Standardising Social Responsibility:
Analysing ISO Representation Issues from an SME Perspective

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Abstract
The legitimacy of formal international standards foremost rests on the inclusiveness of the standards process. Therefore, the overall absence and lack of influence of 'political minority' stakeholders such as small- and medium-sized enterprises (SMEs) and consumers pose a problem. In this paper, we use political theory to analyse issues of minority representation in standardisation. We focus on the difficulties that SMEs face in the standards committee for Social Responsibility (ISO 26000), a committee that works under unusually inclusive conditions. The study highlights a number of sources of friction that go beyond the case and are systemic to formal standardisation. In particular, standardization processes combine different types of democracy (direct and representative) and thereby undermine the influence of minorities. Furthermore, the significance of the difference between 'standing for' and 'acting for' a minority must be recognized if representative democracy in international standardisation is to be strengthened.

1. Introduction

As the rules of a game determine its outcome, standards procedures determine standards. More precisely formulated, the institutional context of negotiation and decision making determine to a large extent the content of standards. A notable institutional feature of formal international standards bodies is that they advocate 'representative democracy'. It is thereby crucial to decide which parties should be represented - and which ones need not – and for what reasons. Because deciding who is 'in' and who is 'out' affects standard's content, such an institutional feature can be an intense source of conflict only equalled to the standard's content itself.

The International Standardization Organization (ISO) has a high stake in getting the representation issue right. The reason is twofold:

- First, because the standards which ISO develops are voluntarily applied, to achieve wide support and use of the standard, the stakeholders must recognise the fairness of and balance of interest in the standards process. Taking into account all stakeholder interests and

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thoughtful representation rules reinforce trust in the process, increase the usability of its outcome, and increase the likelihood of adoption.

- Second, the more the process mirrors parliamentary democratic principles, the easier governments can refer to ISO standards in policy and regulation. Political legitimacy is needed. In these situations, ISO's aim of developing standards which reflect a balance of interests at the national and ISO level provide the required legitimacy.

In practice, however, ISO standards committees are usually dominated by large companies and, in certain areas increasingly, by consultants and certifiers who represent their own company interests. *Political minorities*[2], or minorities in short, such as consumers and representatives of third world countries are usually absent, as we will argue in section 3. The same applies to small- and medium-sized enterprises (SMEs), the minority on which we focus.

To improve the institutional conditions for minority participation (i.e. representation and influence), the ISO has among other measures drafted a 'Guidance on stakeholder categories' (ISO/TMB/WG_SR, 2005). This guide aims to support the involvement of a wider set of stakeholders specifically in the process of developing a standard on Social Responsibility (SR). This guide plays a key role in our paper.

1.1 Research Question

In this paper, we take the desirability of 'representative democracy' as a given[3], and use political theory about democratic governance to analyse the way ISO procedures affect minority representation. We focus in particular on the representation of SMEs in the standards committee for Social Responsibility (SR), i.e. the ISO 26000 process. ISO 26000 is at the time of writing still under development and follows the above mentioned ISO guide. We examine *to what degree the Guide improves the representation of minority stakeholders and, in particular, of SMEs.* The aim is to derive insights that may contribute to the wider discussion about representation policy in international formal standardisation.

1.2 Methodology

We focus on problems that result from procedures (i.e. institutional approach to standardisation) and not so much on the negotiation process itself (i.e. disagreements regarding standards content). Only indirectly do we discuss content to illustrate that SMEs have different interests than other stakeholders.

It is an explorative study based, on the one hand, on examining relevant literature (reports, committee documents and websites, SME policy documents, etc.). On the other hand, it is based on participant observation by one of the authors of this paper who participates in the ISO 26000 process for NORMAPME (the European Office of Craft, Trades and SMEs for Standardization). NORMAPME represents the standards interests of 11 million European SMEs. As such, our methodology could be viewed as a form of reflexive subjectivity. It is action research in the sense that this paper hopes to provide useful feedback to ISO.

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[2] The term *minority* usually refers to 'the smaller part or number; a number, part, or amount forming less than half of the whole' (Dictionary.com, 2007). In standardisation, the groups we are talking about are usually majorities, but with little influence. We therefore use the term *political minority* to refer to 'a group having little power or representation relative to other groups' within standardisation (American_Heritage_Dictionary, 2007).
[3] The desirability of representative democracy is not self-evident in all situations (Egyedi, 2007).

