Understanding ISO 26000

A Practical Approach to Social Responsibility

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The meaning of 'sphere of influence' in ISO 26000

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Introduction

One of the key controversies in the drafting of ISO 26000 was what role, if any, the concept of 'sphere of influence' should play in social responsibility. The debate came to a head at the last meeting of the ISO Working Group on Social Responsibility (WGSR) in Copenhagen in June 2010, after an intervention by the Special Representative of the United Nations Secretary-General on Business and Human Rights (SRSG), Professor John Ruggie. Essentially, it is a debate about how to draw the outer boundaries around an organization's social responsibility. The sphere of influence concept offers one approach to answering this question, based on the proposition that every organization has a certain domain within which it can influence actions and outcomes through its relationships. For many, sphere of influence is a useful metaphor for the extent of an organization's social responsibility. Many others, including the SRSG himself, have argued that it is ambiguous, misleading, based on flawed moral premises and susceptible to strategic manipulation.

The purpose of this chapter is not to evaluate the merits of this debate but to examine how the concept of sphere of influence is articulated in ISO 26000 and the extent to which it responds to critics' concerns. ISO 26000 responds to the complaint that sphere of influence is ambiguous and misleading in two ways. First, it avoids the main source of *conceptual* ambiguity identified by the SRSG, the conflation of 'influence as impact' with 'influence as leverage'. Influence as impact refers to the impacts caused by an organization's decisions and activities; influence as leverage refers to an organization's capacity to influence other parties' decisions to act or refrain from acting in certain ways. ISO 26000 defines sphere of influence exclusively in terms of leverage. Second, ISO 26000 avoids the main source of *operational* ambiguity identified by the SRSG, the tendency to operationalize sphere of influence in terms of the potentially misleading criterion of 'proximity'. ISO 26000 eschews this problematic criterion when operationalizing the concept of sphere of influence.

As for the critics' third main complaint, ISO 26000 is ambivalent on the normative question of whether responsibility should be based on leverage. It is important to distinguish between two issues that are often blurred in social responsibility discourse: the first is the distinction between influence as impact and influence as leverage; the second is between negative and positive responsibility. A negative responsibility is one that calls upon an actor to 'do no harm'; a positive responsibility is one that calls upon an actor to 'do good'. Taking these two distinctions together, there are four varieties of influence-based social responsibility:

- impact-based negative responsibility;
- impact-based positive responsibility;
- leverage-based negative responsibility; and
- leverage-based positive responsibility.

ISO 26000 incorporates all four, although it favours impact-based responsibility.

Finally, ISO 26000 responds partially to the critics' fourth complaint about strategic gaming.

The idea of sphere of influence

The concept of sphere of influence was introduced into social responsibility discourse by the UN Global Compact, which calls on signatories to embrace, support and enact its ten principles 'within their sphere of influence'.[79] This approach assumes that every organization has a zone within which it has significant influence over social or environmental conditions, and outside which it does not. The notion of a sphere offers a crude metaphor for the array of relationships through which an organization can act upon the world around it. It is often portrayed as a series of concentric circles (e.g. BLIHR et al., 2006: 8; Baab & Jungk, 2009: 2). The UN Global Compact Office, for example, puts the workplace in the centre, moving outward to the supply chain, marketplace, community and government (SRSG, 2008a: 4). The sphere of influence model assumes that the organization's degree of influence diminishes with distance from the centre (ibid.).

The nature and degree of influence are highly fact-specific, depending on an organization's size, geographic scale of operations, resources, technology, knowledge, ownership, governance and strategic position in particular networks or communities, the issues at stake, and other factors (Gasser, 2007). Nonetheless, many proponents of the concept assume that influence is correlated with size: the larger the company, 'the larger the sphere of influence is likely to be' (OHCHR, 2005: 14).

Sphere of influence is often operationalized in terms of proximity: it 'tends to include the individuals to whom [the organization] has a certain political, contractual, economic or geographic proximity' (ICHRP, 2002:

[79] United Nations Global Compact, 'The Ten Principles', available at http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html (accessed 5 February 2011).

