business actors to create, discuss, modify and extend a set of shared values within the global marketplace and (b) allow corporations to implement these values into their operations by sharing ideas and best practices. (…) The goal is to establish consensus and best practices on what, for instance, ‘a precautionary approach to environmental challenges’ or ‘not being complicit in human rights abuses’ means within a firm’s respective region and sector.“ (2007: 10,16) And Kell and Levin argue: “that by facilitating transparency, dialogue, and the dissemination of best practices, the Global Compact effectively encourages the implementation of good corporate citizenship” (2003: 152).

With regard to stakeholders voice we can observe that the Global Compact actually provides for several non-legal instruments such as dialogues and learning fora where stakeholders can articulate their opinions and views concerning best practices of norm-implementation. The report of the Global Compact Leaders Summit in 2007 for instance shows that CSO representatives where amongst the keynote speakers in sessions and panels of the conference even though they were largely outnumbered by business representatives (Global Compact 2007). Moreover, the final report of the summit includes critical statements by CSO representatives, so we can conclude that there are some visible provisions and antennas for voice and consultations identifiable within the Global Compact Network, which also applies to earlier meetings, like the leaders summit in 2004 (Global Compact 2004). Also with regard to the actual implementation of the principles on the company level we can observe involvement of civil society organisations and Rasche reports that NGOs “are increasingly referred to as partners that provide contextualized knowledge to businesses regarding projects that support the ten principles” (2007: 9).

To sum up, the Global Compact provides opportunities for raising voice, which in some cases seem to be connected to corresponding entitlements, i.e. changes in the rights and obligations of stakeholders. Yet, these entitlements seem to only partly reflect the claims raised by voice and provisions for their effectiveness are rather weak.

In the following paragraphs we will place the focus on a second network-based approach to the generation and implementation of norms in the field of Corporate Social Responsibility: ISO 26000. We will highlight a completely different voice-entitlement-relationship and draw some assumptions on the effectiveness of the standard.

ISO 26000
ISO 26000 is the appellation of a future global standard on Social Responsibility (SR), which has been initiated by the International Organization for Standardization (ISO). ISO has been a globally operating developer of standards since its launch in 1947. It describes itself as a „global network of standards bodies“ (ISO 2007: 1) and a "non-governmental organization that forms a bridge between the public and private sectors“ (ISO 2008a). Both relates to the fact that ISO is constituted and composed by its member institutions (national standardisation bodies), which themselves may either be private, governmental, or non-governmental organisations (ibid.). It is due to this, that ISO is sometimes perceived as a business driven organisation although it is not profit oriented.

ISO standards are based on agreement: “An ISO standard is a documented agreement containing technical specifications or other precise criteria to be used consistently as rules, guidelines, or definitions of characteristics to ensure that materials, products, processes and services are fit for their purpose” (ISO 2008b). The goal of ISO’s standardisation is to enable “a consensus to be reached on solutions that meet both the requirements of business and the broader needs of society” (ISO 2008a).

All generated standards are principally to be applied on a voluntary basis, which relates to the fact that ISO, as a non-governmental organization, has no power to enforce the implementation of its standards. Nevertheless, implementation of the standards is usually not a problematic issue, since, as mentioned above, it is usually the users or future standard addressees, who initiate them and will consequently most probably adhere to them. In some cases, ISO standards - mainly those concerned with health, safety or the environment - have been adopted by states as part of their regulatory framework, or are referred to in legislation for which they serve as the technical basis. If this happens, however, it has been a sovereign decision by the regulatory authorities or governments of the countries concerned. Mostly it is the market that makes ISO standards become a requirement, for example though third-party certification, as in the case of ISO 14000 or ISO 9000 (ISO 2008b).

ISO’s Central Secretariat is financed by membership fees, which are in proportion to the country's GNP and trade figures of the respective member body, and the sale of standards. The costs of the standardization processes (i.e. expert participation, facilities etc.) are normally covered by those member institutes that participate or take over leadership in a specific case (ISO 2008c).