The paper is structured as follows. First, we develop a conceptual framework by taking a closer look at problems of minority representation in politics, the prime setting of democratic governance (section 2). This framework is then used to analyse representation procedures in ISO (section 3), and in the ISO 26000 process (section 4). Section 4 explains the unusually high level of inclusiveness involved in the ISO 26000 process, points out the weaknesses in the guide on stakeholder categories, and notes some taboos. Section 5 focuses on problems of representation which SMEs encounter in this ISO committee. The paper closes with conclusions and recommendations on minority representation (section 6).

2. Conceptual Framework

Political theory is applied to clarify notions of democracy and representation embedded in regular ISO procedures and the innovative procedures of the ISO 26000 committee. It helps us analyse the ISO 26000 standards process.

The term *democracy* has seemingly self-evident, positive connotations and is rather randomly used in international politics. In everyday conversation, the term is associated with direct democracy by citizens. In its classic form, a direct democracy knows no intermediaries or representatives. In most industrialized countries, however, citizens are usually represented (*representative democracy*[4]). An intermediate, two-step layer of chosen representatives, that is, parliamentarians and cabinet, act 'on behalf of' the people, or so the political system assumes. People vote on a political party and can sometimes vote on a specific member within that political party, for example, on a female politician, with the idea that she will be more sensitive to and therefore better able to identify and advance women's interests than a man can.

In politics, representational democracy is a problematic issue. The essence of the problem is summarised by Arendt (1963/ 1990), who argues that thereby a new layer of the 'privileged few' has replaced real, participatory democracy[5]. Research in the field of gender studies, in particular, points to several representation issues that are highly relevant to our standardisation case.

2.1 Classification Problems

First, there is a tendency to view minority interests as 'additional' and partial interests (Voet, 1992). Therefore minorities are usually not sufficiently represented in the political arena (e.g. the absence or very low number of women in many political fora). In those cases, one might speak of a democratic deficit. The democratic legitimacy of the political process becomes questionable. To address this issue, most political parties identify categories that need to be represented and formulate proportional objectives (e.g. a minimum of 35% female cabinet ministers). Identifying minorities that are relevant to represent in politics, is essentially a process of classification and comes with all the regular classification problems (Bowker & Star, 1999). Because classification can become the basis for affirmative action, targeted support, etc., it is strategically profitable to be identified as belonging to the group that receives extra support. As a result, misuse of the classification occurs.

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[4] In a representative democracy people select representatives to a governing body. (…) The representatives act in the people's interest, but not as their proxy representative—i.e., not necessarily always according to wishes, but with enough authority to exercise initiative in the face of changing circumstances.(Wikipedia, 2007)

[5] In a representative democracy, the age-old distinction between ruler and ruled asserts itself again since once more, the people are not admitted to the public realm, once more the business of government becomes the privilege of the few.(Arendt, 1963/ 1990, pp. 237-38)

2.2 'Stand for' or 'Act for'

Second, often, it is not clear whether representatives who belong to a certain category indeed *act for* (on behalf of) that category or only *stand for* ('belong to' in the descriptive sense) that category – a distinction made by Pitkin (1967).[6] This matter is complicated by the fact that the interests of vast political minorities such as women and black people are usually not circumscribed or fixed. Their interests are as diverse as those of the political majorities, and they may change over time, as well. Moreover, how should we asses the interests of representatives who are members of different categories (e.g. a black woman). They may well have different identities and loyalties. Which loyalty will preside under which circumstances?[7]

Diverse interests, changing interests, unclear loyalties, together with the large degree of autonomy that representatives have in most political decisions, may raise severe doubts about the representativeness of politicians. Nevertheless, being there is the only option (Celis, 2003). Staying with the gender example, equal representation of women in parliament is 'a shot in the dark: far more likely to reach its target then when those shooting are predominantly male, but still open to all kinds of accidents.' (Phillips, 1995, p.83). That is, representational politics cannot but build upon the assumed relationship between 'standing for' and 'acting for'. A *politics of presence* is still needed (Phillips, 1995). One of the implications of a politics of presence is that, exceptions aside, one group cannot represent another except where they share same interests.

There is an imbalance in the political process if some political candidates only 'represent' themselves while others 'act for' a constituency. When that happens, the two systems of direct and representational democracy are in conflict.[8]

2.3 Causes of Insufficient Representation

Last, there are different views on the cause of lack of minority representation, and these views affect the way the problem is addressed. For example, throughout the 20th century different ideas existed about the relative absence of women in Dutch political parties (Van de Velde, 1994). Representation of women was initially based on women being recognized as a special category (*group representation*). But it has shifted towards more individual participation of women in politics (*individualization*). Where they first seemed to have an *outlook* different from men, primarily they are now thought to have different *interests*. Where *different characteristics* used to be attributed to women and were argued to enrich politics, gender is now a feature which should not hinder participation. Lack of representation of women is not seen anymore as a result of discrimination or other forms of exclusion from politics: rather, it is ascribed to a personal deficit in training and education, an a-political analysis. (Van de Velde, 1994) The shift in perception from group representation to individual interest representation has also taken place in the arena of formal standardisation, as we will see later on.

