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Transnational Governance and South American Politics

The Political Economy of Norms

Alejandro M. Peña



International Political Economy Series

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The Political Economy of Norms

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Alejandro M. Peña
University of York
United Kingdom

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To the dear many that are far.

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As it is usually the case with any major endeavor, this book is far from an individual achievement. Rather, it is the cumulative synthesis of the contributions of a multitude of people that, in one way or another, and often without them being aware of it, assisted me in reaching this point and getting to write these words. It is also, for me at least, a major milestone, as it is both my first book as well as the conclusion of a long (and unforeseen) personal, professional, and intellectual journey that took me from Buenos Aires to London and from engineering to political studies. Looking back, I am inclined to think that the main contributors to this project are those who helped me during the early phases of this voyage—old friends who came to visit during the difficult but exciting first years abroad, far from the familiar sounds, sights, and tastes of my hometown; new friends, many of whom are now spread around the globe, that made new routines more enjoyable; interviewees that kindly opened their doors to me; mentors and colleagues, in particular Sophie Harman and Tom Davies, who granted me their patience, time, and advice and trained me as an academic, flawed as I may be; Romina Savini, who held my back in those cloudy afternoons when frustration got the better of me. To all of them, to the ones I am not mentioning, and to others that I am surely forgetting, I am grateful.

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Finally, I dedicate this book to my family and to Polina Kovaleva. Their unwavering encouragement made this publication possible and all the hours behind it better. Always positive. Always forward. Since the start. Gracias por todo.

LIST OF ACRONYMS AND ABBREVIATIONS

ABA	Asociación de Bancos de la Argentina
ABNT	Associação Brasileira de Normas Técnicas
ABONG	Associação Brasileira de Organizações Não Governamentais
ABRINQ	Associação Brasileira dos Fabricantes de Brinquedos
ACDE	Asociación Cristiana de Dirigentes de Empresa
ADCE	Associação de Dirigentes Cristãos de Empresa
AFL	American Federation of Labor
AIP	Apparel Industry Partnership
AMCHAM	American Chamber of Commerce
ATTAC	Association pour la Taxation des Transactions financière et l'Aide aux Citoyen
BCBA	Bolsa de Comercio de Buenos Aires
BNDES	Banco Nacional do Desenvolvimento
BRIC	Brazil, Russia, India and China
CADTM	Committee for the Abolition of the Third World Debt
CALPers	California Public Employees' Retirement System
CASCO	Conformity Assessment Committee
CBJP	Comissão Brasileira de Justiça e Paz
CDES	Conselho de Desenvolvimento Econômico e Social
CEADS	Consejo Empresario Argentino para el Desarrollo Sostenible
CECAM	Centro de Calidad y Modernización
CEDHA	Centro de Derechos Humanos y Ambiente
CERES	Coalition for Environmentally Responsible Economics
CGT	Confederación General del Trabajo
CIVES	Associação Brasileira de Empresários Pela Cidadania
CLACSO	Consejo Latinoamericano de Ciencias Sociales
CNBB	Conferência Nacional dos Bispos do Brasil

CNI	Confederação Nacional da Indústria
CoCs	Codes of Conduct
CONSEA	Conselho Nacional de Segurança Alimentar e Nutricional
COPOLCO	Consumer Policy Committee
CSA-TUCA	Confederación Sindical de Trabajadores de las Américas
CSN	Companhia Siderúrgica Nacional
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
CTA	Central de Trabajadores Argentinos
CUT	Central Unica dos Trabalhadores
DEVCO	Developing Country Matters Committee
DIEESE	Departamento Intersindical de Estatística e Estudos Socioeconômicos
ETI	Ethical Trading Initiative
ETUC	European Trade Union Confederation
FAM	Federación Argentina de Municipios
FAO	Food and Agriculture Organisation
FARN	Fundación Ambiente y Recursos Naturales
FGV	Fundação Getulio Vargas
FHC	Fernando Henrique Cardoso
FIDES	Fundação Instituto de Desenvolvimento Empresarial e Social
FIESP	Federação das Indústrias do Estado de São Paulo
FIRJAN	Federação das Indústrias do Estado do Rio de Janeiro
FLA	Fair Labor Association
FS	Força Sindical
FSC	Forest Stewardship Council
FTAA (ALCA)	Free Trade Area of the Americas (Area de Libre Comercio de las Américas)
FTV	Federación de Tierra, Vivienda y Hábitat
FUNDES	Fundación para el Desarrollo Sostenible
GAO	Grupo de Articulação das ONGs brasileiras na ISO 26000
GATT	General Agreement on Tariffs and Trade
GAVI	Global Alliance for Vaccines and Immunisation
GIFE	Grupo de Institutos Fundações e Empresas
GRI	Global Reporting Initiative
GUF	Global Union Federation
IAE	Instituto de Altos Estudios Empresariales
IALL	International Association of Labour Legislation
IAPG	Instituto Argentino de Petróleo y Gas
IARSE	Instituto Argentino de Responsabilidad Social Empresaria
IBASE	Instituto Brasileiro de Análises Sociais e Econômicas
IBGC	Instituto Brasileiro de Governança Corporativa