136; OHCHR, 2005; 14). The online 'Guide for Integrating Human Rights into Business Management' published jointly by the Business Leaders Initiative on Human Rights, UN Global Compact Office and the Office of the United Nations High Commissioner for Human Rights (OHCHR) explains the proximity principle:

> *The extent of a company's ability to act on its human rights commitment may vary depending on the human rights issues in question, the size of the company, and the proximity between the company and the (potential) victims and (potential) perpetrators of human rights abuses ... The closer a company is to actual or potential victims of human rights abuses, the greater will be its control and the greater will be the expectation on the part of stakeholders that the company is expected to support and respect the human rights of proximate populations. Similarly, the closeness of a company's relationship with authorities or others that are abusing human rights may also determine the extent to which a company is expected by its stakeholders to respond to such abuse.*[80]

Criticism of sphere of influence

The sphere of influence approach has come in for criticism, particularly after it was incorporated in the ill-fated Draft United Nations Norms on the human rights responsibilities of transnational corporations (Sub-Commission on the Promotion and Protection of Human Rights, 2003: art. A.1 ('spheres of activity and influence'); Weissbrodt, 2008). The SRSG has written that 'while sphere of influence remains a useful metaphor for companies to think broadly about their human rights responsibilities and opportunities beyond the workplace, it is of limited utility in clarifying the specific parameters of their responsibility to respect human rights' (SRSG, 2008a: 6).

One problem with the concept is imprecision. Until ISO 26000 there was no authoritative definition of the concept (OHCHR, 2005: 14; Gasser, 2007). The SRSG criticizes the sphere of influence model for failing to distinguish between actors whose rights might be affected negatively by the company's practices and those over whose actions the company might have leverage (SRSG, 2008a; 6).

[80] Business Leaders Initiative on Human Rights, United Nations Global Compact Office and Office of the United Nations High Commissioner for Human Rights, 'A Guide for Integrating Human Rights into Business Management' (2nd ed.), 'Global Business Case: Supporting Tools', available at http://www.integrating-humanrights.org/global_business_case_sphere_of_influence (accessed 10 February 2011). The passage is adapted from UN Global Compact and OHCHR, 2004: 17, 21.

It thus conflates two different meanings of 'influence':

> *One is 'impact', where the company's activities or relationships are causing human rights harm. The other is whatever 'leverage' a company may have over actors that are causing harm or could prevent harm.* (Ibid.)

Recognizing that activities and decisions may also have positive effects, ISO 26000 defines 'impact' as a 'positive or negative change to society, economy or the environment, wholly or partially resulting from an organization's past and present decisions and activities' (Subclause 2.9). Influence as impact thus refers to an organization's direct or indirect contribution to positive or negative outcomes. Influence as leverage refers to an organization's ability to influence the decisions or activities of other organizations or individuals through its relationships.

Secondly, the SRSG argues that operationalizing sphere of influence in terms of 'proximity' is problematic:

> *What constitutes 'political proximity', for example? The most intuitive meaning of proximity – geographic – can be misleading. Clearly, companies need to be concerned with their impact on workers and surrounding communities, but their activities can equally affect the rights of people far away from the source, as, for example, violations of privacy rights by Internet service providers can endanger dispersed end-users.* (SRSG, 2008a: 6).

The spatial metaphor of a sphere of concentric circles, with influence declining from one circle to the next, can therefore be misleading (SRSG, 2008b: 19).

Next, the SRSG rejects sphere of influence as a basis for assigning human rights responsibility on normative grounds because 'it requires assuming, in moral philosophy terms, that "can implies ought"' (SRSG, 2008a: 5). In his view, 'companies cannot be held responsible for the human rights impacts of every entity over which they may have some leverage, because this would include cases in which they are not contributing to, nor are a causal agent of the harm in question' (ibid.). The responsibility to respect human rights, he concludes, should be limited to situations where a company is contributing directly or indirectly to negative impacts.

Finally, the SRSG argues that assigning responsibility on the basis of influence invites strategic gaming:

> *the proposition that corporate human rights responsibilities as a general rule should be determined by companies' capacity, whether absolute or relative to States, is troubling. On that premise, a large and profitable company operating in a small and poor country could soon find itself called upon to perform ever-expanding social and even governance functions – lacking democratic legitimacy, diminishing the State's incentive to build sustainable capacity and undermining the company's own economic role and possibly its commercial viability. Indeed, the proposition invites undesirable strategic gaming in any kind of country context.* (SRSG, 2010: 14)

In summary, Professor Ruggie concludes that the scope of the corporate responsibility to respect human rights 'is not a fixed sphere, nor is it based on influence' (ibid.: 8). Rather,

