

The CSR firm

Emergence of service firms in the private regulation of Corporate Responsibility standards

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1. Introduction

Be one of 350 corporate responsibility officers, providers and NGO leaders to get this extraordinary view of the board-level impact of the fast-growing \$31.7 billion corporate responsibility industry.

- CRO CONFERENCE, May 10, 2007, New York, 'A Board's Eye View' of Corporate Responsibility

Demands from pressure groups for responsible behaviour by companies are a regular phenomenon in advanced capitalist economies. The issue of Corporate Social Responsibility (CSR) has become a political battle ground where groups with divergent interests intersect, representing different and, often, contrasting agendas. Academic literature increasingly takes note of the politics playing out between transnational activist groups and business in the development of private governance (Sabel, O' Rourke, Fung, 2000; Ruggie,& Kell, 1999). However, rarely

attention is paid to the role of commercial service provision in the politics of CSR. Service firms for over a decade now have been active in the field of CSR policy development and CSR services are now a profitable line of business.

This paper seeks to explore this phenomenon of the coordination service firm providing CSR services, or *the CSR firm*. In the paper we will situate this type of firm in the context of developments in the contemporary global economy. We will argue that the global dispersion of production stimulates the emergence of service provision and standardization in general as well as the emergence of transnational societal pressure against its social and environmental consequences. The CSR firm then develops as a specific service provider mediating the struggle between business and society. Its prominence is advanced due to antagonisms between societal and business groups and lack of knowledge of ethical standards on the part of business.

CSR services are offered by newly emerging service firms as well as existing accountancy firms, consultancies and quality standard firms. CSR firms provide information, communication and technology, advice on strategy, organize interaction and mediation between business and societal groups and act as third party monitors and trainers for CSR regulation.

We assess the political impact of service firms from an output and input perspective. In terms of output, service firms may have a progressive impact on the field of CSR activities, in the sense that they spread information and practices and offer coordinated instruments for implementation of human rights and environmental standards. Whether the activities that CSR firms develop, support and assist in are in line with what is considered to be substantial CSR policy or whether they contribute to a hollow PR-exercise is another question, to some extent dependent on the agency of CSR firm as service provider and lead firm as client.

From an input perspective we argue that the presence of service firms in this policy field means that commercial relations between service firms and buying firms predominate in standard implementation and knowledge exchange, marginalizing the efforts at involving societal groups in standardization. Service firm predominance also tends to blur the distinction between CSR firms and service NGOs as these mimic the consultant-client type of interaction of these firms, complicating the politics of interaction across the business-society divide. Finally, the activities of CSR firms tend to exclude certain aspects of the politics of CSR for not being commercially viable or not in line with a situation where knowledge, practice and technology are treated as

products. The activities of CSR firms therefore tend to have a narrowing effect on the CSR agenda and a crowding out effect on its participants in the regulatory field.

The argument of this paper is based on a first inductive exploratory analysis of the role of service firms in CSR policies specifically for the garments, footwear and coffee industry, as well as multi-product retailing businesses, all regarded as sectors on the forefront of the CSR field. Data was gathered using interviews, document analysis and participant observation during professional meetings.

The paper will first discuss the connection between the global re-organisation of production, the emergence of service firms and CSR; second, it will explore empirically the types and roles of CSR firms; third, the political implications of the activities of CSR firms are explored; finally, the paper will discuss implications for further research and political activity.

2. Standards, coordination service firms and CSR in the global economy

Do you believe in a balance of Ecology, Economy, Efficiency and Enterprise to maintain and grow a sustainable business?

-Future Perfect Services, Promotional Material, August 2007

Below we sketch the embedding of the phenomenon of the CSR firm in the context of developments in the global political economy. We argue that the re-organization of production across borders goes hand in hand with a demand for coordination, while causing critical response and contestation due to its negative social and environmental consequences. The former spurs the emergence of the coordination service firm, the latter stimulates the advance of the field of Corporate Social Responsibility activities. In this field, the CSR firm then emerges as a specific kind of coordination service firm.

a. The transnationalization of production

Over the last decades, a growing range of products, from apparel to computers, from data-processing to car manufacturing, have become subordinated to the rationality of transnationally dispersed production processes. No longer are we looking at an international economy based on exchange relations of finished products between national social formations; instead a global economy emerges in which productive activities are dispersed across social formations, and yet

functionally integrated into hierarchically co-ordinated global product chains (see Dicken 1998: 5). Transnational firms play an important role in this process, as they are ‘power brokers’, who initiate and govern globally dispersed production processes (Sturgeon 2001: 11). These lead firms not only exercise much influence on what products are to be produced but also how they are to be produced (Humphrey and Schmitz 2001). They seek to dominate global production networks via decentralized sourcing arrangements on the one hand and controlling consumer (end-market) outlets on the other. Due to their strategic control over the conceptualisation of the product as well as their control over consumer outlets, brands and retailers often have leverage over manufacturers, even if they have no equity relation to these companies.

The world economy has moved from what scholars call ‘shallow integration’ (roughly speaking, until the 1970s), to ‘deep integration’ thereafter (Dicken 1998; Robinson and Harris 2000, De Angelis 2000). ‘Shallow integration’ refers to the period during which production took place predominantly within national borders, while realisation (sales) took place on international markets. Profits made from trade were then accumulated to start up a new cycle of production. ‘Deep integration’, in contrast, takes place when the productive circuit becomes internationally dispersed and ‘linkages between national economies are increasingly influenced by cross-border value adding activities within ... TNCs and within networks established by TNCs’ (UNCTAD 1993, cited in De Angelis 2000: 16).

In this process, many Western brands have cut themselves free from actual production and have been transformed into so-called ‘manufacturers without factories’. Brands focus on conceptualising the commodity (design, research, and innovation) and distribution (marketing, advertising), while the labour-intensive processes are outsourced to low-cost manufacturers in Southern countries. Next to branded corporations, large retail firms increasingly play an important role in steering transnational production. If in the Fordist era US based and European manufacturing TNCs played the leading role, today’s globalised economy ‘is increasingly structured by a set of retail-dominated supply chains...’ (Appelbaum and Lichtenstein 2006: 106).¹

The most important perceived benefit, at least for the topic of this paper, is that outsourcing and subcontracting detached these corporations from the specific communities and specific labour pools associated with them (cf. Lichtenstein 2006: xiv). It gives this branch of corporations access to so-called *dual labour markets*, characterized by growing division between

'core' workers and 'marginalised' or 'peripheral' workers (see, e.g. Harrison 1994; Pollert 1988, 1991). Thus, only a small group of 'core' workers who are deemed essential for the company are kept in-house and given stable contracts, job security and high wages; the labour-intensive parts of production is done by a 'peripheral' workforce, associated for instance with the fast growing number of export processing zones where women workers in particular end up with insecure, labour-intensive and low-paying jobs. The externalisation of a 'non-core' labour force turns the organisation of this labour force into, as Atkinson notes, 'somebody else's problem'. In relation to this, outsourcing offers a particular share of capital an opportunity to break out of the highly-unionised established industrial areas with strict institutionalised (regulated) labour processes (Peck 1990: 34).

