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Industry Is Critical of Draft Social Standard

A well-rehearsed chorus of boos from business winds up with a demand for a more balanced and positive approach in the ISO guidelines.

Many of the 327 individuals involved in writing a standard on social responsibility will travel at the end of the month to Botany Bay, 10 kilometers from downtown Sydney, Australia. The weeklong, beachside meeting starting January 29 is the fourth plenary session since the International Organization for Standardization launched the project in 2004.

Nearly three-quarters of the delegations taking part— 50 of 68 member nations — have suggested changes in the **second draft version** of what is to become ISO 26000. In addition, 34 of 59 liaison organizations participating in the work sent remarks. Overall the secretariat of the ISO Working Group on Social Responsibility has compiled 1,214 pages of comments for deliberation at the upcoming negotiations.

Business stakeholders account for 40% of the opinions submitted about the general direction and tone of the standard. They are in a cantankerous mood. Industry representatives from Germany have gone so far as to issue an ultimatum. They are threatening to drop out of the ISO member body committee unless the draft is entirely redone.

“It is the responsibility we owe our membership, the hundred and thousands of companies, to ensure that we are not part of designing such muddleheaded texts, which at the end of the day risk to harm business,” the stakeholder group said in written comments.

German business and industry lobbyists from around the world are pounding home several fundamental points about ISO 26000. A paramount one is that the draft guidance is “unbalanced” because its references and case studies concentrate on large multinational companies. Having previously erased the C from CSR (corporate social responsibility) at industry’s insistence, ISO headquarters ordered the guidance to be made applicable to every sort of organization. The complaint now is that the draft remains “biased towards business and industry.”

Business groups say the standard is tending to brand globalization as bad and leads to irresponsible behavior. They want to cut out that implication and have the standard pay more attention to the expectations for other segments of society. Formally recognized in the working group in separate categories besides industry are representatives from government, labor officials, civil society groups (NGOs), consumer organizations, and service, support, research, and others (a category abbreviated as SSRO) made up mainly of standards professionals and consultants.

What is most striking about industry's comments is the level of their coordination. The views of the International Organization of Employers (IOE) are repeated verbatim by several trade associations, including the World Business Council for Sustainable Development, and by other national delegations, for example, Argentina.

IOE advertises itself as the only international business lobby in the social policy field. In the ISO Working Group on Social Responsibility, IOE's positions are influenced by the US Council for International Business, which promotes American corporate views and solutions on a range of issues.

IOE and its allies say ISO 26000 should give equal attention to all the stakeholder groups. And the guidance should not contain minimum requirements for an organization to qualify as socially responsible. ISO rules actually outlaw mandatory requirements for writing guidance rather than a normative standard, a fact reiterated for the Working Group on Social Responsibility by the ISO central secretariat in Geneva.

IOE, the International Petroleum Industry Environmental Conservation Association, and other business stakeholders want the standard to adopt a "persuasive approach" as a substitution for prescriptive duties. ISO 26000 should outline the trends, challenges, and opportunities presented by social responsibility, they say. The guideline should then describe the benefits to organizations if they voluntarily choose to go beyond legal compliance.

The contradictory opinion is expressed most strongly by the consumer representatives in the Austrian delegation. In their view the draft is filled with empty phrases. Failing to spell out basic criteria to govern conduct, ISO 26000 will be a smorgasbord where organizations can pick what they choose and leave everything else unattended. The essential missing elements in the draft text, the Austrian consumer stakeholders say, are clear-cut rules for the involvement of stakeholders, a discussion of public reporting and comparative indicators, and benchmarking or third-party verification of performance.

Another contentious area in the draft is the section containing advice for organizations on how to implement social responsibility principles. Found

in Clause 7 of the draft, the guidance covers nearly all the elements used to certify organizations to ISO management system standards.

Industry did not want ISO to expand into the social responsibility area in the first place, fearing that the work would ultimately lead to yet another independent certification, like ISO 14001 for environmental management and ISO 9001 for quality. To allay the concern, ISO's Technical Management Board explicitly disallowed that possibility. Despite the prohibition, the ISO Central Secretariat just last month called Clause 7 "the most problematic area" of the draft document. It should be revised, said the ISO authorities in Geneva, because Clause 7 corresponds to the expectations of a management system.

There is at least one main point of agreement among the stakeholder groups. The current draft of ISO 26000, which has already ballooned to 75 pages, is far too long. The text may not be sufficiently developed to be elevated to the next stage, called a committee draft, as planned following the Sydney meeting. Even before the start of the plenary, a number of the delegations are calling for the editing of a third version of the working draft for further review this year after the meeting adjourns on February 2.

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