3. Representation in ISO Procedures

Standardization procedures embed ideas on how standardization should proceed, beliefs on what is important in the process of establishing standards and why it is important, assumptions about

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[6] Representatives can be individuals that stand for a group, individuals that both stand for and act for a group, and professionals who act for a group.

[7] A Column in the Dutch newspaper NRC in February 2007 (Etty, 2007) addressed a similar problem based on political questions in Dutch parliament about the loyalty of Dutch ministers with two passports.

[8] Note that no questions are raised about whether representatives who stand for political majorities such as men and whites 'act for' their constituencies.

the standards environment, etc. These shared ideas, assumptions, values and beliefs are captured by the term 'standardization ideology' (Egyedi, 1996).

3.1 Democratic Standards Ideology

The ISO has an elaborate set of procedures to ensure a fair and democratic standards process. Thus, ISO's Public Enquiry allows all non-participating interested parties to comment on draft standards; and, in the approval stage only the negative votes which are accompanied by technical arguments are counted – a procedure that expresses the desirability of a technical and politically neutral standards process (Schmidt & Werle, 1998).

Together, such features make up the tissue of the democratic standards ideology. Its most pervasive features are (Egyedi, 1996):

- the voluntary application of standards;
- national membership (i.e. national standards bodies);
- a well-balanced influence of stakeholders; and
- the consensus principle when drafting standards.

The underlying rationale is that international standards cannot be imposed. If they are to be voluntarily applied, potential implementers must be convinced that they are widely supported. Support is fostered by taking care that all interest groups can state their requirements and influence the standards process. Nationally, the range of interests is represented by the national delegation, according to the rationale. Consensus decision-making ensures that the utmost will be done to accommodate minority standpoints. 'Consensus, which requires the resolution of substantial objections, is an essential procedural principle and a necessary condition for the preparation of International Standards that will be accepted and widely used.' (ISO/IEC, 2004) Democratic and impartial working procedures heighten the acceptability of standards, and maximize the likelihood that they will be widely implemented (ITU/ISO/IEC, 1993, p.9, p.27). The democratic approach is therefore the most robust approach, according to the rationale.

3.2 Membership and Representation

As noted, the members of ISO work are the National Standards Bodies (NSBs). An NSB must indicate whether it intends to participate actively as a P-member in a committee (i.e. vote on standards documents when asked and participate in meetings), or intends to follow the work as an observer (O-member). (ISO/IEC, 2004)

Roughly, one can discern the process of drafting a standard, which involves much discussion and negotiation, and voting on the acceptability of the draft as an international standard. The drafting process usually takes place at the lowest level of the standards committee (mostly the Working Group level). Here, individual participation rather that 'representation' is at stake.

> 'A working group comprises a restricted number of experts (…). The experts act in a personal capacity and not as the official representative of the P-member or A- or D-liaison organization by which they have been appointed.'[9] (ISO/IEC, 2004, par. 1.11)

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[9] Category A: Organizations that make an effective contribution (…) international or broadly based regional organizations (…); Category D: Organizations that make a technical contribution to and participate actively in the work (…). Liaison organizations can include manufacturer associations, commercial associations, industrial

In other words, pragmatism defines the work of drafting standards (i.e. active contribution and workability), and not representation.

Voting is a different matter. Here, 'representational democracy' is at work at two levels: 1) at the ISO level, which is based on the national votes, and 2) on the national level, since the national vote represents a 'balance of national interests', indicating stakeholder representation.

3.3 Friction

The national standards bodies coordinate the 'balance of national interests' and the voting on international standards: 'National bodies have the responsibility to organize their national input in an efficient and timely manner, taking account of all relevant interests at their national level.' (ISO/IEC, 2008, p. 12)

The inclusiveness of the international standards system largely hinges on whether or not minority stakeholders participate and have a say in determining the national position. In reality, consumers and SMEs hardly participate in national standardisation (European_Commission, 2004, p.5). The experience of the European consumer organisation is that 'national opinions are often determined by business interests, and minority views (e.g. from consumers) are "filtered out" by the system. These national imbalances are further amplified at the European and international level.' (ANEC, 2006, p.14) This experience confirms the findings of standardization studies in the field of ICT, which show that overall users and, in particular, consumers and SMEs are absent in ICT standardization (Jakobs, 2005, 2006, 2007). Usually large ICT producers dominate the committees. Indeed, Werle & Iversen (2006, p.28), speak about the 'fiction' of a balanced national representation.

