

The Global Institutionalization of the SR Norm: From de- Responsibilization to Re- Responsibilization

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Basic argument 1

- an evolution from de-responsibilization to re-responsibilization is taking place, in terms of:
 - the social obligations attaching to MNCs; and
 - the way in which those obligations are imposed
- originally, MNCs given considerable autonomy to act in economic sphere, except as constrained through top-down command/control prescriptive regulations imposed by government authorities
- MNCs now subject to complex arrangement of gov't & market-based regulatory instruments, imposed by diverse gov't & market-based actors

Basic argument - 2

- In the face of operational uncertainty, SR rule instruments such as ISO 26000 can play key role: represent statement of normative expectations of global community: norm/policy/market instrument
- ISO 26000 likely to be used by inter-govts, govts, firms, lenders, investment industry, communities, etc.
- Evidence of SR institutionalization: coercive, mimetic, normative pressure
- Note: key distinction between state-based & market based instruments

Responsibilization/Governmentality

- Foucault: process whereby societal actors are encouraged or compelled to acknowledge and assume a pro-active or reflexive moral capacity to govern their own risks
- Shamir: The very same moral agency that neo-liberalism attributes to and constructs in relation to individuals and civic groups applies, by the very same logic, to market entities as well.
- Shamir: economic/moral spheres re-combining
- De-responsibilization: separation owner/mgt, shareholder limited liability, corp as legal person
- Re-responsibilization: due diligence/MSS, disclosure laws, materiality, Sarbanes-Oxley, Equator Principles, PRI, corp SR codes, shareholder action modernization

Institutionalization

- activities “by which social processes, obligations or actualities come to take on a rule-like status in social thought and action”
- coercive (not just government), mimetic (in the face of uncertainty), normative pressure (role of standards)

ISO 26000

- Distinctive process of development represents paradigm shift
- Nature of instrument: custom
- Hybrid: framework instrument

Practical example

- Cdn mining company in Latin America
- Cdn shareholder pressure, investor pressure, NGO pressure, community pressure, legal action, leads to HR policy, reflects international instruments, resembles those of other companies, leads to stakeholder engagement process going forward