A new standard is normally initiated by an industry or business sector, which feels the need for a common standard and therefore proposes it as a new work item to ISO. If ISO accepts the proposal and identifies a clear market requirement for the new standard the task is assigned to one of ISOs technical committees. These committees are composed of experts on loan from the industrial, technical, and business sectors which have initiated the new standard and which will therefore be its future addressees. Depending on the actual object to be standardized, other experts with relevant knowledge – such as representatives of government agencies, testing laboratories, consumer associations, or environmentalist groups – may join the committee (ISO 2008b). What follows are discussions and debates on the material content of the new standard until a consensus on a draft is reached. This draft is then circulated to all national member institutes, which may comment and ballot on it. If necessary a revised draft is developed taking the feedback of national members into account and if the voting is finally in favour of it the document is published as an international Standard (ibid.).

So far, the ISO has generated more than 17,000 standards, most of which are technical (ISO 2008d). ISO 26000 is of very different nature compared to most other ISO standards, as its subject is not a technical but a moral issue.

Historical Background
The initiator of ISO 26000 was not the industry but the ISO council itself, which recognized that “SR is essential to the sustainability of an organization” (ISO 2007: 3) and that increasing pressure was being exerted on organisations by consumers, non-profit organisations, and governments. At the same time, ISO felt that there was a need to consolidate the number of existing principles on CSR, and to reach an international consensus on its definition and core issues, and on the basis of this provide guidance to organisations on how to put the principles into practice (ISO 2008f). In 2001 ISO therefore started a large period of extensive consultation with internal and external experts representing different stakeholder groups including business, government, inter-governmental organizations, labour, consumers and non-governmental organizations (ISO 2007). A key player at that early time of the pre-standardization consultation process was ISO’s committee on consumer policy (COPOLCO), which was due to the recognition that there were increasing consumer concerns regarding the integrity of multinational corporations (ISO 2008e). In 2001, COPOLCO undertook a first feasibility study of a new standard on (at that time corporate) social responsibility and started an online forum to gather the opinions of different stakeholders on a potential new standard, to launch a discussion on its possible role, and to in increase awareness of already existing initiatives (ibid.). In 2002, COPOLCO launched a workshop and set up a multi-stakeholder strategic advisory group to address the question of whether ISO should engage in the generation of a new standard in the field of CSR. In 2004, the advisory group delivered an extensive report including analyses of the costs and benefits of a SR standardisation, whether there is a need for a new standard with regard to existing initiatives, a description of the type of standard that would be needed and an analysis of the capacity of ISO to engage in such a standardisation process (ISO 2004). As a result, the advisory group proposed that ISO should undertake that endeavour of a new standard but address all types of organisations, which is why from that moment on ISO refers in its documents to social responsibility without narrowing the target group down to corporate actors (ISO 2008e). In the aftermath of the report of the strategic advisory group, ISO initiated an international conference, which was attended by 355 stakeholders from 66 countries representing business, government, labour, consumers, and non-governmental organizations. The aim of the conference was again to discuss whether ISO should proceed with its initiative to standardize social responsibility and what characteristics the standard should have (ibid.). The decision to finally propose a new work item was made immediately after the conference and in early 2005 ISO members voted in favour of the development of a standard for Social Responsibility (ibid.).

What becomes visible here is, that in the case of social responsibility ISO involved external actors from a very early stage in the norm-building process. Even the original decision of whether or not to engage in norm-building activity was actually prepared by a multi-stakeholder group and confirmed at an international conference. ISO provided for several non-legal instruments and antennas for voice and consultation (an online forum, expert hearings, workshops), and stakeholders made use of these instruments in an informed and effective manner.

Compared to the Global Compact voice was able influence decisions much more directly and from a much earlier point of time in the decision-making process. ISO took much stronger provisions to become aware and actually made use of the information and interests articulated by voice. This becomes even more obvious with regard to the actual norm-setting process.