Because the 'balance of national interests' is not realized, an important pillar of the 'democratic legitimacy' of international – and European – standardisation is missing (i.e., the second argument for a balanced representation in ISO; see introduction). Worse, such rhetoric covers up the reality that the national layer cannot be used as a fall-back option for lack of minority participation in international standards committees.

4. Case of ISO 26000

An exceptional amount of effort has been made to improve the representation of minorities and the diversity of participating stakeholders in the ISO 26000 process. Before we address this unusual effort, we first introduce the standard's area because it provides clues as to why this effort was made.

4.1 Background

ISO 26000 is the designation of the International Standard that is to 'provide guidance on (…) social responsibility, the issues that constitute social responsibility and on ways to implement social responsibility within (…) all types of organizations, because every organization (…) has an impact on society and the environment.'(ISO/TMB/WG-SR/TG4, 2007) The term *social responsibility* refers to the 'responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that is consistent with sustainable development and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with

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consortia, user groups and professional and scientific societies. (…) A liaison organization shall have a sufficient degree of representativity (…). (ISO/IEC, 2004, par. 1.17)

international norms of behaviour; and is integrated throughout the organization.' (NORMAPME, 2007a) See box 1 for the scope of the standards committee.

Scope of ISO 26000

'This International Standard provides guidance to all types of organizations, regardless of their size or location, on:
– principles and issues relating to social responsibility;
– integrating, implementing and promoting socially responsible practices;
– identifying and engaging with stakeholders;
– communicating commitments and performance relating to social responsibility; and
– contributing to sustainable development through social responsibility.
This standard encourages organizations to undertake activities that go beyond legal compliance. It promotes common understanding in the field of social responsibility. It clarifies the relationship between social responsibility principles and organizational governance frameworks. It complements other instruments and initiatives relating to social responsibility.
The application of this standard may take account of societal, environmental, legal and organizational diversity, as well as differences in economic conditions, provided international norms of behaviour are observed.
This standard is not a management system standard and is not intended for conformity assessment or certification purposes. Use of this standard does not imply governmental endorsement or ratification of any of the conventions, agreements, standards or tools mentioned.' (ISO/TMB/WG-SR/TG4, 2007)

The ISO addresses this area because there are growing concerns about environmental degradation, social inequality, corporate governance and other issues. Social responsibility is, accordingly to the initiators, an aspect which organizations are increasingly judged by.(ISO/TMB/WG-SR/TG4, 2007) Therefore, there is a demand for guidance on this matter.
Work on ISO 26000 started in 2005 and is planned to be finished in 2009. The committee work is done by the SR Working Group (WG), which answers directly to the TMB (Technical Management Board) of ISO, and its six Task Groups. Regarding the working group participants,
'An ISO member body may nominate a maximum of six experts to serve on the WG. It is desirable that a balanced representation of industry, government, consumers, labour, non-governmental organizations (NGOs) and other interests be ensured. (…) As an individual, the only way to participate directly in the ISO SR Working Group is as an expert. In addition to experts nominated by ISO member bodies, each D-Liaison organization may nominate up to two experts. Experts in the Working Group act in a personal capacity and not as official representatives of the member body or D-liaison organization by which they were appointed.' (ISO/TMB, 2006)

4.2 Inclusive Approach
It all started when the ISO Council asked the ISO Committee on Consumer Policy (COPOLCO) to consider the feasibility of establishing International Standards in the SR area in April 2001. After several meetings and a workshop, COPOLCO recommended that ISO establish an advisory group involving all key stakeholders to investigate the issue further. ISO set up an advisory group early 2003 to help decide whether ISO involvement in the field of SR would add any value to already existing initiatives and programs. (ISO/TMB/WG/SR/TG2-Communication, 2005) The

advisory group concluded that ISO should go ahead, but under certain conditions. This conclusion was supported by a conference held in Stockholm on 21-22 June 2004.

It is salient that in this consultative phase already many stakeholders and minority groups were involved: consumers (COPOLCO), a wide range of stakeholders in the advisory group[10], and the developing countries, for which a workshop was organised in the fringes of the Stockholm conference[11]. Moreover, the ISO resolution made at the Stockholm conference already mentions many of the elements which later define the inclusive ISO 26000 process (ISO/TMB, 2004):

- draw experts from different stakeholder categories,
- twinned leadership of the working group: a chair from a developed and from a developing country,
- meaningful participation of developing countries,
- the need to organize funding for the participation of experts from developing countries, NGOs, consumers and other groups,
- the request to ISO member bodies to appoint experts from each of the stakeholder categories, and
- provide access to experts from interested international and broadly-based regional organizations (via the D-liaison mechanism).