> *Scope is defined by the actual and potential human rights impacts generated through a company's own business activities and through its relationships with other parties ... Such attributes as companies' size, influence or profit margins may be relevant factors in determining the scope of their promotional CSR activities, but they do not define the scope of the corporate responsibility to respect human rights. Direct and indirect impacts do.* (Ibid.: 13)

The critique of sphere of influence has gained considerable traction. The ISO Working Group on Social Responsibility made substantial changes to the draft ISO 26000 in response to the SRSG's concerns, expressed in SRSG (2009). His three-part 'Protect, Respect, Remedy' framework, in the context of which his critique of the sphere of influence approach was articulated, has been endorsed by the United Nations Human Rights Council. The Draft UN Norms, with their 'spheres of activity and influence', are a dead letter. On the other hand, sphere of influence features prominently in ISO 26000 and was recently reaffirmed in the UN Global Compact.[81] The concept still has a 'life of its own' (SRSG, 2006: 10).

My purpose here is not to assess the merits of the sphere of influence debate. Rather, it is to consider how the concept is articulated in ISO 26000 and the extent to which it responds to Professor Ruggie's concerns. At the outset it is worth noting that he rejects the sphere of influence approach only in relation to the corporate responsibility to respect human rights, while recognizing that it can be useful in other contexts (SRSG, 2008a: 6, 8; SRSG, 2009: 2).

81 United Nations Global Compact Office, 'Business and UN Raise the Bar for Corporate Practices in "New York Declaration"', available at http://www.unglobalcompact.org/news/53-06-25-2010 (accessed 5 February 2011).

Sphere of influence in ISO 26000

ISO 26000 defines social responsibility as:

> *responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that*
>
> - *contributes to sustainable development, including health and the welfare of society;*
> - *takes into account the expectations of stakeholders;*
> - *is in compliance with applicable law and consistent with international norms of behaviour; and*
> - *is integrated throughout the organization and practised in its relationships. (ISO 26000, Subclause 2.18)*

Relationships refer to 'an organization's activities within its sphere of influence' (ibid.). Sphere of influence is thus integrated into the definition of social responsibility. The term 'sphere of influence' appears 34 times in ISO 26000 and is discussed at length in two subclauses (5.2.3 and 7.3.3). Sphere of influence, in short, is one of the central concepts in ISO 26000.

ISO 26000 defines sphere of influence as 'range/extent of political, contractual, economic or other relationships through which an organization has the ability to affect the decisions or activities of individuals or organizations' (2.19). This responds to the SRSG's main concern about conceptual ambiguity, the conflation of 'impact' with 'leverage'. ISO 26000 avoids this problem by defining sphere of influence strictly in terms of leverage although, as we shall see, this does not imply that responsibility should be based on leverage as a normative proposition.

The definition also responds to the SRSG's concern about the limits of the spatial metaphor of concentric circles by making clear that sphere of influence is a relational rather than spatial concept. While the term 'range/extent' is awkward, it is best understood as referring to the variety of the organization's relationships and the degree of its influence. The definition goes a long way towards liberating the concept from its spatial origins.

ISO 26000's definition of sphere of influence does not refer to 'proximity'. Proximity is mentioned only three times in the standard, and each time physical proximity is clearly meant (6.3.4.1, 6.8.1, 7.3.3.1). Sphere of influence is operationalized in terms of an open-ended set of contextual factors that includes typical sources of influence (ownership and governance, economic relationships, legal or political authority and public opinion), factors affecting the degree of influence (physical proximity, scope, length and strength of the relationship) and means of exercising

influence (contractual terms, public statements, stakeholder engagement, investment decisions, knowledge dissemination, joint projects, lobbying, media relations, promotion of good practices, and partnerships with other organizations, among others) (7.3.3.1, 7.3.3.2).

Professor Ruggie's third complaint with sphere of influence is that it assumes, as a normative matter, that leverage gives rise to responsibility. ISO 26000 is ambivalent on this point. The definition of social responsibility, the passages devoted to guidance on sphere of influence (5.2.3 and 7.3.3) and the subclause on human rights (6.3) adopt Professor Ruggie's position more or less; but numerous other passages appear to embrace a leverage-based conception of responsibility. To make sense of this issue, it is important to distinguish between two dimensions of variation that are often blurred in discussions of the relationship between influence and social responsibility. The first is the distinction introduced earlier between influence as impact and influence as leverage. The second is the distinction between negative and positive responsibility.