ICC	International Chamber of Commerce
ICCO	Interchurch Organization for Development Cooperation
ICFTU	International Confederation of Free Trade Unions
IDEC	Instituto Brasileiro de Defesa do Consumidor
IEC	International Electrotechnical Commission
IFA	International Framework Agreement
IFC	International Finance Corporation
ILO	International Labour Organisation
INMETRO	Instituto Nacional de Metrologia, Qualidade e Tecnologia
INSPER	Instituto de Ensino e Pesquisa
IIRC	International Integrated Reporting Council
IOE	International Organisation of Employers
IOS	Instituto Observatório Social
IOSCO	International Organisation of Securities Commission
IPU	International Public Unions
IRAM	Instituto Argentino de Normalización y Certificación
ISE	Índice de Sustentabilidade Empresarial
ISEAL	Social and Environmental Accreditation and Labelling Alliance
ISER	Instituto de Estudos da Religião
ISO	International Organisation for Standardisation
ISO SR	ISO Working Group on Social Responsibility
ITC	International Trade Centre
ITUC	International Trade Union Confederation
Lula	Luiz Inácio Lula da Silva
MERCOSUR	Mercado Común del Sur
MIT	Massachusetts Institute of Technology
MoU	Memorandum of Understanding
MST	Movimento dos Trabalhadores Sem Terra
MTD	Movimiento de Trabajadores Desocupados
NAFTA	North American Free Trade Agreement
NGO	Non-Governmental Organization
NOVIB	Nederlandse Organisatie Voor Internationale Bijstand
NSP	Rede Nossa São Paulo
OECD	Organisation for Economic Co-operation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
PNBE	Pensamento Nacional das Bases Empresariais
PPP	Private-Public Partnerships
PRI	Principles for Responsible Investment
PT	Partido dos Trabalhadores
PV	Partido Verde
RTRS	Round Table on Responsible Soy Association

SAES	Sociedad Argentina de Evaluadores de la Salud
SAI	Social Accountability International
SEC	US Securities and Exchange Commission
SOMO	Stichting Onderzoek Multinationale Ondernemingen
SRA	Sociedad Rural Argentina
SRI	Socially Responsible Investment
TMB	Technical Management Board
TNC	Transnational Corporation
TUAC	Trade Union Advisory Committee
TWN	Third World Network
UCR	Unión Cívica Radical
UIA	Unión Industrial Argentina
UN	United Nations
UNCED	UN Conference on Environment and Development
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNGC	United Nations Global Compact
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIAPAC	International Union of Catholic Employers' Associations
UNIDO	UN Industrial Development Organisation
UN Women	UN Development Fund for Women
WB	World Bank
WBCSD	World Business Council on Sustainable Development
WEF	World Economic Forum
WFTU	World Federation of Trade Unions
WHO	World Health Organisation
WRAP	Worldwide Responsible Apparel Production
WRC	Workers' Rights Consortium
WSF	World Social Forum
WTO	World Trade Organisation
WWF	World Wide Fund for Nature
YMCA	Young Men's Christian Association
YPF	Yacimientos Petrolíferos Fiscales

ENDORSEMENT

‘The role of states in the Global South in processes of global governance is one of the most significant topics of the contemporary era. This volume offers a fresh perspective that not only challenges traditional top-down assumptions but also puts forward a novel analytical framework emphasising local dynamics and the politics of resonance. It is essential reading for anyone interested in the dynamics of globalization.’

—**Thomas Davies**, City University London, UK

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Introduction: Where Does Private Governance Go?