A specific task group was installed on funding and stakeholder engagement. Notable is further the efforts made to support participation by the developing countries. Due to the success of fund raising among the rich countries and private donors, the number of experts from developing countries now constitute the majority of the participants at working group level and in some task group meetings as well. Bearing in mind that ISO meetings always last an entire week and are hosted by countries on all five continents, the costs are vast.

The working group provides public access to all of its documents on the web, drafts included, which is unusual. Furthermore, representation is monitored at working group level - and in one of the task groups - according to a) stakeholder category, about which more will be said below, b) whether they represent a developed or developing country, and 3) gender. This, too, shows an uncommon degree of transparency.

4.3 Guidance on Stakeholder Categories

A guidance on relevant stakeholder categories was drafted specifically for the ISO 26000 process (ISO/TMB/WG_SR, 2005). The term 'drafted' is used literally: the document states that it is a 'work in progress'. Representation in the ISO/TMB/WG/SR is to be based on six stakeholder categories. These categories are: Consumers, Government, Industry, Labour (Workers), NGO, and a rest category of 'Other', namely 'Service, support, research and others'. A balance of experts from these categories is desired.

The working group statistics show the following distribution of stakeholder category members:

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[10] 'Representatives from around the world and from a wide spectrum of stakeholder interests including business, government, inter-governmental organizations, labour, consumers and non-governmental organizations' (ISO/TMB/WG/SR/TG2-Communication, 2005)

[11] I.e., a workshop organized by the Swedish International Development Cooperation Agency (SIDA) to facilitate the participation of developing countries in the SR conference.(ISO/TMB, 2004)

Stakeholder category	Number of working group experts
Industry	90
Government	67
Consumer	41
Labour	25
NGO	63
Other: Service, support, research and others	77

The working group consists of 222 men and 142 women; 141 members from developed countries and 160 from developing countries.
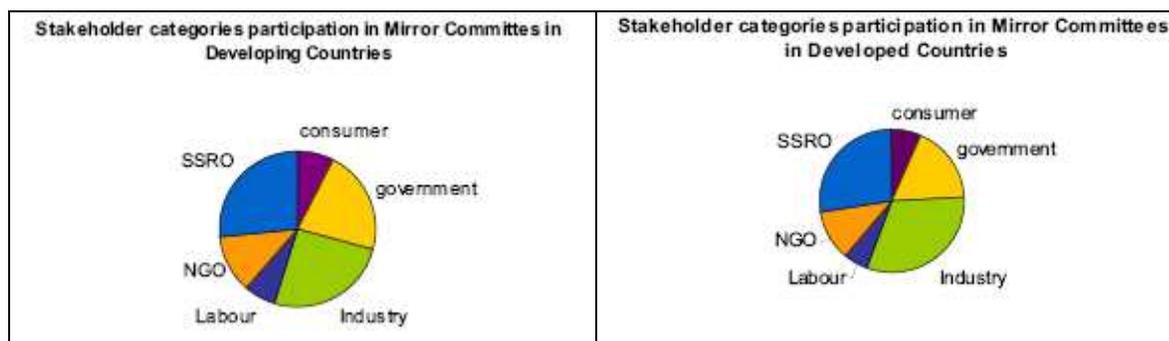

Figure 1: Stakeholder representation in the National Mirror Committees (Pesce, 2007, slide 9).[12]

However, the guidance shows an imbalance in the level of detail in the stakeholder category definitions and the range of issues addressed. For example, the Consumer category is elaborately defined and can be relatively easily verified, but other categories are hardly restrictive (e.g. 'Other', Government). Below we list other inconsistencies:

- Verifying rightful membership of some categories is an issues for some categories (e.g. NGOs need to provide proof of their non-profit status), but not for others (e.g. 'Other' category).
- Similarly, for some categories self-defined membership suffices ('Other' category), while for other categories specific definitions apply (i.e. the ILO may be consulted to screen for 'Labour' candidates)
- Some categories require experts to represent a group or association (e.g. consumers, workers, NGO), while others allow individual or company representation (industry, government, other).
- Some categories cover a wide scope of members and no preference is indicated (e.g. 'Industry' covers the range of individual enterprises to employer organizations; and from

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[12] Some countries have difficulties achieving a balance of stakeholders in their Mirror Committees, and lack NGOs, Labours and/or Consumers (ISO/TMB/WG_SR/TG1, 2007). Please note that the source of figure 1, which provides exact figures on all other questions of the survey, mentions no figures on this point. It also does not mention that Figure 1 is based on data received from roughly half of the participating countries, and that there is no certainty that those who have not responded to the questionnaire have a mirror committee.

micro-enterprises to multinationals); while others, in particular the Labour stakeholder definition, proposes selection according to degree of representativeness.[13]

- Because of 'an inherent conflict of interest'[14], companies with a commercial gain in ISO 26000, like consultants and auditors, are explicitly excluded from participating in most category definitions (e.g. NGOs and industry), but not in the 'Other' category.