By leaving the task of organising the labour-intensive moments of production process to others, brand-named companies often claim that they are not responsible for the way the labour process is organised. In other words, the abstract formality of exchange relations not only separate the two economic units, it also makes it possible for the sourcing company to ignore the particular productive and reproductive requirements of labour power and the overall conditions in which the labour process takes place. If allegations about poor working conditions or environmental malpractices arise, the sourcing company can simply claim that it is not legally responsible for them, at least in the first instance. However, labour struggles in the factories and countries of production as well as public discontent in areas of consumption concerning substandard labour and environmental conditions brings the issue back to the various corporate headquarters in New York, London, Tokyo Amsterdam, or Paris. These transnational campaigns have contributed to the condition that a growing number of sourcing companies, particularly those with well-known brand-names, can no longer afford to distance themselves from some form of responsibility for the conditions under which their goods are made.

We will return to this topic below but first we need to discuss how global production requires coordination.

b. Coordination

The drive to global dispersion of production sites disconnects the different units in which production is broken down. The company is confronted with coordination and planning problems and will inevitably seek to restore a degree of unity in the dispersed production processes. This

has resulted in numerous technical and managerial innovations to achieve functional unity, to speed-up flow processes, to guarantee quality standards, and to promote collaboration among corporations in order to restrict market anarchy and to strengthen the planning aspect of production. Here, numerous management techniques are developed to coordinate fragmented production processes.

In other words, the fragmentation of production across borders has also generated increased demand for forms of economic coordination and governance processes (Sinclair, 1999: 153). For long time, the state apparatus provided the normative framework facilitating and structuring market exchange. Today this has been complemented and – sometimes – replaced by a growing number of private actors that have moved into regulatory roles traditionally held by governments (Nölke 2003: 9). Thus, along with the growth of global business networks there has also been a growth of global regulatory networks (Braithwaite and Drahos 2000). It has resulted in a ‘spaghetti bowl or spider’s web of intertwined organizations and arrangements, which evade the traditional categories of private and public, national and international law...’ (Picciotto, 1999: 9).

The processes of standardisation that lie beneath the social division of labour thus merge into hybrid forms of private and state authority (Graz, 2006).² Although standards remain largely invisible in daily life for consumers, corporations – who buy from and supply products to each other – rely crucially on standards or processes covering quality, safety, reliability, efficiency and interchangeability. As ‘external points of reference’ (Hawkins cited in Nadvi and Wätring 2002), standards facilitate the international exchange of goods and services and widen the social division of labour (Elam 1990). From the above we can conclude that exchange between firms already requires the existence of objectified and standardised knowledge embodied in the use of common rules, machinery, tools, benchmarks or training materials. The adoption of production standards must be seen as just one small part of an extensive normative structure which includes beliefs, policies, targets, aims, desired outcomes, measurement techniques, audits, checks, accounting measure and ultimately, ethical principles.

It remains an open political question what groups or bodies actually are involved in and responsible for governance\standardization. Equally it is not clear what the precise nature and consequences of standards\governance may be. For business, regulation always carries the risk of eroding the core principles regulating on which the mode of production rests (principles such

as private property and free contract), and, because of this risk, corporations resist regulations not drafted by themselves or backed up by authorities other than their own. Meanwhile, labour, but also other societal groups – for example, consumer and neighbourhood associations – may very well emerge as an active force in the process. At various points in the production network, locally, nationally and internationally, a variety of groups, will, for a variety of reasons, contest the specific principles and conditions under which production and reproduction takes place.

c. Coordination service firms

A number of scholars have pointed out how *service co-ordination firms*, such as law firms, management consultancy firms, debt-rating agencies, insurance companies and accountancy firms may co-ordinate the behaviour of other firms and wider industries. These firms play an important infrastructural role by reducing uncertainty, acting as gatekeeper, promoting parallel practices, or co-ordinating and facilitating the flow logic of global production chains.

The political implications of this service provision can be analyzed from an input and an output perspective. From an input perspective, coordination service firms are analyzed as part of the emergence of private authority in the global economy, pointing to the rising significance of non-state actors in global governance. Scholars hold that we should then establish the nature of the coordination service firm as a ruling actor and see to what extent we can envision this actor to be responsive to political demands:

...If the private sector is indeed expanding its authority over many areas of economic life- what does this mean for our public life? What happens to democracy and accountability...? (Cutler et al, 1999: 23)

Analyses of private authority, including coordination service firms, in general seem to generate some concern about the accountability of new private rulemaking bodies.

Second, from an output perspective, we can wonder whether the advance of coordination service firms may generate specific policies and impact of policies in the global economy. Studies done so far suggest that the impact of private authority in general, and coordination service firms specifically, may be the advance of adherence to American financial orthodoxy by firms (Sinclair, 1994), the dominance of Anglo-Saxon forms of capitalist relations when

compared to Renish forms of capitalism (Nölke, 2003) and a neo-liberal agenda of governance on national and regional levels (Peet, 2007: 91-94). Accordingly, these policies would have winners (f. i. interests surrounding financial capital and knowledge services) and losers (f. i. organized labour; see Nölke and Perry, 2006).

Implicit in most of the analyses of coordination service firms as forms of private authority in the IR and IPE literature is the assertion that the political consequences of coordination service firm's authority so far tend to go unquestioned but could (or: should?) in the future be contested. In the work of Sinclair, Nölke and others one can identify at least a tacit agenda towards (re-)politicization of service firms.

Private authority literature often also addresses initiatives under the banner of Corporate Social Responsibility, with firms advancing public goals through a private regulatory process (Haufler, 2001; Merk, 2007). Coordination service firms have also emerged as players in this field of private regulation. Difference with the studies touched on above is that in this field service firms are not the main provider of private authority regulating the field of activities. Other non-state actors such as multinational corporations and NGOs are already substantially involved in the development of self-regulation and private regulation before we empirically note the rising significance of the service providers. Second, regulatory action from the outset is situated in a substantially politicized force field of antagonistic groups. Contestation of private governance is the order of the day with interest groups going public on their approval or disapproval with the functioning of governance instruments.