This book is a comparative study about the evolution of transnational sustainability governance in two South American nations, Brazil and Argentina, as well as a broader examination of private regulatory and diffusion processes from the perspective of domestic political environments in the global South. As such, the book is framed against the broader question of global governance, its evolution, and its possibilities; a major theme in political and international scholarship since the end of the Cold War, as states, international organizations and civil society actors explored new forms of ‘doing internationally what governments do at home’ (Finkelstein 1995, p. 369). Nowadays, global governance comprises new forms of regulation and modes of acting involving a variety of institutions, actors, and norms, constituting what Robert Keohane and Joseph Nye Jr. (2002, p. 208) referred as the ‘governance of globalism’, the general patterning of transborder transactions. Over the last three decades, this patterning has come to include, among numerous international arrangements and regimes, an evolving array of private and semi-private initiatives aiming to endow globalization with a more stable and broader regulatory horizon, capable of complementing, extending, or substituting formal state-based mechanisms and rules (Hall and Biersteker 2002; Strange 1996). The proliferation of this type of governance has been such that by the 2000s scholars have come to accept their impact over the manner international regulation is conducted, blurring conventional distinctions between ‘voluntary and mandatory regulations, state and non-state regulations, private and public law, and hard and soft law’ (Vogel 2008, p. 265).

This is particularly the case regarding sustainability governance—the array of voluntary initiatives, standards, and frameworks addressing the social and environmental externalities of the operation of global firms and markets, from production to consumption (Ponte and Cheyn s 2013). For scholars such as Klaus Dingwerth and Philipp Pattberg (2009, p. 708), this area of transnational governance currently constitutes an independent ‘organizational field’, while Kenneth Abbott and Duncan Snidal (2008, p. 509) recognize that private regulation has developed its own standard model—with common organizational features, norm-setting mechanisms, objectives, and rhetoric—aimed at ‘negotiating standards with firms, encouraging and supervising self-regulation, or sponsoring voluntary management systems’. The relevance of sustainability norms for contemporary global economic governance is so that the International Trade Centre—the special joint agency of the UN and the WTO with the mission of expanding trade opportunities—recently included among its trade statistics, tariffs requirements, and Foreign Direct Investment tools, a map of over 150 voluntary standards, codes of conduct, and audit protocols for regulating and standardizing international markets (ITC 2015).¹

However, despite this sort of academic and institutional recognition, the study of transnational sustainability governance is crossed by a somewhat paradoxical orientation. On the one side, observers and scholars concentrate their efforts in studying events, developments, and actors located in a taken-for-granted ‘global’ level, where actors from developed countries and the global North are the main protagonists, rendering the domestic level as secondary if not irrelevant. At the same time, sustainability governance is considered to be of special importance to enhance regulation and practices in environments where norms and regulatory capacities are found lacking, as it is generally the case in developing economies. This means that the study of this area of transnational governance concentrates on issues at the origin, but not so much at the destination. It is clear that this ‘Northern’ perspectivism is not entirely unjustified: after all, higher social, economic, organizational, and political standards are more reflective of conditions in economically advanced democracies in North America and Europe, and not so much of those characterizing regimes in Africa, Latin America, or South East Asia. Similarly, the North hosts the more influential, committed, and resourceful actors to make transnational regulation work, with the will and capacity to promote regulatory projects across national borders: citizens from the North populate international organizations, the high management of transnational

corporations (TNCs), and occupy directive positions in international civil society entities and private standard-setting bodies. On the other hand, the global South—that awkward term that now covers from Bangladesh and Kenya to Russia and Mexico—refers to contexts where child labor can be used to manufacture garments, where young women and men may work in degrading sweatshop conditions, where foreign and local companies pollute the environment and exploit workers, where low-cost contractors and unsophisticated customers are based, where corruption is rife, and where state regulatory capacities are limited (when not complicit). Hence, as succinctly concluded by John Braithwaite (2006, p. 896), ‘developing economies are more lacking in all the capacities necessary to make responsive regulation work well than are wealthy societies’. Logically then, the common view on the matter is that transnational private governance should flow ‘downward’, from North to South, and the developmental and regulatory puzzle facing scholars and regulators is to devise ways in which private schemes can serve to raise the normative bar and improve regulatory effectiveness in these latter locations, incentivizing Southern actors to comply with, adopt, or embrace higher standards and ‘better’ practices.