The set of stakeholder categories reflect a mix of 'standing for' and 'acting for', a mix which, as we already saw, is echoed in e.g. the participation as individuals in the working group versus the national membership based voting procedures. The above points also show that for the 'Other' category verification of stakeholder identity is difficult.

4.4 Taboo of Certification

The working group documents and public leaflets indicate a taboo on prospective ISO 26000 certification. In the preliminary stage, there was a discussion whether or not to include the aim of conformity assessment and certification in the ISO 26000 process. It was decided not to do so, but the line of argumentation was a difficult one based on denying any similarity with the well-known management system standards (MSS) of ISO 9000 (quality management) and ISO 14000 (environmental management). A main argument was that ISO26000 is not an MSS, and that therefore conformity schemes like those for ISO9001 and ISO14001 are uncalled for. However, the ISO guidelines on MSS (ISO, 2001) are inconclusive and could well be read differently.

The other main argument was an indirect one, namely that 'ISO 26000 contains guidelines, not requirements, and therefore will not be for use as a certification standard like ISO 9001:2000 and ISO 14001:2004' (ISO/TMB/WG-SR/TG4, 2007). Again, the distinction and its implications seem debatable.

It would seem that these arguments stem from a dilemma embedded in the scope of the standards committee: that benchmarking of some kind and at some level follows from standardizing SR, while this outcome must be avoided. Indeed, in practice 'Standard drafters are trying to meet the ISO resolution using alternative wordings, but the draft clearly conceals MSS concepts, like conformity assessment. (…) independent agencies and consultants are likely to try to impose their own "third party verification" on the market.' (NORMAPME, 2007a)

Equally interesting, why is certification such an issue? We can think of two reasons. First, the standards group might not want to sit on someone else's turf, there already being many national and international initiatives in this area. In view of the spread of ISO 9000 certification, certification of ISO 26000 might unwittingly push ISO centre stage, a future which might hinder input from other SR initiatives. Not certifying ISO 26000 makes it less dangerous and more inoffensive to others. At present it aims to 'complement other instruments and initiatives relating to social responsibility' (Scope of ISO 26000). Moreover, since theoretically the '[u]se of this standard does not imply governmental endorsement or ratification of any of the conventions (….)' (ISO/TMB/WG-SR/TG4, 2007), no political risks are involved.

Second, ISO 9000 certification has become a booming industry for consultants and auditors - at times an ISO 9000 auditor mafia might be said to exist[15]- It has been a welcome source of income for the national standards bodies as well. The need for a 'quality certificate' has been well-

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[13] 'NSBs should invite the most representative workers' organization to nominate an expert' (p.6).

[14] This stems from a clause in the Industry stakeholder definition.

[15] NORMAPME observes a 'dangerous situation of over representation of certifiers and consultants' in several standards committees (NORMAPME, 2006a)

marketed partly by playing on the fear that not being certified will lead to market exclusion. The ISO 9000 standard series, foremost tailored to the needs of large companies, has proven to be a heavy financial and administrative burden for micro-SMEs, in particular. Moreover, many support services of consultants and courses of ISO and the national standards bodies have focused on how SMEs were to fit within the ISO 9000 system rather than support SMEs to use it to their own benefit.[16] Initiatives are now being taken to develop a slimmed-down version of ISO 9000 that is better suited for SMEs.

NB: Interestingly, partial implementation of ISO 26000 is not a taboo. Diversity in its context of use - societal, environmental, legal and organizational diversity, as well as differences in economic conditions – is acknowledged, and its possible partial use is foreseen 'although the standard is meant to be read and used as a whole' (ISO/TMB/WG-SR/TG4, 2007). This degree of pragmatism is, again, unusual for an ISO working group, and would seem to confirm our impression that the taboo on ISO 26000 certification foremost flows from concerns about the ISO 9000 'auditor mafia'.

In sum, on the one hand an effort is made to ban the theme of certification and, by doing so, to take out the sting from the standards process and de-politicize it; whereas on the other hand the standards setting is politicized by strengthening representational procedures beyond ISO's usual provisions.