We may therefore need a conceptualization of these firms that takes into account their embeddedness in ongoing struggles for authority, instead of a situation where their authority is predominantly perceived as depoliticized by those affected by it, with a reference to exercised expertise and impartiality.³ Policy sciences then offers an interesting parallel in the form of the 'policy broker' in a policy community (Sabatier, 1998). This broker is an actor with a mediating function in a contested policy process, often selected for its apparent impartiality in the sense of not having a direct stake in the matters under discussion, yet not acting as a neutral agent either, and being able to advance specific political positions. The broker therefore has the potential to fulfil a *cadre* function: transcending antagonisms and organizing consent around rationalized outcomes. Question remains whether the broker delivers on this potential and in what direction its mediation could lead: more or less leaning to the agenda of public versus private interests.

Along similar lines as the broker concept one could argue from a Marxian perspective that the CSR firm embodies a specific fraction of a much broader managerial cadre that accompanies accumulation processes. Kees van der Pijl (1998: 2004; 2005) holds that the coordination of fragmented production processes (both within firms and between firms) brings forth a specific stratum of functionaries (managers) responsible for the task of restoring a degree of cohesion, technically and ideologically, to the fragmented social substratum of capital accumulation (1998: 138). These can be both specialists in the production process, for example technicians, engineers, or administrative workers involved in the process of conceptualizing the product, or managers that seek to uphold norms.⁴ The crux of Van der Pijl's argument is that this cadre represents a critical factor in the evolving contradiction between the private and the social, on which the capitalist owners of the means of production depend. These cadres are imperative for negotiating and enforcing agreements on representatives of more established classes, especially at times of crisis. Their experience with social engineering and planning, standardization and benchmarking processes, as well as conformity with system analysis etc., grant them the means necessary to create and enforce 'rational' outcomes. In addition, the middle-class background of the cadres themselves, literally in a position between labour and capital, might make it possible for them to transcend class relations.

In the end the question remains whether political economic analyses of the implications of different forms of firms offering various types of services to different segments of the economy may be lumped together for analytical purposes to establish the significance of '*the coordination service firm*'. And whether an analysis of service firm behaviour with regard to the CSR agenda would have a place in there. In this paper we sidestep the issue and for now conceptualize the service industry in the field of CSR standard development specifically as the '*CSR firm*'. Our conceptualization synthesizes the common coordination service firm notions with aspects of the policy broker and the cadre concept. The CSR firm therefore is an organization that offers commercial services that contribute to the development, spread, dissemination, implementation and monitoring of CSR policies, instruments and regulation. It promotes and supports private authority, as well as mediates and brokers political struggles surrounding the emergence of private authority through the furthering of its own profit base. We take inspiration from analyses of other coordination service firms in our understanding of the rise of this type of service, situating it in the context of the globalization of production. Notwithstanding the unclearness of

the solidity of inference, we believe that the understanding of CSR firm activity can be a source of inspiration for the research of the impact of service provision firms in other fields, in particular by illuminating its embeddedness in ongoing political struggles.

3. The emergence of the CSR firm

Researched feedback from our clients shows that we are seen as focused, objective, knowledgeable, experienced, independent, open-minded, and perhaps most importantly of all - cost-effective and results-orientated.

-The Virtuous Circle Services, Promotional Material, August 2007

Voluntary initiatives towards the promotion of responsible behaviour by companies are the corporate response to societal critique on environmental damage and labour abuse. While CSR initiatives often set out to compensate for government deficits, e.g. state failure and/or unwillingness to implement effective labour legislation or to take environmental measures, the emergence of these private instruments can not be understood outside the neo-liberal framework (Bartley, 2003). Voluntary initiatives like codes of conduct were seen by business interests as ‘non-threatening as [they] respected the central tenets of neo-liberalism centred on FDI, export-orientation, privatization and downsizing of the state’ (Utting, 2000: 4). Codes of conduct could serve different interests and agendas, ‘catering to both reformist and conservative interests’ (ibid.). The proliferation of codes of conduct is therefore driven by a wide range of stakeholders, which have different interests and contrasting expectations of the purpose of these instruments (Jenkins, 2002: 13). Hence it is crucial to understand the context, the history and the political processes associated with the emergence and development of these voluntary initiatives. These instruments themselves should best be understood as objects of political contestation and strategic framing between different social forces searching for ways to fill the regulatory vacuum. According to Bartley (2003: 437) the dynamic between activists and corporations tend ‘to take on the character of a spiralling debate over the credibility of claims from both sides’.

The CSR firm complicates this picture as it seeks to mediate between these contesting forces, but at the same time seeks to translate new proposals into commercially viable programs. We are not so bold as to claim to be able to precisely trace the emergence of the phenomenon of the CSR firm historically. However we can establish *ex post* that its rising significance has to do

with two factors discussed so far: the re-organization of production into separate units (creating a gap of knowledge and policies on the part of lead firms covering the supply chain and what constitutes the ethical inside it) and the dynamics of contestation between actors in the development of CSR (leading lead firms to demand for commercial expertise as a third-party actor in the game).

Precise data of the advent of CSR industry are missing. Meanwhile, to our knowledge the most complete inventory of CSR services is the *CSR Professional Services Directory*, developed by the company Ethical Performance.⁵ This directory lists 443 CSR service providers including consultants, assurers and certifiers, rating agencies, ethical auditors, training providers and research organizations.⁶ The services these organisations provide are ranked under 49 different categories such as benchmarking, reporting and public relations. We use this inventory as the basis for a typology of different firms active in this sector and their specific functions.

3a. Types of companies involved in CSR services

Various types of companies are involved in the provision of CSR services to businesses and industries. We can distinguish between corporations that only provide CSR services and corporations that add CSR activities to an existing portfolio of services, often related to activities like communication and branding, quality assurance and certification, supply chain management, and/or risk assessments. Four categories of companies can then be identified: global auditing firms, quality registrar firms, large consultancy firms and specialized CSR service firms.