A negative responsibility is one that calls upon an actor to do no harm; a positive responsibility is one that calls upon an actor to do good. Negative responsibility is often couched in terms of avoiding, preventing, minimizing or eliminating some undesired state of affairs, positive responsibility in terms of supporting, promoting, improving, fulfilling or otherwise contributing to some desired state. The corporate responsibility to respect human rights, as articulated by the SRSG, is a negative responsibility: to exercise due diligence to avoid contributing to human rights violations. A responsibility to support the fulfilment of human rights is a positive responsibility.

The negative/positive responsibility distinction is not the same as the distinction between a responsibility to act and a responsibility to refrain from acting. A negative responsibility to 'do no harm' is not merely passive but entails affirmative steps (SRSG, 2008b: 17; ISO 26000, Subclause 6.3.2.2). Indeed, it is clear that 'due diligence' demands affirmative steps.

ISO 26000 embraces both positive and negative dimensions of social responsibility. It encourages organizations, for example, to 'respect and, where possible, promote' fundamental human rights (4.8) and 'respect and promote' specified environmental principles (6.5.2.1). In this respect ISO 26000 is more like the UN Global Compact, with its emphasis on embracing, supporting and enacting, than the 'Protect, Respect, Remedy' framework, which restricts positive responsibilities to states.

Taking the impact/leverage and negative/positive distinctions together, we can distinguish among four varieties of influence-based social responsibility (Table 2). The vertical axis represents the operative definition of influence: influence as impact or influence as leverage. The horizontal axis represents the character of responsibility: negative ('do no harm') or positive ('do good'). The potential scope of social responsibility is smallest in the top left-hand cell, expands as one moves down or to the right, and is greatest in the bottom right-hand cell.

Table 2 – Four varieties of influence-based social responsibility

Increasing scope of responsibility

		Character of Responsibility	
		Negative	**Positive**
Character of Influence	Imp	An organization has a responsibility to avoid contributing to negative social and environmental impacts directly or through its relationships.	An organization has a responsibility to contribute to positive social and environmental impacts directly or through its relationships.
Character of Influence	Leverage	An organization has a responsibility to use its leverage to avoid or minimize the negative social and environmental impacts of other actors with whom it has relationships regardless of whether it contributes to such impacts.	An organization has a responsibility to use its leverage to increase or maximize the positive social and environmental impacts of other actors with whom it has relationships.

Impact-based negative responsibility, which corresponds to the SRSG's formulation of the corporate 'responsibility to respect', is found in the upper left-hand cell. Under this approach, an organization has a responsibility to avoid or minimize the negative social and environmental impacts of its own activities and decisions. It has a responsibility, in other words, to avoid contributing to negative social and environmental impacts directly or through its relationships with other actors. An example is the responsibility not to be complicit in human rights abuses committed by third parties.

Under leverage-based negative responsibility (bottom left-hand cell), an organization has a responsibility to use its leverage to avoid or minimize the negative social and environmental impacts of the decisions and

activities of other actors with whom it has relationships, regardless of whether it is contributing to such impacts. A responsibility to take steps to encourage other parties to minimize pollution or avoid corruption, even where the organization is making no contribution to such pollution or corruption, is an example of leverage-based negative responsibility.

There are two varieties of positive responsibility. In the top right-hand cell (impact-based positive responsibility), an organization has a responsibility to contribute to positive social and environmental impacts, either directly or through its relationships with other actors. Stated otherwise, it is responsible to increase or maximize the positive impacts of its own activities and decisions. A responsibility to contribute to sustainable development or the fulfilment of human rights is an example of this variety of responsibility. Finally, under leverage-based positive responsibility (bottom right-hand cell), an organization has a responsibility to use its leverage to increase or maximize the positive social and environmental impacts of the decisions and activities of other actors with whom it has relationships. A responsibility to encourage the development of public policies that benefit society at large is an example of this variety of responsibility.

The distinction between the last two varieties of responsibility is slight and difficult to discern, since both may require an organization to promote positive outcomes through its relationships. The difference is largely one of emphasis: with impact-based positive responsibility the emphasis is on the organization's actual contribution to desired outcomes, while with leverage-based it is on the effort expended to get others to achieve them.