5. SME Perspective

The representation issues which SMEs, that is, NORMAPME[17], encounter during the ISO 26000 process illustrate in what manner representational boundaries and classification categories are negotiated. However, before addressing them, we provide some background information.

Although SMEs may have up to 250 employees, more than 95% of them are micro-enterprises (<10 people).[18] NORMAPME is an association of SME associations that represents 11 million European SME members. It has a D-liaison status in ISO. NORMAPME participates in ISO 26000 since 2006, and is a member of task group 6 (Guidance on implementing SR) since January 2007. It identifies the following areas of concern:

SMEs do not exist as a separate stakeholder category. SMEs are addressed separately by European standardisation policy because of their economic significance and sheer number. Since, according to NORMAPME's assessment, SMEs will represent at least 90% of all potential users of the ISO 260000 standard, they would seem to warrant a separate category or a specific paragraph in the guide. However, they fall within the Industry category.

Because they are unspecified within the Industry category, there are no statistics on SME participation. However, a head count in February 2007 shows that with the exception of NORMAPME, the Malaysian SME association and a small consultancy firm, all Industry representatives are either large companies or industry sector associations. (NORMAPME, 2007a)

The Industry category is not a homogeneous group. SME stakes in SR standardisation strongly

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[16] See e.g. many of the papers presented at the EURAS workshop and at the Balkan conference, Thessaloniki 16-18 May 2007. Many Balkan SMEs think ISO certificates are essential for economic integration with and export to Western European countries.

[17] Sources are NORMAPME (NORMAPME, 2006a; 2006b, 2007b); and observations from S. Toffaletti (NORMAPME).

[18] In the European definition of SMEs, medium <250, small<50, micro<10.

differ from those of other industry members, and, given their modest presence, they are less likely to influence the standards process.[19]

SMEs typically work more informally, need to be flexible and minimize paperwork. Organizational structures and procedures are often very basic. The Social Responsibility guidelines and performance indicators appropriate for large companies are not likely to be easily applicable to SMEs. For example, it may be desirable for large companies to demonstrate their local community involvement, however, imposing the same request on SMEs is much less obvious.[20] In the same line, performance reviews cannot be based on the implicit assumption that all organizations work in a formal and bureaucratic way. Small businesses may well lack the resources to comply with an additional administrative burden. Tailored guidance and recognition of their situation is needed to address the problems these companies face. In view of possible ex post conformity assessment and certification schemes, the ISO 26000 standard needs to convey clearly to SMEs that, for example, cumbersome mandatory reports do not apply to them; and that they should selectively apply the parts which are useful to them and their stakeholders.

The definition of certain stakeholder categories is ambiguous. As we discussed earlier, the stakeholder document aims to exclude certifiers and consultants with an economic interests in ISO 26000 standardization from participating in the ISO/TMB/WG SR process. However, the definition of the Other category of 'Service, support, research and others' includes 'organizations and individuals (…) that develop voluntary standards, codes of practice and SR related tools (…) or that provide services related to the implementation and support on SR activities'. This could be interpreted to include consultants. The use of this loophole seems to be tacitly accepted by the Working Group. The convenor of Task Group 6, in charge of drafting the guidance for organizations on implementing ISO26000 makes no secret of running a consultancy business[21]; less overt is CAP Conseil[22], a small consultancy firm that initiated the Belgian ISO 26000 mirror committee, which has a representative in the Belgian delegation as a stakeholder for the Other category and a second one as an SME representative in the Industry category.

Influence of one versus the representative of many. Some working group members are mandated by associations and represent large groups of people or companies, while others only represent themselves or their own company. In the consensus process, in principle, no distinction is made between them and both have an equal say. This means that 'undemocratic' events occur which go uncorrected (e.g. the protest of a single company[23] in reaction to a critique on

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[19] The working group's chairman recognises that SMEs are insufficiently represented in the Industry group but he believes that they are well represented in the national mirror committees (NORMAPME, 2007a)

[20] Compared to large companies and multinationals, small companies are more embedded in rural and local communities. They depend more on the community, are therefore more easily held accountable, and are more likely to act socially responsible than large companies and multi-nationals. 'The presence of small businesses in European rural areas prevents them from depopulation and improves the standard of living of their inhabitants. European governments are convinced that SMEs are an important means to improve economic and social wealth of communities as they redistribute national income, create employment and contribute to local development.' (NORMAPME, 2006a)

[21] http://www.csr-company.net/

[22] http://www.capconseil.be/content_presentation_en.html, Last checked by TE: 22 July 2007.