Furthermore, the main theoretical models used to explain global and private governance processes help sustain this perspectivism. Thus, a clearly delineated hierarchical relation between North and South is generally assumed by International Relations realist arguments, on the basis that ‘great power governments remain the most important actors in establishing and enforcing the rules of the global economy’ (Drezner 2007, p. xii). It is equally present in institutional arguments such as Vogel’s (2008) ‘California Effect’, where producers in developing countries seeking to export to developed markets are incentivized to raise their standards to meet the requirements of consumers and regulators in the global North. Similarly, constructivist explanations, granting greater weight to ideational factors, largely accept that the legitimacy of private regulation is enhanced when norms and rules ‘at the local level’ conform to ‘institutionalized global marketplace norms as well as emerging democratic, social, and environmental norms in the global public domain’ (Bernstein and Cashore 2007, p. 352)—and where this ‘global public domain’ clearly implies conditions and behaviors in the image of advanced economies and Western polities. In this manner, both rationalists’ arguments, emphasizing incentives and a logic of consequences, as well as constructivists’ ones pointing to legitimacy and a logic of correspondence (March and Olsen

1998) present convincing logics to justify the sidelining of contextual particularities in the South, the expected receiver of private regulation. As a consequence, political and social conditions in developing economies are assumed silent and passive, or treated as barriers and deficits to be overcome and ultimately upgraded by transnational governance. The South then is context, agency lays somewhere else, and the winds behind transnational regulation and governance blow from North America and Western Europe.

My view however, and that of others, is that by maintaining this global/Northern perspectivism, the literature simplifies and overlooks important developments and factors on the ‘receiving side’ of transnational governance, in the process decoupling the diffusion and uptake of global norms from the political, cultural, and historical conditions at play in their expected contexts of application. In the words of Tim Bartley, this has favored the ‘black boxing’ of private regulation (Bartley 2010, p. 26), and a tacit but ubiquitous premise that regulatory frameworks can always be readily exported to different locations. This, I claim, has resulted in the consolidation of a one-sided narrative, a narrative of great power states, international organizations, large TNCs, and Northern-based civil society actors, and of models, values, and standards built in the cosmopolitan ideal of contemporary liberal capitalist democracies. Hence, this book concerns with this situation, setting to expand existing conceptions of the manner in which national structures in emerging economies can ‘frustrate, amplify, or reconfigure transnational business governance’ (Bartley 2014, p. 95).

The book does so by providing a detailed examination of the domestic trajectory of transnational sustainability governance in two South American countries, Argentina and Brazil, and analyzing the local circumstances that affect different outcomes—in terms of participation, interest, and visibility—regarding the diffusion and uptake of private regulation in settings (in principle) exposed to similar ‘global’ forces and influences. The book indicates that Brazilian engagement with the global sustainability agenda appears to be active and highly institutionalized, while in Argentina the opposite is the case, with a poor and fragmented involvement in private regulation. While conventional explanations would explain these divergences by pointing to ‘the diffusion dynamics of international trade, investment, and penetration by foreign firms and advocacy groups’ (Espach 2009, p. 6), I will argue that these reasons are insufficient to justify the pattern of engagement observed in these two countries: after all, Brazil and Argentina have rather similar

trade profiles and levels of industrial and socio-economic development, and over the last two decades they have experienced similar political economic transitions, including a synchronic shift toward leftist government in the early 2000s. Moreover, Argentina, the country with the more limited participation pattern in sustainability governance, is actually the economy with greater presence of large foreign firms and with an economy with greater dependence on exports, while in Brazil engagement with private governance appears to have accentuated during the 2000s, under the gaze of a more protectionist left-wing administration.²

My argument sets to question the extent to which patterns of national engagement with private regulatory regimes are indeed ‘pulled’ by transnational actors and forces, posing instead that domestic participation and interests are ‘pushed’ by underlying national political and cultural circumstances. Hence, contrary to mainstream market-based models and transnational explanations, I argue that *(i) domestic political and ideational structures, including models of state-society relations, political legacies and discourses, institutional configurations, and governmental programs, shape the disposition of local actors in relation to transnational sustainability initiatives, and that in doing so, (ii) impact over the organizational capacity and conditions of uptake configuring the effectiveness of a private regime at the domestic level.*