Impact-based responsibility

ISO 26000 embodies all four varieties of responsibility. Let us first consider impact-based responsibility. ISO 26000 is full of references to this type of responsibility. The most important is the definition of social responsibility itself, which refers to an organization's responsibility 'for the impacts of its decisions and activities on society and the environment' (2.18).
ISO 26000's guidance on sphere of influence also emphasizes impacts. It acknowledges that an organization may have the ability to affect the behaviour of actors through its relationships and declares: 'An organization does not always have a responsibility to exercise influence purely because it has the ability to do so' (5.2.3). It goes on to state that the situations in which an organization will have a responsibility to exercise its leverage 'are determined by the extent to which an organization's relationship is contributing to negative impacts' (ibid.). Outside such situations, an organization may wish, or be asked, to exercise its leverage, but this is a voluntary choice rather than a responsibility (ibid.).

Subclause 7.3.3 gives further guidance on sphere of influence. While it notes that an organization 'can exercise its influence with others either to enhance positive impacts on sustainable development, or to minimize negative impacts, or both', its use of the word 'can' rather than 'should' denotes possibility, not desirability. A note to the definition of sphere of influence states that the term should always be understood in the context of the guidance in 5.2.3 and 7.3.3 (2.19). The overall message of these passages is that social responsibility is based on impact rather than leverage, and that it is negative, not positive in character (see Box 1 for examples of impact-based negative responsibility in ISO 26000).

Box 1 – Examples of impact-based negative responsibility in ISO 26000

An organization should:

- 'exercise due diligence to identify, prevent and address actual or potential human rights impacts resulting from their activities' (6.3.3.1) and 'to ensure that it does not engage in activities that infringe, obstruct or impede the enjoyment of' economic, social and cultural rights (6.3.9.2);
- ensure that it does not discriminate against anyone 'with whom it has any contact or on whom it can have an impact' (6.3.7.2);
- 'implement programmes ... to assess, avoid, reduce and mitigate environmental risks and impacts from its activities' (6.5.2.1);
- prevent corruption (6.6.3);
- prohibit the use of undue influence and coercion in political processes (6.6.4);
- avoid anti-competitive behaviour (6.6.5);
- respect property rights (6.6.7);
- avoid actions that would jeopardize people's ability to satisfy their basic needs (6.7.2.2);
- 'provide products and services that, under normal and reasonably foreseeable conditions of use, are safe' (6.7.4.2);
- seek to eliminate the negative health impacts of its processes and products (6.8.8.2).

The human rights clause of ISO 26000 (6.3) embodies the same impact-based negative variety of responsibility, which is not surprising given that this clause deals squarely with the SRSG's 'business and human rights' mandate.

The subclause on discrimination is typical:

> *An organization should take care to ensure that it does not discriminate against employees, partners, customers, stakeholders, members and anyone else with whom it has any contact or on whom it can have an impact. ... It should also ensure that it is not contributing to discriminatory practices through the relationships connected to its activities. (6.3.7.2)*

Going beyond this 'baseline responsibility' and contributing to the fulfilment of human rights is portrayed as a voluntary choice, not a responsibility (ibid; see also 6.3.9.2). The standard recognizes that the concept of sphere of influence can help an organization to understand the extent of the opportunities to support human rights (6.3.2.2), but also warns against the potential negative or unintended consequences of exercising leverage (ibid.).

ISO 26000's guidance on due diligence, both in the context of human rights (6.3.3) and in general (7.3.1), is also broadly consistent with the SRSG's articulation of the concept, with its focus on avoiding contribution to negative impacts (SRSG, 2008b). The clause on consumer issues shares this emphasis, but explicitly extends it from impacts of the organization's decisions and activities to impacts of its products (ISO 26000, Subclause 6.7).

Impacts also feature prominently in the clause on the environment, which states that 'an organization should assume responsibility for the environmental impacts caused by its activities' (6.5.2.1). In some places it describes this responsibility in negative terms – for example, to avoid, reduce, minimize, eliminate or mitigate negative environmental impacts (6.5.2.1, 6.5.6.2) – but, unlike the human rights clause, it gives roughly equal emphasis to positive responsibility. It urges organizations to improve their own performance as well as that of others within their sphere of influence (6.5.2.1), commit to continuous improvement of their environmental performance (6.5.2.2), invest in cleaner production and eco-efficiency (ibid.), and improve the prevention of pollution from their activities (6.5.3.2).