[23] An email from CAP Conseil was sent to the Industry members of ISO 26000 on the 8th of May 2007.

ISO26000[24] from the Secretary General of UEAPME, the European SME umbrella organization)[25]. This creates tension in the system of representational democracy.

The above issues harm the interests of SMEs in very different ways. Are there any fall-back options for SMEs to influence the ISO 26000 process? In the theoretical section the necessity to be present was discussed. Indirect ways of representation are generally not effective. That is, large companies or consultants cannot 'act for' SMEs in their absence given the different interests. To give a very concrete example, SMEs need simple and unambiguous texts. However, both large industry as well as consultants may have a stake in not too clear wordings. Large companies can then interpret ambiguous standards according to their own needs, while lack of clarity sooner leads to consultancy requests. (NORMAPME, 2007a)

The national mirror committees are not a fall back option for SMEs. Although in principle SMEs can contribute to the ISO drafting process through their national mirror committees and send written comments to the ISO working group, in practice they hardly participate at the national level (EIM, 2006, 20-22). The 'politics of presence' also apply here.

6. Conclusion

Taking the view that the rules of a game determine its outcome, we analysed representation procedures in standardisation. Our focus was on the *Working Group on Social Responsibility* (ISO 26000), and specifically on the representation of SMEs therein. A key document in the ISO 26000 process is the *Guidance on Stakeholder Categories,* which constitutes an extra effort on ISO's part to improve the balance of interests in the standards process. Although it is a positive step, for SMEs the guide has two main flaws. First, the guide assumes that Industry stakeholders, irrespective of their size, largely share the same interests regarding SR. This paper argues the opposite. There is a need to differentiate and secure a platform for SME interests. Their economic significance in terms of employment (KPMG & EIM, 2004) as well as urban and rural development already warrant mentioning them as a relevant stakeholder category in the Guide.

Second, there are ambiguities in the way certain categories are defined, which allows misuse. For example, although some categories explicitly exclude parties with a conflicting, commercial interest in the standard, others are less clear. Misuse occurs by companies whose interests regularly conflict with those of SMEs. We therefore recommend stricter definitions of stakeholder categories (see e.g. the information request regarding the NGO category), and in particular verification of the category 'Other'.

In addition, certain elements of the rationale that underlies ISO procedures need rethinking as they are essential building blocks in democratic standardisation. The first is the lack of a balance of interests nationally (e.g. consumers, citizens and SMEs). This point is widely recognized.[26]

The second element is the voluntariness of standards use that normally eases standards negotiation because - ultimately - no one needs to implement them. However, in the case of ISO 9000, a standard with which ISO 26000 is often compared, many SMEs feared market exclusion and saw ISO 9000 certification as a pre-condition for survival. This experience explains why SMEs distrust the voluntary future of ISO 26000.

More in general, formal standardisation mixes different types of democracy:

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[24] http://www.ueapme.com/docs/press_releases/pr_2007/070503_CSR_conf.pdf

[25] This letter was circulated by NORMAPME among working group members.

[26] NB: The data about stakeholder composition in ISO26000's national mirror committees is somewhat selective. Therefore, we cannot draw any conclusions.

- direct and representational democracy, and
- 'standing for' and 'acting for'.

It institutionalises the combination of, on the one hand, having to belong to a stakeholder category and thus implicitly being a representative thereof, and, on the other hand, participating as an individual. That is, there is no connection between the elaborate provisions for stakeholder representation and the drafting process. Is this a pragmatic imperative? An uncomfortable tension results because it does not matter anymore if those who are specifically invited to join the standards process because they 'stand for' a certain political minority do not really represent this group (as in the example of the consultancy SME). Representation then becomes a symbolic gesture exclusively aimed to increase the standard's democratic legitimacy.

The above discussion largely overlaps with the problem that, at the working group level, the influence of the individual representing only one company equals that of the influence of a representative of many companies. This, too, creates tension in a system of representational democracy.

ISO recognized the political significance of standardizing Social Responsibility when it installed additional measures to ensure a fair representation of all stakeholders. It took additional, elaborate measures to qualify as a democratic forum for a highly politicized standards process. In a sense, the measures politicized the process. An extra sturdy cage was built. At the same time, the scope of ISO 26000 was rendered harmless by taking out politically sensitive issues like 'certification'. On paper, the standard content was de-politicized. Denying the likelihood of future conformity assessment and certification may have served the purpose of getting people around the table, but it cannot be upheld. ISO might want its standard to be a benevolent, toothless tiger, but the fangs are growing. It is better to further strengthen the cage.

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