

ISO 26000: Sustainability as standard?

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Jon Entine asks if, almost two years on since its launch, ISO 26000 is working

Is ISO 26000 – from the International Organisation for Standardisation – meeting its goal of pressuring governments, business and NGOs to operate according to a set of global social standards? That’s a challenging question considering the final document was simultaneously ambiguous, ambitious and toothless.

The standard’s goal is in fact modest. It’s not a management system but a guide to “socially responsible” organisational behaviour. It offers social philosophy without certification – which critics say makes it a limp noodle. After all, with no verification, corporations can use it to boost their public image by trumpeting standards that for the most part require little more than high-minded rhetoric.

“Many companies will be happy to proclaim their use of the standard [whether legitimate or not],” warns [Adrian Henriques](#) [2], *chair of the UK committee on ISO 26000 and visiting professor of accountability at Middlesex University business school*. Henriques cites Toshiba, whose most recent corporate responsibility report is structured on ISO 26000, although it is not referenced.

Often, the standard appears to be invoked as a public relations gimmick. Henriques notes that Showa Denko, a leading Japanese chemical engineering firm, writes in its 2011 social responsibility report that it used the standard to “ensure compliance with guidelines for social responsibility”, but provides no data to support this claim.

Nevertheless, ISO 26000 has its defenders, based on the rationalisation that something is better than nothing. “I strongly believe that a guidance document is exactly what is needed at the moment,” says ISO secretary-general Rob Steele, rejecting criticism that it lacks enforcement mechanisms.

Let’s be clear: the 26000 standard is nothing like the guidelines put forth by the ISO on other aspects of business. Because of the charged issues here, ISO 26000 is both vague and highly political. Each section has a laundry list of daunting societal problems, mostly in developing countries, followed by a wish list of NGO-supported solutions, the bill for which would be picked up by developed countries or multinational companies.

The standard is being used. Various aspects are providing blueprints for left-leaning European countries, empowering advocacy groups and inspiring activist judicial systems to embrace these “universally agreed upon” principles when conflicts involving corporations come to a head.

National standards

An Austrian national version is expected to mandate actions that are only recommended in ISO 26000. Denmark has used it to adopt a national standard, DS 26001, which offers a “socially responsible management system” certification. The Swedish local government procurement standard, launched in 2007, was influenced by developing drafts.

Not surprisingly, developing countries, for example St Lucia, Nigeria and Malaysia, are also vehement supporters. They believe they could gain from tighter reins placed on multinational corporations.

The United States and India, which supported early drafts of ISO 26000, ultimately voted, along with three other countries, against the final version. Critics believe it contains problematic proclamations about contested notions of environmental impacts and employee and consumer rights, but no endorsement of shareholder rights.

Much of the concern revolves around ISO 26000's embrace of the "precautionary principle" to resolve environmental conflicts. Although that conforms to EU practices, it's rejected by the US, Japan and other countries, and is considered problematic by scientists because it often eschews cost-benefit analysis. After much haggling, the final draft eliminated the only criterion that would have specifically recognised that firms could weigh the costs of taking action on principles of social responsibility.

Conservative critics also fret that ISO 26000 could be a stalking horse for a United Nations-type transnational government, threatening national sovereignty. It does not address how to resolve conflicts between shareholders and stakeholders – direct stakeholders such as employees or indirect ones such as NGOs that often proclaim to represent "the environment" or "consumers".

Does an activist group legitimately represent the environment just because it makes aggressive pronouncements and has ready access to the echo chamber of the media and web? To what degree should advocacy groups be granted "stakeholder status"?

Many industry leaders, particularly in the US, believe these kind of standards encourage protectionism ahead of innovation, which is an economic drag, dampening economic recovery. There are also worries that if ISO 26000 does lead to transnational regulation, it could put a pillar of market capitalism – the ability of companies to transact business – up for grabs.

Through all the scepticism surrounding ISO 26000, its advocates remain adamant that its potential for mischief is overstated and its long-range impact will turn out to be both profound and mostly for the good.

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Links:

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