By tackling the domestic dimension of transnational governance, the book offers two major contributions to the existing scholarly knowledge. First, it extends existing conceptual models of transnational regulation and norm diffusion through a framework that incorporates national political and cultural components. In general terms, my argument aligns with the work of scholars posing that a ‘turn to politics’ can better account for major qualitative differences in the uptake and effectiveness of private regimes at the national level, pointing to demand-side features of national industrial policy, models of state-business relations, and the political economy of specific industries (Bartley 2010; Ponte 2008; Ebeling and Yasué 2009; Dubash and Morgan 2012; Espach 2006). In more specific terms, the book argues that in the case of sustainability governance—often dealing with regulatory spheres and concerns of public relevance, from environment protection to labor and human rights—it is necessary to go beyond the institutionalized domain around a given industry or regulatory field, and engage with the various semi- and non-institutionalized dimensions at play in domestic politics, including cultural-political legacies and ideological traditions. My proposal is that this can be done by approaching

transnational norm diffusion and governance from a semantic-structural perspective and closely engaging with factors involved in what I call the ‘politics of resonance’, the complex structures of meaning (and power) that configure more or less supportive (or detrimental) environments for the operation of global norms and initiatives. These structures, I argue, affect the interests and incentives of primary actors, those expected to participate more actively in sustainability projects (such as local firms and civil society organizations), but also the disposition of secondary players, potential allies, and even antagonists conforming the broader organizational capacity conditioning the qualitative level of uptake of a given regulatory initiative.

Second, the book bridges two fields of political study rarely discussed in combination. As I discovered while conducting this research, Northern perspectivism in global governance literature was not the sole obstacle to be resolved: the extensive and sophisticated literature on Latin American politics, both by foreign and local authors, pays scarce attention to issues of private governance as both Latin Americanists and comparative political scholars concerned with regime types, party politics, and local political economies, tend to be rather dismissive of the activities of private actors in ‘soft’ areas of politics. Moreover, as it is further commented ahead, even when major global governance developments coincided with important political events in the region, particularly during the 2000s, governance and domestic political analyses continue to run on separate tracks. By elaborating on the domestic component of transnational governance in Argentina and Brazil, the book thus reconciles insights and findings from the literature on private regulation and governance, with insights and findings from the literature dealing with Latin American politics, political economy, and state-society relations.

In theoretical terms, this research considers that it is possible to extend culturalist models of contentious politics and collective action to analyze the conditions facilitating transnational norm diffusion. Specifically, I argue that transnational governance can be treated as a process of collective mobilization and ‘framing’, where the successful diffusion of sustainability initiatives is directly related with the degree of cultural-political compatibility between emitting-side governance norms and frames, and receiving-side national political and cultural structures and institutions. Hence, contrary to liberal internationalist and cosmopolitan explanations, where the global has priority in shaping norms and identities at the national level, I claim that domestic political values, practices, and

vocabularies play a central role in terms of filtering, hybridizing, and even blocking the visibility and relevance of global sustainability norms, and in configuring the disposition of local actors toward them. In this manner, my argument poses that global norms and initiatives do not arrive to a blank slate: on the contrary, these enter into complex discursive environments where path dependent and robust systems of meaning are in operation. In other words, governance projects enter a conversation that is ongoing, and that follows to a certain extent more or less stable cultural, social, and political scripts.

Hence, the book seeks to answer to following set of analytical and empirical questions:

- What actors in Argentina and Brazil mobilize around transnational sustainability initiatives? Who does not participate or collaborate? Why?
- What explains the different participation patterns observed in Argentina and Brazil in relation to sustainability governance?
- How do domestic political and ideational environments impact on the disposition of local actors in relation to private governance initiatives?
- How does the global trajectory of private regulation and governance differ from national trajectories?

By investigating these questions, the book develops a more comprehensive view of transnational regulation and governance where global initiatives are shown to be extensively ‘filtered, renegotiated, or compromised’ (Bartley 2010, p. 27) by domestic political structures, institutions, and discourses in Argentina and Brazil, and by the activities of a myriad of actors in these locations.

