

Private and Public Authority: Corporate Social Responsibility and Policy
Summer 2008
PUBP

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Class: Monday and Wednesday, 4:30-7:10pm, place TBD
Office Hours: Tuesday 3-5 and by appointment

Course Overview

This course will explore the changing boundaries of public policy and private governance. With the growth of corporate social responsibility, voluntary standards and market and self-regulation, the traditional relationship between private industry and public authority is currently in flux. Private governance schemes are increasingly important in the realms of environmental and sustainable growth, labor arrangements and benefits, human rights and intellectual property.

How should public policy respond to the emergence of this shadow authority? Are these private governance organizations a complement to international bodies like the WTO and UN? Can voluntary standards take the place of traditional public authority? To date, these questions have traditionally been asked by private industry, and the study of corporate social responsibility has primarily occurred in business schools. This course will approach private authority through the lens of policymaking, taking into account the goals of public authority, efficiency and political realities.

This course will consider the academic and practitioner literature on private and public authority, with reviews of traditional corporate strategy and the role of government. The class will consider well-known case studies of market-based regulation, and the lessons of the past decade's successes and failures. Policy options, like pro-CSR initiatives and legal recourse, will be examined.

The course will be of interest to students studying public policy, globalization, environmental policy, political economy, industry-government relations and culture.

Requirements

There are two primary requirements in this class. First, there is a fairly heavy reading load and the course will be conducted in seminar style. Participation by prepared students is vital to the course. Students will be assigned readings to lead class discussions.

Because of the reading requirements, there will be no exams. The remaining course requirement is a case study that explores an instance of shifting roles in private and public authority. The paper could identify a policy issue (e.g., sustainable forests), a voluntary standard (e.g., fair trade coffee) or a corporate strategy/event (e.g., Nike sweatshops) and critically analyze the roles of government and industry set within the context of the course literature. We will spend a fair portion of the course examining formal methods of qualitative research with a strong emphasis on case studies.

Course Grading

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| Class Participation | 25% |
| Leading Discussion | 25% |
| Paper and Intermediate Assignments | 50% |

Books

Benjamin Cashore, Grame Auld and Deanna Newsom,” *Governing Through Markets: Forest Certification and the Emergence of Non-State Authority* Yale University Press, 2004

David Vogel *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility* Brookings, 2005

Course reading packet will be available for purchase.

Course Schedule

- I. Introduction – Corporate Strategy, CSR, Guide to Social Research Methods
- II. Shifting Boundaries of Private and Public Governance – International Law

Christoph Knill and Dirk Lehmuhl, “Private Actors and the State: Internationalization and Changing Patterns of Governance,” *Governance* January 2002

Ann Florini, “The Evolution of International Norms” *International Studies Quarterly* Vol. 40. No. 3

Clair Cutler, Virginia Haufler and Tony Porter, eds. *Private Authority and International Affairs* State University of New York Press, 1999, Chapters 1, 10 and 12. Selected additional chapters to be assigned in class.

- III. Shifting Boundaries of Private and Public Governance – NGO Activism

Dara O'Rourke, "Market Movements: Nongovernmental Organization Strategies to Influence Global Production and Consumption," *Journal of Industrial Ecology* Vol. 9, no. 1, 2005

Paul Wapner, "Politics Beyond the State: Environmental Activism and World Civil Politics" *World Politics* (April 1995)

Ronnie Lipschutz and Cathleen Fogel, "Regulation for the rest of us? Global civil society and the privatization of transnational regulation" from *The Emergence of Private Authority in Global Governance* Rodney Hall and Thomas Biersteker, Cambridge Press, 2002

IV. Corporate Social Responsibility – Overview and Appraisal and introduction to case study research

The Economist, Special Report on Corporate Social Responsibility, 2005

David Vogel *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility* Brookings, 2005

Yin: Read Forward, Preface and Introduction (Ch 1)

V. Corporate Social Responsibility – Business Responses to Private Pressure

Benjamin Cashore and Ilan Vertinsky, "Policy networks and firm behaviors: Governance systems and firms responses to external demands for sustainable forest management," *Policy Sciences* Vol. 33, 2000

Charles Eesley and Michael Lenox, "Firm Responses to Secondary Stakeholder Action," unpublished paper

Ralph Espach, "Private Regulation Amid Public Disarray: An Analysis of Two Private Environmental Regulatory Programs in Argentina," *Business and Politics* Vol. 7 no. 2, 2005

Tim Bartley, "Corporate Accountability and the Privatization of Labor Standards: Struggles Over Codes of Conduct in the Apparel Industry," *Research in Political Sociology* Vol. 14, 2005

King, Andrew A. and Michael J. Lenox. 2000. "Industry Self-Regulation without Sanction: The Chemical Industry's Responsible Care Program." *Academy of Management Journal*, 43 (4): 698-716.

VI. Case Study Research

Yin, Chapters 2-4

Compare Bartley to King and Lenox, as case studies.

Prepare your research question.

VII. Political Economy of CSR

Aaron Chatterji and Siona Listokin, Corporate Social Irresponsibility, *Democracy Journal*, Winter 2006

William Greider, The New Colossus, *The Nation*, February 2005.

Yin, Chapters 5-6

VIII. Policy Initiatives and Responses

Djordjija Petkoski and Nigel Twose, ed, Public Policy for Corporate Social Responsibility, World Bank Institute, July 2003.

Prepare hypotheses, testable propositions.

IX. Topics – Environment

Benjamin Cashore, Graeme Auld, and Deanna Newsom, *Governing Through Markets: Forest Certification and the Emergence of Non-State Authority*

Madhe Khanna, “Non-Mandatory Approaches to Environmental Protection” *Journal of Economic Surveys* Vol. 15, no. 3

Richard Andrews, “Environmental Regulation and business ‘self-regulation’” *Policy Sciences* Vol. 31 1998

Robert Falkner, “Private Environmental Governance and International Relations: Exploring the links,” *Global Environmental Politics* May 2003

X. Topics – Labor Standards

Dara O’Rourke, “Outsourcing Regulation; Analyzing Nongovernmental Systems of Labor Standards and Monitoring,” *Policy Studies Journal* Vol. 31, no. 1, 2003

Ans Kolk and Rob Van Tulder, “The Effectiveness of Self-Regulation: Corporate Codes of Conduct and Child Labour,” *European Management Journal* Vol. 20. No. 3 2002

Sasha Courville, "Social Accountability Audits: Challenges or Defending Democratic Governance?" *Law and Policy* Vol. 25, no. 3 July 2003

XI. Topics – Product Labeling and Policy Responses

Robert Liubicic, "Corporate Codes of Conduct and Product Labeling Schemes: The Limits and Possibilities of Promoting International labor Rights through Private Initiatives," *Law and Policy in International Business* Fall 1998 Vol. 30. No. 1

Janelle Diller, "A social conscience in the global marketplace? Labor dimensions and codes of conduct, social labeling and investor initiatives," *International Labor Review* Vol. 138 No. 2 (1999)

Margaret Levi and April Linton, "Fair Trade: A Cup At A Time?" *Politics and Society* September, 2003

XII. Case Presentations

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