1) Global auditing firms

Financial accounting firms started to offer additional services with regard to CSR auditing in the mid-1990s. Benefiting from long-established client relationships with regard to financial audits, these companies started to provide social audits, which were seen as a potential growth sector. In addition to long-established client relations, these companies were already operating on a global basis and, thus, often already present in many of the apparel sourcing countries. It was also often argued that these firms – ‘with their recognized standards and codes of ethics – were well positioned to be trusted judges of company performance’ (Esbenshade, 2004). The most important accounting firms that started to do these audits are: PricewaterhouseCoopers (PwC), KPMG, and Ernst and Young. It has been noted that PwC increased the number of social audits from zero in 1996 to an estimated 6,000 in 1998 (Esbenshade, 2004: 139).⁷

The role of financial auditors has decreased significantly in the last few years. Ernst and Young and KPMG seem to have minimized their activities in this area, while two of PricewaterhouseCoopers' partners started Global Social Compliance in May 2001, which still plays an important role within the social accounting business (ibid.). Not coincidentally, this was after their auditing practices were heavily criticised by Dara O'Rourke (2002). This decrease may then partially have been caused by fears of reputational damage on the part of managers of large financial audit firms. With their sector already suffering from scandals around World.com and ENRON they might view the possibility of being connected in the media to exploitation and pollution in production chains as an unnecessary extra liability.

2) Quality Registrar Firms

The largest three global companies in this business are Intertek, Societ  G n rale de Surveillance (SGS) and Bureau Veritas. Already involved in providing services related to product and production quality certification standards such as ISO 9000, the step towards CSR auditing required little adaptation from these companies. These companies now monitor compliance with codes of conduct in factories across the world.

One business analyst observes that the certification business provides the company Labtest with recurring revenues since the companies receiving certifications are subject to regular audits (every two-to-three years). It is also noted that the operating margins of its code of conduct business are higher than the Groups average margins (Credit Suisse, July 16, 2002). SGS writes that they continue to developing new services in the field of corporate social responsibility which will allow the company to enter 'new higher value markets' (SGS, 2005: 36).

3) Large consultancy firms

Long-established consultancy firms have also stepped into CSR service provision and opened up departments for sustainability issues. These include a company like Arthur D. Little which has 17,000 professionals at their clients' disposal and operates in 60 countries. Then there are companies like "Fellows' Associates" that function as an organizational umbrella for consultants.

4) Specialized CSR service firms

If the former types of firms added CSR activities to their existing portfolio, a number of companies have sprung up to provide services related to code of conduct compliance and social

auditing. Their main (often sole) activity is centred upon providing CSR activities. They represent the CSR Firm proper. This branch of corporation often adopt names that leave little doubt about the kind of services it provides, such as Environ; Whethica; Strategic Environmental Consulting; the Corporate Citizenship Company; Business in the Community; Future Perfect, Cause & Effect; The Virtuous Circle etc.

Probably the most successful company here is Cal-Safety Compliance Corporation (CSCC), which started in 1991 with social responsibility compliance inspections within the apparel industry. According to its website, CSCC has today operations in over 110 countries providing services to more than 600 manufacturers and retailers.⁸

CSR consultancy services do not remain a purely Northern phenomenon. Jill Esbenshade for instance notes that '[c]onsulting firms have sprung up in Bangladesh (LIFT-Standards), India (T-Group Solutions) and Vietnam (Global Standards/ Toan Tin) to do labor monitoring specifically in those countries and this trend can be expected to continue' (2004).

3.b. Types of CSR services provided

We can distinguish eight types of services provided by CSR firms having an impact on the field of CSR activities (see table 1 for summary).

CSR firms first trade knowledge and PR skills to companies through consultancy. They assist a company in catching up on a particular ethical topic by producing reports. They can also advance on a topic by providing research results on impact measures or scenarios. Some consultants take things a step further and offer a new overall line of thought about CSR through reflexive business theory. Simon Zadek's theory of the *Civil Corporation*, which includes a model of CSR learning steps for companies, is a case in point (Zadek, 2001). People like Zadek are the closest approximation in the CSR field of what in the 1980s became known as the 'business guru' (see Thrift, 1998: 161-186). CSR firms also provide communication services, such as assistance in web communication and the writing of CSR reports, which has become a mainstream activity in a growing number of economic branches (mining, textiles, forest products, toys, petroleum).

Technological innovation is another service contribution affecting the CSR policies of companies. Most pronounced are the interventions of environmental consultants in green policies for industry and company. The company Forem Technologies for instance has created software

that assists farmers and conservationists in determining the sustainable usage of land, amongst others in the planning of soy production for the global market (Elgert, 2007). The software steers deliberation and negotiation among the parties concerned.

Companies also consult CSR firms on the development of a particular strategy. CSCC for instance emphasizes it has experience in “dealing with” NGOs, “will coordinate alerts and breaking information on NGO activity” and “assist clients and interface with the NGOs”.⁹ CSR strategic consultancy may overlap with risk assessment and reputation management consultancy. The company Glenfern for instance offers an all in corporate reputation assessment tool including Corporate Responsibility. According to a representative the tool

allows for companies to see how they are perceived by their stakeholders and also how they perform in comparison to their competitors. Have they leapfrogged you? Or are you staying in front of them with your policies?¹⁰

CSR firms also organize events that bring together professionals in the field from multinational firms, CSR firms, NGOs, unions and government. At conferences and workshops with titles like *Ethical Corporation* or *Ethics & Compliance* managers network and CSR firms can stir debates, offer expertise and search the market for new clients and new products.

More strategically, consultancies may also bring together adversary groups, such as certain stakeholder groups and firms in the solving of conflict and the making of new partnerships. Cause & Effect for instance claims to ‘specialise in helping our clients (individuals, business and not-for-profit organisations’) to align and realise their organisational and societal aspirations.’¹¹ Similarly a consultant notes that

We know executives who assumed that sitting down with the likes of Greenpeace or Oxfam was a recipe for trouble, but who were pleasantly surprised to find that it was possible to work amicably with these groups on some issues while agreeing to disagree on others. And we know activists who suddenly realized that, like them, most business executives want to look at themselves in the mirror and believe they are making this world a little better.¹²

A significant part of the CSR firm service provision is the auditing of compliance with CSR standards, specifically environmental and social audits. In some instances codes of conduct are embedded in a certification process, which means that CSR firms may determine whether a

factory receives a certificate for compliance with the standards. Many of these firms therefore seek accreditation with certification bodies in order to perform this role. Accreditation is the first step towards the expansion of their business as CSR auditors. A CSR firm sharing audit results of service firms claims that more than 120 retailers and major manufacturers are using the database, which contains data of more 8,500 production sites.¹³ Its database stores 6000 completed self assessment forms and 2400 audits. With regard to China, for example, its database contains 1053 audits. This would relate to 763,000 permanent workers and 129,000 offside workers (subcontractors and outworkers).