These are some of many references to impact-based positive responsibility in ISO 26000 (see Box 2). The most significant is found in the definition of social responsibility itself, which states that social responsibility is manifested in behaviour that 'contributes to sustainable development, including health and the welfare of society' (2.18). The opening language of Clause 4 'Principles of social responsibility' is even stronger: the 'overarching objective' of an organization implementing social responsibility is 'to maximize its contribution to sustainable development' (4.1).

Box 2 – Examples of impact-based positive responsibility in ISO 26000

An organization should:

- 'contribute to redressing discrimination or the legacy of past discrimination' (6.3.7.2);
- take 'positive actions to provide for the protection and advancement of vulnerable groups' (6.3.10.3);
- 'act to improve its own [environmental] performance, as well as the performance of others within its sphere of influence' (6.5.2.1);
- 'integrate ethical, social, environmental and gender equality criteria' in purchasing, distribution and contracting practices (6.6.6);
- 'make direct investments that alleviate poverty through employment creation' (6.8.5.2) ;
- 'select technologies that maximize employment opportunities' (6.8.5.2);
- consider supporting economic diversification initiatives in the local community (6.8.7.2);
- contribute to the promotion of health, the prevention of health threats, and the improvement of access to health services (6.8.8.1).

This enthusiasm for positive responsibility even spills over to the section on human rights, which otherwise toes the SRSG's 'negative responsibility' line. Subclause 6.3.4.2 says that while an organization should base its decisions on the negative responsibility to respect, it should also contribute to 'promoting and defending the overall fulfilment of human rights'. Similarly, the anti-discrimination clause opines that an organization should contribute to redressing discrimination by supporting efforts to increase access to education, infrastructure or social services, promoting gender equality in the economic, social and political spheres, contributing to disabled people's realization of dignity, autonomy and full participation in society, and contributing to promoting a climate of respect for the rights of migrant workers (6.3.7.2). The standard also calls on organizations to make efforts to advance vulnerable groups and eliminate child labour (6.3.10.3). Finally, the clause on community development and involvement asks organizations to consider both negative and positive impacts on the local community (e.g. 6.8.2.2, 6.8.5.2, 6.8.7.2).

Leverage-based responsibility

All of the preceding responsibilities, whether negative or positive, are portrayed in terms of contributing to or avoiding impacts, even where they involve the exercise of leverage. Yet other parts of ISO 26000 suggest that responsibility can arise from leverage alone, even if the organization is not contributing to impacts. A clear example of leverage-based negative responsibility in ISO 26000 is the exhortation not to encourage governments to restrict workers' free association and collective bargaining rights (6.4.5.2). Box 3 presents other examples. None of these state that responsibility arises only where the organization is contributing to negative impacts.

Box 3 – Examples of leverage-based negative responsibility in ISO 26000

An organization should:

- 'refrain from encouraging governments to restrict the exercise of the internationally recognized rights of freedom of association and collective bargaining' (6.4.5.2);
- 'implement measures to progressively reduce and minimize direct and indirect pollution within its control or influence' (6.5.3.2);
- 'seek to prevent use of [chemicals of concern] by organizations within its sphere of influence' (ibid.);
- 'reduce and minimize the direct and indirect GHG emissions within its control and encourage similar actions within its sphere of influence' (6.5.5.2.1);
- 'work to oppose corruption by encouraging others with which the organization has operating relationships to adopt similar anti-corruption practices' (6.6.3.2).

Some parts of the clause on fair operating practices emphasize impact-based negative responsibility, including those on corruption (6.6.3), anti-competitive behaviour (6.6.5) and respect for property rights (6.6.7). Others emphasize leverage-based negative responsibility, including the exhortation to encourage other organizations to adopt anti-corruption practices (6.6.3.2).

The opening language of the clause, however, speaks of positive responsibility:

> *fair operating practices concern the way an organization uses its relationships with other organizations to promote positive outcomes. Positive outcomes can be achieved by providing leadership and promoting the adoption of social responsibility more broadly throughout the organization's sphere of influence.* (6.6.1.2)

The clause on responsible political involvement combines encouragement of the development of public policies that benefit society at large (leverage-based positive responsibility) with prohibition of undue influence and coercion (impact-based negative responsibility) (6.6.4). Another passage urges organizations to:

- consider the potential impacts of its procurement and purchasing decisions on other organizations, and take due care to avoid or minimize any negative impacts (impact-based, negative);
- encourage others to integrate ethical, social, environmental and gender equality criteria in purchasing, distribution and contracting policies (leverage-based, positive); and
- participate actively in raising awareness of social responsibility issues and principles among organizations with which it has relationships (leverage-based, positive) (6.6.6).