THE ARGUMENT IN BRIEF: GOVERNANCE, RESONANCE, AND SOUTH AMERICAN POLITICS

In general terms, the book’s argument elaborates a conclusion reached by Espach (2009, p. 71) in his study of private environmental regimes in South America, as he pointed out that a critical stage in the evolution of private regimes is when secondary participants at the national level (local firms, civil society allies, consumers, regulatory agencies) decide to participate because they are *convinced* that ‘doing so is worth the effort’. In his argument,

Espach noticed that the involvement of these initially ‘unconvinced’ actors is fundamental for the effectiveness of transnational regulation upon implementation, as it constitutes a major force behind the development of organizational capacity and the supporting coalitions that sustain the ‘usefulness’ and reach of a private regulatory regime in a given country. This observation points in the direction of a more fundamental question, regarding why some actors are more likely of being convinced of the worthiness of new private initiatives and norms than others. As was already mentioned, conventional models explain this happens either because local actors become aware of the benefits of complying with international norms and standards or are persuaded by the legitimacy of their normative value. If local actors fail ‘to see’ these benefits (or are not sufficiently persuaded), the preponderant logic is that there is a problem with how a governance framework was designed, and changes must be made at the source to make it more effective, credible, or appealing to target audiences and users. In these positions, diffusion and implementations problems are reduced to a matter of correct institutional design, and consequently are rather dismissive of eventualities happening at the point of arrival.

Instead, I consider that greater attention needs to be paid to the underlying semantic cultural-political environment informing socio-political orientations and dispositions at the national level. To elaborate this idea, I draw from social movement (SM) framing theory. According to its main proponents, David Snow and Robert Benford, collective mobilization materializes on the basis of the degree of compatibility between a ‘collective action frame’ (from now onward referred just as ‘frame’) and the symbolic references characterizing the cultural, symbolic, and ideological landscape where the target audience is situated (Snow and Benford 1992). A frame is a set of action-oriented beliefs and meaning proposing a particular rendering of certain events and aspiring to inspire and legitimate the activities and campaigns of a particular group. The degree of compatibility between a frame and its potential audience is denominated ‘resonance’ (Benford and Snow 2000, p. 619). Resonance makes norm diffusion and collective mobilization a situated process, meaning that a necessary part of the process materializes only when the emitted message reaches its audience and is ‘successfully’ decoded by its recipients. Now, while mainstream governance arguments would grant primacy to the framing power of global norms and forces, framing theory is conceptually more cautious and inclusive, considering that frame proponents need to make significant efforts to customize their

message to an audience, and that in certain circumstances this might not be enough to make a frame resonate enough to generate collective mobilization. This is because there could be profound cultural asymmetries between the mobilizing frames and the national ideational conditions that interfere with the reception of the message. It must be noted that while collective mobilizing frames (and projects) aspire, in general terms, to affect the behavior of a reduced set of actors around a limited issue-area, the social institutions and cultural references at play in the decoding of a message are not specified and clearly delimited, being generally the product of historical processes developing over long periods of time, and nested in complex social forms, path-dependent structures, roles, and symbols. In light of this, it becomes evident that, even when many improvements can be done on the ‘emitting’ side of a frame, in terms of facilitating diffusion and adoption—e.g. altering norm-setting procedures to make them more inclusive, improving signaling mechanisms, appealing to ‘higher’ sources of authority, or wording norms in more general terms—there may be structural limitations to how much a frame or norm can be adapted to the political, cultural, and symbolic context of a given destination.

This book draws on this rather simple and intuitive hypothesis to postulate a relational model of transnational norm diffusion and governance. The logic of this framework, explained in greater detail in Chap. 2, is rather straightforward: if a transnational governance initiative is to be effective in terms of mobilizing local participation and support, it not only needs to be adequately designed and promoted by influential and legitimate actors, but it also has to ‘resonate’ culturally with potential users and prospective supporters. To refer to the enduring ideational and institutional traits characterizing a country’s socio-political environment within a certain period, I will rely on the concept of ‘national political culture’, understood as the set of symbols, meanings, and styles of acting that organize political claims-making and opinion-forming within a given national community (Lichterman and Cefai 2006). I am aware that this is a concept with a particularly problematic tradition in political science, initially applied to justify the acceptance and stability of certain political practices in certain countries, such as mass-based democracy, on the basis of lasting ideological predispositions (Inglehart 1988). Clearly, such initial views supported the reification of contingent political conditions, and sustained a static characterization of certain socio-political and cultural traits. Against this, more sociological approaches were proposed where political culture is

conceived in a relational manner, as the set of legal doctrines, political and civil societies, and symbolic systems of moral opinion organizing social life and the economy at a particular point in time (Somers 1995, p. 131). This book follows this second and more inclusive usage, considering that national political culture involves both resilient cultural-ideological structures of meaning, resulting from particular historical trajectories and legacies, as well as more transient conditions linked with contextual power structures and considerations, e.g. the policies emanating from a certain government or the influence of other powerful actors at a given point in time.