Finally, CSR firms are for hire as trainers. Training can be given to CSR managers on how to perform compliance checks, to supplier factory management and to workers of both buying and supplying plants on standards and implementation. TUV Rheinland for instance offers assistance in implementing so-called CSR management systems, designed to make companies and their employees adjust daily operations to monitored CSR standards.¹⁴

	Information	Communication	Technology	Strategy	Exchange facilitation	Mediation	Auditing	Training
Example of services	Applied research; Managerial frames	CSR reports; CSR websites; Press releases	Database management; Environmental solutions	Stakeholder management advice; Regulatory advice; Risk management	Conference, workshop organization	Bringing adversary groups together	Monitoring, verification, certification of supply chains	Technical training; awareness raising
Example firm providing service	AccountAbility; Sustainability	Virtuous Circle	Impactt; Forem	CSCC	Ethical Corporation	Cause & Effect	SGS; Intertek	Future Perfect

Table 1. Types of services provided by CSR firms. Own compilation.

4. Political implications

'Time to reflect on the successes - and failures - of a decade with a growing awareness of ethical supply chain responsibilities. Has any progress really been made? Has the situation changed? Is an ethical supply chain any more of a business necessity? The short answer to all these questions is a resounding YES.'

-Ethical Corporation Services Promotional Material, August 2007

CSR standards themselves are an example of what Graz has dubbed the devolution of power in the international political economy (2006). Social and environmental issues are now subject to transnational voluntary standards, governed in private authority regimes (Merk, 2007). These are mostly supplemented to existing but failing public policies or sometimes substituting these. The issue of specific concern here is what the political implications are of CSR firm involvement in CSR standardization. Based on the activities and mechanisms identified above we can make an assessment of this. In the discussion we need to distinguish between two kinds of political impacts: first, on the output side, what is it that these firms do (divided in a general impact on the CSR arena, and a more specific impact on policy, promoted through particular forms of service provision); and second, from an input perspective, what is the impact of the fact that *these actors* (and not others), in their capacity as commercial intermediaries, do what they do. In this way a dual, paradoxical picture emerges of the status of CSR firm activity (summarized in table 3).

a. Output: implications of what CSR firms do

In general, CSR firms are prominent agents in the expansion of the scope and agenda of CSR standards. In line with their commercial interests, CSR firms seek to expand both the *range* of companies developing CSR policies as well as the range of CSR activities that multinational firms employ. Second, as coordination service providers, CSR firms create *normative cohesion* both on the level of industry as well as inside production chains. At the level of industry the tools promoted by them stimulate gathering of and interaction between multinationals in the employment of CSR standards. Inside production chains, CSR firms through their application of CSR standards in training, consultancy and monitoring create coherence in policies among the functionally independent units involved in production. Third, CSR firms stimulate substantial

convergence in policies and practices of multinational companies employing CSR policies, as their provision of services leads to diffusion of common methods to code of conduct writing, implementing, monitoring and reporting inside and across sectors of industry. Fourth, inside the firm, we see that CSR firms may support CSR staff on company level to promote the CSR agenda *across the organization*. As management literature argues, managers may use outside expertise to strengthen or add support for particular policies (Sturdy, 1997). This is the case with CSR managers of lead firms, who can use the products that CSR firms offer to advance their position *vis à vis* peers.

What *kind* of services CSR firms offer and to what kind of CSR policies and standards they contribute is an entirely different question. In the field, often the question is raised whether CSR standards consist of ‘mere words and no action’. Are they a PR exercise and a façade or a genuine contribution to global issues? Will CSR firms promote *ethical* behaviour or *aesthetical* behaviour by global enterprises (Sum, 2005)?

The case of CSR auditing does not service as an encouraging example. The term ‘social audit’ emerged to distinguish the auditing of labour practices from financial auditing. In some cases it refers to the entire social and environmental ‘footprint’ of the activities of a company, in others it refers only to social issues. Most often these social audits are performed by global audit firms. Auret and Barrientos describe a social audit as an effort ‘undertaken to ascertain compliance with a code of labour practice is one specific form of audit. It is normally based on measuring and reporting against a buyers’ code, or an independent auditable standards’ (2004). Labour advocates have questioned whether these social audits will (a) actually empower workers; (b) accurately assess labour conditions;¹⁵ and (c) encourage improvements in working conditions (see, e.g. CCC 2005; Esbenshade 2004).

Fake bookkeeping or the usage of model factories by subcontractors are often difficult to detect. It is further argued that these auditors are often associated with factory management and, therefore, do not have the trust of workers during interviews. Sometimes, these interviews are held inside the factory and managers know exactly who is being interviewed, for how long and on what issues (O’Rourke 2003). Another concern is that these global corporations have little or no knowledge about local circumstances and therefore lack the capacity to establish meaningful contacts with local trade unions and NGOs (Utting 2004). Finally, others have pointed out that the companies which perform audits are heavily influenced by business interests and therefore

'hesitate to present truly damaging information, based on a desire to maintain good business relations and to receive future work from the client' (Mamic 2004: 54).¹⁶

Some may now be tempted to reason that because CSR firms are in it for the money, their employees and the services they offer therefore contribute to an empty PR-focused version of Corporate Responsibility. We are not convinced that this is always the case. While we can identify many instances of services that could lead firms to 'cover up' practices, we at the same time notice that the work of some individuals as consultants and experts may not always be harmful to those marginalized groups whose grievances are claimed to be addressed by CSR standards.¹⁷ Indeed, there is not in all instances a logical necessity for a service firm to promote aesthetical instead of ethical behaviour by companies. If a service firm would have companies as clients that are often subject to societal critique, it might just as well do good business by promoting the adoption of environmental and social standards and assist in programmes for engagement with critical groups. It is, in other words, in certain instances a matter of agentic orientation and skills, both on the part of client firms and their CSR managers as well as the CSR firm and its staff, whether service provision will lead to either substantial engagement on a social and environmental issue, or to a tactic of restraint. If a CSR manager is for instance comfortable with employing auditors who have technical expertise but no experience with social issues, the results will be different from a situation where he/she prefers to engage with a consultant who has an industrial relations or an NGO background. Service firms may accordingly turn out to be progressive or constraining intermediaries.

b. Input: implications of the fact that CSR firms do what they do

The political implications of CSR firm interventions meanwhile are more questionable if we analyze them from the perspective of why it is that these commercial organizations fulfil these functions, instead of other categories of actors. This is when CSR firm *replace* (substitute) or *crowd out* the role of societal actors instead of complementing it, by taking up regulatory functions that might be suited to groups representing marginalized, or closing off spaces that were opened for political interaction. The implication of this would be the replacement of strategic interaction between adversaries by commercial relations and *managerialism*, as well as a narrowing of the scope of CSR activities for the improvement of labour and environmental

conditions. And it is here that we can arguably identify adverse consequences to the self-interested behaviour of CSR firms.