ISO 26000 contains numerous other references to leverage-based positive responsibility in the clauses on ethical behaviour (4.4), international norms of behaviour (4.7), labour practices (6.4), the environment (6.5) and consumers (6.7) (see Box 4). One passage on labour practices even asserts that 'a high level of influence is likely to correspond to a high level of responsibility to exercise that influence' (6.4.3.2), although other similar statements were excised from the final version of the standard.

Box 4 – Examples of leverage-based positive responsibility in ISO 26000

An organization should:

- actively promote observance of its standards of ethical behaviour not just within the organization but by others (4.4);
- consider opportunities to seek to influence relevant organizations and authorities to remedy conflicts between international norms of behaviour and law (4.7) ;
- consider facilitating human rights education to promote awareness of human rights among rights holders and those with the potential to have an impact on them (6.3.2.2);

- 'make reasonable efforts to encourage organizations in its sphere of influence to follow responsible labour practices' (6.4.3.2);
- promote fast uptake of green products and services (6.5.3.2);
- stimulate water conservation within its sphere of influence (6.5.4.1);
- contribute to building capacity to adapt to climate change within its sphere of influence (6.5.5.2.2);
- encourage the development of public policies that benefit society at large (6.6.4);
- participate actively in raising awareness of social responsibility in organizations with which it has relationships (6.6.6);
- 'promote effective education empowering consumers to understand the impacts of their choices of products and services on their well being and on the environment' (6.7.5.2);
- 'consider partnering with other organizations, including government, business or NGOs to maximize synergies and make use of complementary resources, knowledge and skills' (6.8.9.2).

In summary, while there may be room to dispute the characterization of specific passages, ISO 26000 does not restrict itself to impact-based negative responsibility of the type found in the corporate responsibility to respect human rights, but contemplates the possibility of leverage-based as well as positive responsibility.

The SRSG's final criticism of assigning responsibility on the basis of leverage was that it encourages strategic gaming. ISO 26000 addresses this concern in three ways. First, insofar as it endorses an impact-based theory of social responsibility, it avoids the problem identified by the SRSG. This is only a partial solution, since some parts of ISO 26000 reflect a leverage-based theory of responsibility. Secondly, then, the standard offers a partial defence against strategic manipulation in these situations by insisting that organizational social responsibility 'cannot replace, alter or in any way change' the state's duty to protect human rights and to act in the public interest (Subclause 3.4). Thirdly, ISO 26000 lays down clear expectations regarding responsible political involvement (6.6.4). If one of the main dangers of gaming is the risk of saddling non-accountable, private actors with the responsibilities of government in the absence of democratic legitimacy, ISO 26000's guidance on responsible political involvement provides a defence against this danger at least at the level of normative principle. Of course, such normative exhortations do not by themselves change actors' material incentives, but they are one source of pressure on states and organizations when deciding how to act.

Conclusion

Sphere of influence plays a prominent role in ISO 26000 notwithstanding the objections of critics, including the SRSG. ISO 26000 responds to the criticism of conceptual ambiguity and imprecision by defining sphere of influence in terms of 'influence as leverage' and by avoiding the potentially misleading criterion of 'proximity'. It gives a partial answer to the problem of strategic gaming. On the thorniest questions, however – whether social responsibility should be based on impact or leverage and whether it is negative or positive in character – it gives a mixed and sometimes inconsistent answer.

This chapter proposed a four-part typology of varieties of influence-based responsibility to decipher this issue. In its targeted guidance on sphere of influence and on human rights, ISO 26000 favours a negative impact-based conception of social responsibility, but there are numerous passages that appear to advance the view that an organization has a responsibility to use its leverage to avoid or minimize the negative social and environmental impacts of other actors with whom it has relationships regardless of whether it contributes to such impacts. While it may be argued that ISO 26000 calls for these passages to be read differently, on their face they stand as a rebuke to the view that social responsibility can only arise from contribution to negative impacts. Moreover, the standard puts as much emphasis on positive responsibility as it does on negative, calling on organizations to contribute to social and environmental advancement in myriad ways both in their own decisions and activities, and by exercising leverage over others with whom they have relationships.