**Norm-setting process**

Following the consultation phase in 2005, ISOs members voted for the development of a new standard called ISO 26000, the goal of which would be „to assist an organization in addressing its social responsibilities“ (ISO 2007: 4). The standard is to be used on a voluntary
basis by all types of organisations, including non-profit organisations and it should be published in 2010 (ISO 2008f).

The aims of the standard are (ISO 2008f: 1; ISO 2007):

- to develop an international consensus on the definition of social responsibility and the issues that organizations need to address, based on existing international norms of SR
- to assist organisations and provide guidance on effectively operating and implementing social responsibility

To develop the new standard ISO set a working group on social responsibility (WGSR), which is made up by experts representing six stakeholder groups, namely industry, government, labour, consumers, nongovernmental organizations, and a sixth group called SSRO (service, support, research and others) including academia, ISO staff, and consultants. Each participating ISO member state may send one expert and one observer out of each of the six stakeholder groups. In addition liaison organisation such as the ILO or the Global Compact, may also send two representatives to the international meetings (ISO 2007). This led to a total of 426 participating experts and 175 observers from 89 member countries and 41 Liaison organisations at the latest WGSR meeting in September 2008 (ISO 2008h).

In addition to the WGSR, each participating ISO member institute set up so-called national mirror committees, which are structured like the WGSR with the only difference, that they are composed by three experts per stakeholder group including those experts who are members of the WGSR (ISO 2007). The whole ISO 26000 norm-building process is therefore based on the participation of around 1,700 stakeholder representatives (18 experts per participating member country plus 2 representatives from each liaison organisation). It is therefore the most inclusive international norm-setting process in the field of CSR.

Until today, the WGSR has met seven times since 2005, each time in a different country hosted by one of ISO’s member institutions. At the first meetings the general structure and future chapters of ISO 26000 were discussed and task groups were created to daft proposals for the future content of the standard. Each completed draft is generally sent electronically to all experts and discussed by the national mirror committees. Within a certain time frame every single expert is then allowed to post comments on the draft, which are collected by the ISO secretariat in Geneva and then circulated back in full to all the experts. Once this stage has been completed, all the comments are grouped and discussed at the following WGSR, where changes are decided on and dealt with in the respective drafting teams (ISO 2008g). If the draft reaches a certain maturity, the actual voting phase starts and all the experts have to agree at national level for or against the new norm, which happens currently in the mirror committees. The whole norm-building process is highly transparent and all documents are accessible to all the experts and most of them also to the general public via ISOs homepage.

Some first empirical studies have indicated that stakeholders seem to be relatively satisfied with the discursive quality and degree of fairness with which the norm-setting consultations are conducted (Schmiedeknecht, M. & Wieland, J. 2006, Tamm Hallström 2005) However, these findings have to be completed via more in-depth analyses of voice conducted on the basis of interviews with the participating stakeholders. For the moment, we can assert that compared to the Global Compact, the ISO 26000 norm-setting process is much more inclusive and provides more mechanisms for the articulation of voice. Consensus-building is the declared goal of the process and the participating stakeholders are selected and organised in a fair and representative manner and have access to all relevant information. This constellation makes the ISO 26000 norm-building process a highly interesting case for the analysis of a potentially new voice-entitlement-nexus on the transnational level.
Norm-implementation

Since ISO 26000 is currently in the norm-setting-phase, we cannot yet evaluate the actual implementation of the standard with regard to entitlement. We can, however, undertake some reasoning on conditions of its effectiveness and draw assumptions on potential entitlements.