Two categories of service interventions can act as an illustration of this tendency towards *replacement*: the audit services and strategic consultancy. Research shows that compliance monitoring by professional auditors has become predominant in the field of private regulatory regimes for social and environmental issues (Fransen & Kolk, 2007, see table 2). This does not mean that audit firms are the only option for third party monitoring and verification of compliance to standards. Several regimes work on the basis of monitoring and verification being pursued by groups embedded in local communities or with connections to unions or advocacy groups (see Ascoly & Zeldenrust, 2003). This option receives the support of many advocacy coalitions involved in bargaining for CSR.

	Unspecified	Lead firm	Audit firms	Societal actors & lead firm
Multi-stakeholder standard	9%	4,5%	51%	27%
Business group standard	27%	13%	53%	7%
NGO standard	14%	0	29%	57%

Table 2. Who monitors compliance with CSR standards? Based on analysis of different categories of standards issued by NGOs, businesses and businesses with societal actors between 1996 and 2006. Source: Fransen & Kolk, 2007.

According to these groups, workers and members of local communities, as the potential victims of human rights violations and as the intended beneficiaries of the ethical standards and programmes, are the important stakeholders and need to be involved at all levels and in all activities related to these programs if they are to be successful and sustainable.¹⁸ It is not strange therefore that – for labour advocates at least – the critical question remains how to guarantee a meaningful role for the workers concerned, their unions, and labour-related non-governmental organisations. Hence, their main question is how to encourage labour self-organising at sites of

production and/or to connect with traditional workers' struggles in today's decentralised, globalised context. After all, workplaces with a functioning trade union, collective bargaining machinery, and effective dispute and complaints mechanism, would grant workers the possibility to monitor their own workplace conditions and defend their own rights. The danger therefore is that private commercial audits crowd out this potential of CSR standards to be a source of emancipation for workers and local communities.

Many companies meanwhile are most comfortable with service firms performing audit functions for their CSR policies. One manager for instance notes that 'it is sensible to make use of these professionals. They know the production process and the factories, have experience with audits. They do a good job.'¹⁹ Apart from the fact that these services conform to cognitive business frames of efficiency and professionalism, some managers also state a preference to work with professionals out of distrust with advocacy groups:

It is a typical protest organization. They are not interested in the truth. I don't want to be in an organization with them (...) I am about complying with standards, not having standards act as Trojan Horses for unionization, which is the result of what these groups do. I cannot do that to my suppliers.²⁰

Second, and similarly, CSR firms might also emerge as the preferred expert outsider for companies to interact with on a certain issue the firm is criticized for. Hiring a CSR consultant means companies may shy away from interaction with activists. For the firm seeking avoidance of risk this may be a viable option. The consultant delivers background information on a CSR issue of immediate importance and weighs strategic benefits and drawbacks of different options. He or she does not ask difficult questions as to what the client firm will actually do to its policy. Nor does it bring with him or her series of grievances that need to be addressed right away. By contrast, engaging in exchange with advocacy network groups means that political considerations come into play for a firm. The advocacy group will have demands about changes in CSR policy and direct action on current affairs in the supply chain. It may go public scrutinizing the firm's policy if the interaction is unsatisfactory.

Hiring the commercial expert instead of interacting with political adversaries means that another road is cut off from transnational groups organized around social and environmental issues. Granted, the consultant could very well deliver information about policy and remediation quite similar to the message that activists want to bring home to the company. Yet, the absence of

contact between CSR managers and advocacy network representatives that results means that direct points of leverage, which could otherwise be useful in particular for the swift resolution of crisis situations, disappear.

The examples of the auditor and the consultant thus illustrate the concern of some critics that the emergence of the CSR firm has helped to ‘domesticate the CSR space as a docile, auditable, and management friendly arena that is inhabited by professionals’ (Sum 2005; LARIC 1999). By appropriating these topics, these *professionals* seek to turn workers into passive subjects to be audited, instead of agents that need to be involved in the regulation of their own working conditions. This ‘economizing [of] the ethical’ might result in a domestication of social responsibility through management techniques (Sum 2005; Welford 1997).²¹

The fact that businesses may strategically weigh off business-activist types of interaction and commercial service provision has one further consequence. This is the blurring of the distinction between CSR firms and certain service NGOs. Both service providers, the legally significant divide would be based on their for profit or not for profit nature. CSR firms can draw on resources such as expertise and efficiency, while the NGO resource base is expertise, constituency, advocacy and/or representation role and, in case of large NGOs, brand reputation. What we see now is that some service NGOs in their interaction with companies move towards a depoliticized customer-client strategy in advocacy, in an attempt to get their foot in the door with companies.²² Similarly, CSR firms may look for an ‘NGO-aura’ to their service provision, perhaps because it allows them to advertise legitimacy and advocacy as its resources. Or organizations may hold an unclear middle position between both. Example could be Verité, a US-based organisation which started in 1995 with the mission ‘to ensure that people worldwide work under safe, fair and legal conditions’ (company website). It has done 1.300 factory audits in over 60 countries. However, as Jill Esbenshade (2004: 142) notes, Verité

in many respects [...] actually operates as any other commercial firm. Verité charges standard fees, maintains the confidentiality of reports for clients, and conducts one-time or short-term audits, often temporarily hiring local employees or bringing in staff from the United States. While advertising itself as the only non-profit with a global monitoring program, Verité actually occupies a liminal space between commercial firm and local NGO. Verité, the first organization accredited to monitor for the FLA [multi-stakeholder certification body], has recently pulled out reportedly due to new requirements to publicly publish reports that conflict with their commitment to client confidentiality.

In this way, NGOs may actually join in on a trend towards managerialism of the CSR field.

As the last quote shows, managerialism does not only mean a crowding out of possible regulatory roles for other groups (such as those affected by the consequences of production), but may also lead to a narrowing of the range of activities in private governance of CSR standards, in the sense that some things are *not being done* because of the grip CSR firms hold on activities in standardization. Two mechanisms may be identified that lead us to reason this. First, due to the commercial nature of interaction between firm as a customer and CSR firm as a provider, services in the form of knowledge, technology and practice become commodified. As products, they may become subject to the logic of contractual obligations of secrecy and copyright. This severely complicates all those processes that are based on the sharing of information.

An evident example of this is the often professed need for private regulatory initiatives to have a complaints system, a system that permits serious research and remediation to be undertaken on the basis of complaints voiced by those affected by social or environmental wrongdoings that CSR standards manage. Under de-commodified circumstances this would mean a sharing of knowledge about factories and factory locations, production processes and products, workers and managers by managers of buying and supplying firm, advocacy groups and local groups representing workers and communities. If, on the other hand, all these different data are protected for outsiders due to contracts between intermediaries, knowledge exchange cannot take place: reports on monitoring cannot be shared, names of factories and locations are not mentioned, production techniques are protected, and so on.

Second, as CSR firm services are also shaped by the specific demand from lead firms developing CSR policies, an inescapable form of narrowing of CSR activities through service provision takes place. This is because CSR policies are injected into the rationality of large corporate organizations, and CSR managers need to explain and account for their policies inside their organization in order for them to be effective (Mamic, 2004; Gjolberg and Ruud, 2005). Speaking to peer managers and providing information to superiors means adjusting practices to corporate managerial expectations: benchmarking, assessing, quantifying. But not all regulatory activities on the CSR agenda are suited for such an approach. Some of them are at the same time complex, costly, with unclear time horizons, unclear payoffs and sometimes seemingly high risks (see also Fransen, 2006). Complicated topics such as the promotion of freedom of association in authoritarian societies, or the investigation of long-term indirect environmental consequences of

contemporary productive practices qualify as examples. The implication is that for these problems CSR firms do not develop services, since it is not commercially viable to do so! Yet, the prominent position of service firms within the regulatory field complicates efforts of other actors to seriously address these issues.

Implication of this is that the rise of the CSR firm may steer the direction of private governance away from ‘what is needed to deal effectively with ethical issues in the supply chain’ to ‘what is needed to make CSR profitable’ as an end in itself, both with reference to the business case for multinational lead firms as well as that for the CSR firms (see also Blowfield, 2005: 177). From this follows that improvements or changes in behaviour that are disadvantageous to a company financial bottom line become unfeasible.

	Spread of activities	Scope of activities	Substance of activities
Output perspective	Extension of CSR activities across industries	Extension of different forms of CSR services	Dependent on interactions between service provider and client
Input perspective	Crowding out of space for societal intervention in regulation	Narrowing of CSR agenda to commodified forms and what is commercially viable	Subject to profitability

Table 3. Implications of CSR firm activities from two perspectives.

Conclusion

In this paper we have discussed the *CSR firm*, which we understand to represent a special branch of coordination service firms operating in the global political economy. Globally dispersed production processes have increased demand for new forms of coordination. The drive to global dispersion of production sites disconnects the different units in which production is broken down. The company is confronted with coordination and planning problems and will for obvious reasons seek to restore a degree of unity in the dispersed production processes (value chains, production networks etc.).

The emergence of the CSR firm should be understood in the context of the failure of governmental and intergovernmental institutions to implement effective labour and environmental legislation. It has resulted in a variety of highly contested, non-governmental regulatory initiatives that seek to address labour and environmental standards and enforcement in

a wide range of global product chains. The CSR firm thrives well in a neo-liberal context highly conducive to the rise of private regulation in which reporting, standard-setting, auditing, monitoring and certification have become central elements (Utting 2000: 74).

This CSR firm operates in a substantially politicized force field of antagonistic groups. We distinguished between four categories of companies and eight types of services having an impact on the field of CSR activities. This was followed by a discussion on two kinds of political consequences; namely, what is it that these firms do and what is the impact of the fact that they do it, instead of others actors. With regard to the first question, we argue that CSR firms contribute to a growth in spread and scope of CSR activities, while the substance of activities was in the last instance dependent on agency and interaction between client firm and service firm. We indicated that some of the firms employ activities that have often limited impact on the stated beneficiaries of CSR policies.²³ With regard to the second question, we have pointed at the danger the CSR firm substitutes the role of societal actors instead of complementing it and promotes a narrowing of the range of CSR activities, excluding venues for societal participation. This would lead to the spectre of *managerialized* regimes of CSR.

One should also consider that many of the CSR firm activities are failing not merely because of the poor quality of the services delivered but because these activities cannot be successful due to the context in which they operate. Repressive political conditions in the case of labour standards – designed to keep workers docile – for instance heavily constrain activities aimed at improving working conditions.

This paper has given a first general overview of overall observable patterns in CSR firm activity and has addressed key issues at stake from the perspective of political economy. As such it has only been able to scratch the surface of this new phenomenon and its focus has remained empirical-explorative. More research is therefore necessary to understand the roles played by the CSR firm. So far, most attention from observers has gone towards social auditing (also in this paper) but the CSR firm also influences and shapes other aspects associated with communication, technology, strategy, exchange facilitation and mediation. Further research into the practices of the CSR firm, its insertion into organizational struggles inside the lead firm, and its relation to movements of consumers, workers, NGOs and international institutions operating from the consumer or worker's perspective is necessary. The more precise identification of mechanisms would then form the basis for an extension of our conceptual understanding of this phenomenon

in its relation to the broader global political economy. This includes a positioning of the CSR firm inside the emerging coordination service firm research. For now, this study suggests that the CSR firm as a coordination service firm does not need a de-politicized field of action, nor an unquestionable status as impartial actor. On the contrary, it can expand its business based on the struggles that develop between actors in the field and act as a broker.

Two further avenues for theoretical work may follow from this opening study. First, the question of how to specifically position the advance of reflexive business knowledge and practice through CSR firm activity in the debate on the significance of ideas in IPE- whether that be ideas as a causal variable (Goldstein & Keohane, 1993), a constitutive force (De Goede, 2002) or in a triangular relation with institutions and material capabilities (Cox, 1983). Second, it can be explored how the aggregate effort by individual companies to adopt codes of conduct impinges on the competitive universe of private capital and adds new opportunities for further regulation. Focal point may then be the question to what extent the CSR firm is actually part of a broader managerial cadre which ‘helps to sustain the inverted world of society seeking to adjust to the requirements of market and capital’ (van der Pijl 1998: 138).

Notes

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¹ See Wrigley et al. (2005) for a more detailed discussion on the differences between production TNCs and retail TNCs.