Like the Global Compact ISO 26000 is a voluntary standard and (in contrast to ISO 14000 or ISO 9000) not intended for third party certification (ISO 2008f: 2). Consequently, it is not designed as a management–system or -process that can be checked for fulfilment. Instead, it is intended as a guideline which includes recommendations that businesses and other organisations may adopt voluntarily if they are applicable to them. In this regard, ISO 26000 may come in for the same kind of criticism that the Global Compact has been met with, since its implementation is also voluntary. But with regard to our criteria for entitlement, we can identify provisions for effectiveness related to the actual design and structure of the standard. Compared to the principles of the Global Compact, ISO 26000 will be much more detailed and concrete. It currently comprises 91 pages covering detailed information on basic principles and key issues of social responsibility, as well as guidance on their implementation (ISO 2008i). Furthermore, it puts emphasis on the necessity to take account of stakeholder interests, as well as of accountability and transparency. Moreover, the group of norm addressees is much larger than the GC’s, as ISO 26000 addresses all kinds of organisations around the world, including NGOs and governmental organisations. Although the standard has not even been published, the inclusive norm-setting process has already created a fairly high level of awareness among the CSR community, as well as involvement and ownership. This is due to the high level of participation by experts who are also future norm addressees and/or catalysts. Therefore, we may presume, that ISO 26000 has already started to become effective with regard to stakeholders’ voice.

CONCLUSIONS

The starting point of this paper was the question of whether a new type of polity (Transnational Norm-Building Networks) with a new nexus between voice and entitlement is developing or can be conceived of under the conditions of decentration. We assumed that the voice and entitlement nexus constitutes a founding element of an emerging worldwide polity, under conditions where a world state or a world society cannot be imagined. We further argued that this nexus is crucial to the quest of civilising globalisation, which we understand as governing globalisation by means of democratically legitimate and effective rules. The two norm-building processes analysed in this paper are paradigmatic to this approach, since they both take place in a transnational space where state power and state-based international norm-building is not available and/or not effective.

Both cases have several elements in common: non-governmental actors (business as well as non-profit actors and organisations) are networking (with governmental actors) with the aim of civilising globalisation. In order to achieve this objective they have agreed upon or are about to agree upon universally applicable norms of behaviour; both norms are to be applied on a voluntary basis and monitoring is systematically excluded; the norms to be established are intended to be not legally but morally binding; norm compliance is based on the publicly announced self-commitment of the norm addressees and the potential risk of reputation losses (public sanctions) which would occur in cases of norm-breaking behaviour.

Besides these common elements, there are also a number of clear differences between the two norm-building processes: The Global Compact was founded on the initiative of the Secretary General of the UN (i. e. of an intergovernmental body), whereas the instigation of ISO 26000 was rather market driven and no original state or governmental action took place; in the latter
case, the norm-setting process was inclusive and open to the participation of stakeholders, whereas in the GC case, the rules to be complied with were pre-defined. Whereas ISO legitimizes its future standard ‘by procedure’ (as proposed by Luhmann 1969), the Global Compact legitimised its principles by the authority of the UN and already existing international norms. Yet, the Global Compact also involves stakeholders within its learning fora and dialogues.

Both analyses suggest a potential for a voice-entitlement nexus with regard to norm-setting (especially in the ISO case) and norm-implementation (especially in the Global Compact case). Voluntary norm compliance in both cases might be related to conditions of “repeated game”, “prestige”, and “network effects” as proposed by Aviram (2003). “Repeated game” means in this context that actors do not want to imperil connections with other actors who expect rule-compliance. “Prestige” means that actors adhere to their publicly confirmed self-commitment even if this is against their individual interests. “Network effects” describe the fact that actors obey to rules because of the understanding that network advantages will depend on compliance. All three conditions may play an important role with regard to norm-compliance and resulting entitlements in both norm-building processes. These assumptions will need to be verified via qualitative empirical research at the time when ISO 26000 is published. We recommend that further research be based on personal interviews and case studies on the organisational level. One of the most important aims of this research would be to capture the individual impressions of stakeholders participating in the norm-building processes that we have presented in this article.

REFERENCES

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