² This is emphasised by Jean-Christophe Graz (2002) who seeks to understand the structural power standardisation embodies in the broader context of capitalist regulation.

³ The epistemic community approach in IR literature could also be considered as it analyzes ‘a network of professionals with recognized expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area’ (Haas, 1992:3). The weakness of this approach for our purposes is that it mainly focuses on advocating expert groups that *push* for a certain political agenda. The activities of service firms meanwhile need to be analysed keeping in mind that their position is to a large extent grounded through a demand from other non-state actors, a *pull* factor. This also has to do with the fact that epistemic communities, in Haas’ understanding, are political actors, not political economic actors that may profit from their expert services. Horn (2006: 9-10) also correctly notes that with Haas, the ideas and conceptions through which epistemic communities influence policy seem to float freely from the characteristics of the communities.

⁴ Elsewhere, van der Pijl summarises the tasks of this managerial cadre in four broad categories: (a) the management of complex labour processes under the discipline of capital; (b) the provision of qualified workers capable of performing in them; (c) upholding the legitimacy of an order in which collective labour remains subordinate of the direction by other than the producers themselves; and (d) training and reproducing themselves as a class’ (2005: 501).

⁵ <http://ethicalperformance.co.uk/csrdirectory/index.php>

⁶ February 2007

⁷ Esbenschade: ‘Nike’s website gave a summary of their argument at the time (since removed from the site):

Is an auditor like PwC truly an "independent monitor?" Companies like PwC have one invaluable asset: integrity. The Securities and Exchange Commission requires financial audits of publicly-traded companies precisely because those auditors live or die by their independent judgments of company financial statements. The independent financial auditor is trusted to judge company performance for shareholders, securities brokers and financial regulators by governments all over the world. (cited in Esbenshade, 2004).

⁸ <http://www.cscce-online.com/> (browsed on 16 Feb 2005)

⁹ www.cscce-online.com (browsed August 2007)

¹⁰ Among other things, it refers to attempts:

- 1 to raise efficiency or quality standards;
- 2 to reduce labour turnover;
- 3 to eliminate middlemen (buying agents); and/or
- 4 to establish long-term (stable/cooperative) relations.

Interview representative CSR firm X, November 2005.

¹¹ Cause & Effect, <http://www.causeandeffect.co.uk/home.html>

¹² Baylor Business Review, <http://www.baylor.edu/bbr/index.php?id=10196>

¹³ Sedex (18 January 2007) 'Annual Review 2005-6'

<https://www.sedex.org.uk/sedex/news/Sedex%20Annual%20Review%2020056.pdf>

¹⁴ http://www.tuv.com/de/en/products_and_services.html

¹⁵ The overall quality delivered by these companies as well as their methodology in checking working conditions has been disputed (Auret and Barrientos, 2004; O'Rourke, 2002; Yantz, 2002). Labour advocates argue that social audits might uncover violations of code requirements that are quantitatively measurable (such as wages, hours, or certain health and safety requirements), but they are particularly weak in revealing more rights-based issues, such as freedom of association or non-discrimination and non-harassment. For example, while a document review at a factory site might reveal information about wages and working hours, it is unlikely to be effective in discovering anti-union discrimination (see Hunter and Urminsky, no date). Neil Kearney of the ITGLWF complains that 'the quality of audits is appalling ... there is little understanding of freedom of association or collective bargaining' (quoted in MSN, 2004: 17). More remarkable, probably, is that this conclusion is shared by a number of companies. For example, apparel company Gap acknowledges that violations of rights-based issues, such as freedom of association and discrimination, are difficult to uncover (MSN, July 2004).

¹⁶ One OECD report (2001: 10) has argued that one of the shortcomings of external verification is that it 'tends to transfer some of the voluntary codes' problems of credibility into problems of credibility of the auditor or monitor.' This could be addressed, the report continues, by developing institutional supports similar to those in financial auditing but this would require that standards and methodologies achieve widespread acceptance by the different constituencies driving the code of conduct debate. While there are different code compliance initiatives that provide oversight, hegemonic acceptance of one standard and method is yet non-existent. While the OECD report is right in stating that there is no consensus with regard to the institutional structures that define the steps and statements of a social when compared with financial audits, the question can be raised whether social auditing should be compared with financial audits in the first place. The assumption that data about social relations (or industrial relations) can be collected and interpreted like financial data is overlooking important methodological questions concerning the quality and nature of this data, e.g., the notion that there is 'objective evidence' to be interpreted by an 'objective auditor' should be challenged. For example, a 'neutral test' might fail to point out the various subtle forms of discrimination, including auto-discrimination (Bendell, 2001: 25). In other words, situated representations can not be treated as if they were empirical facts since they already maintain 'the dislocation of knowledge from the agents and contexts of its production' (Gaventa and Cornwall, cited in Bendell, 2001: 25). This implies that neutrality on the side of the auditor might actually reinforce existing power relations.

¹⁷ A very vivid illustration of a CSR firm representative doing a proper job is in the documentary *A decent factory* (2003) on Nokia's attempts at developing CSR policies for its supply chain. While Nokia's CSR staff remains somewhat clueless during a trial audit at a Chinese factory, consultant Louisa Davison skillfully pierces through the façade that the management of supplier has prepared for the visitors, exposing environmental and wage issues.

¹⁸ See: ETI 2006; CCC 2005

¹⁹ Interview company CSR manager X, April 2006.

²⁰ Interview company CSR manager Y, September 2006.

²¹ Labour Rights in China (LARIC) makes a similar point in their critique on SA8000:

While auditing firms earn big bucks in the whole auditing business and TNCs and other players are endowed with the halo of conscientious do-gooders, workers are used as mere pawns in the game. In return, some NGOs are offered the sweetener of acting as occasional consultants for auditing firms, helping the latter to roll in money in the name of social advancement. The halo of labour rights is thus commercialised in the interests of companies in the SA8000 business (1999).

²² The Dutch human rights network HOM for instance offers the Human Rights Compliance Assessment Tool to companies, 'helping your company find out how to behave responsibly' see www.hom.nl

²² A comprehensive impact study by the Institute of Developmental Studies –involving interviews with 400 workers at 23 different sites – for instance has shown that on the impact codes of conduct have improving working conditions argues that while there are some signs of progress, casual and informal workers are as yet barely benefiting from codes, and that fundamental principles such as the right of workers to be able to join a trade union and negotiate collectively with management are not being sufficiently addressed. There has been little progress in other areas – for example, discrimination and harassment (ETI 2006).

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