Attributing greater relevance to political cultural traits allows introducing a historical dimension in the analysis of transnational regulation and governance, whereby both governance agendas and national political culture can be seen as separate domains that co-evolve and affect each other. Thus, just as national political culture is more than the characteristics of the latest regime moment, transnational governance initiatives are also the product of longer political developments. This means that understanding the politics of resonance around transnational governance cannot involve engaging with one side independently from the other, but examining how geographically and temporarily situated institutions, discourses, and actors relate in a synchronic manner. To elaborate on this point, I rely on another concept developed in framing theory, where certain frames are argued to have potential to expand their scope and influence to the point that they can ‘color’ the orientation and decisions of actors beyond the intended (primary) audience and issues, thus serving as a general basis for framing activities directed to other areas (Snow and Benford 1992, pp. 139–141). These ‘master frames’ function as general schemas of interpretation with significant syntactic and semantic flexibility, enabling more complex attributions of meaning, such as causal paths, vocabularies of motive, and problem-solving schemes. Thus, master frames provide a sort of overall ‘grammar’ for social ordering, underpinning more or less stable relationships between diverse semantic elements, symbols, values, institutions, and roles.

I consider that this notion can be applied to characterize the historical evolution of the principal master frames supporting transnational socio-environmental governance: the constitutive principles and rationales that, during distinct periods, circumscribe and order the expectations of actors interested in transborder regulation, the procedural and normative conditions that regulatory mechanisms and standard-setting institutions have

to meet, and the acceptable spectrum of themes that regulatory initiatives should cover. On this idea, I will pose that transnational private governance can be approached as a historical semantic process whereby global regulatory master frames have emerged, consolidated, and expanded; for most of the twentieth century generally in line with developments in North America and Western Europe. To operationalize this idea of governance master frames, I use the term ‘program of governance’. In Chap. 3, I will identify three main programs emerging through the twentieth century: a welfarist program, a business & trade (B&T) program, and the latest (and ongoing) sustainability program.³ I use the term ‘cleavage of governance’ to denominate particular sub-logics of regulation that operate along the institutional features of a particular socio-organizational ‘cleavage’.⁴ For example, in relation to transnational private governance I will distinguish labor cleavages, ethical cleavages, civil society cleavages, corporate cleavages, and legalistic cleavages, among others. The relationship between programs and cleavages, though not something I will theorize about in this book, is conceived as co-constitutive and open, with cleavages of governance often evolving independently, and even in the absence of overarching programs. For example, humanist groups, socialist movements, and free-trade supporters all promoted the international regulation of labor in the late nineteenth and early twentieth centuries, though no official international program of global governance around this issue emerged until the foundation of the ILO in 1919. However, I will show that the consolidation of governance programs involves the emergence of stable structures capable of articulating diverse cleavages.⁵ The loose coupling between more general ‘top-down’ programs and the more specific functional/organizational orientation of cleavages is part of the dynamism of global governance processes, at play in the continuous hybridization and reconfiguration of transnational governance agendas, discourses, and objectives (Kerwer 2004). The application of these concepts will become more evident in the following chapters.

From the Global to the National

On these definitions, the global part of the analysis explores the evolution of diverse cleavages and programs of transnational regulation and governance, from its corporatist labor-oriented origins to the more holistic (and corporate-friendly) features of the modern sustainability agenda. This analysis seeks to situate contemporary regulatory initiatives in the context

of historical institutions, discourses, and events in international political economic governance, in the process gaining a broader understanding of the conditions (and moments) of emergence of certain regulatory rationales, discourses, and agendas.

Upon accomplishment, I then concentrate in exploring the situation of sustainability governance in the two South American nations. I begin from an analysis of the situation by the mid-2010s to then examine retrospectively the trajectory through which key contemporary features (and actors) emerged. To do this, I start by producing a map of the local actors participating in a set of governance initiatives widely accepted as representative of the sustainability program: the United Nations Global Compact (UNGC), the Global Reporting Initiative (GRI), and the ISO 26000 Working Group on Social Responsibility (ISO SR). I rely on specific multi-stakeholder participatory structures of these initiatives (see comment ahead), such as governance boards and national chapters, to detail formal involvement by Argentine and Brazilian actors, and to generate a map of the network of domestic participants. As it will be explained, this mapping reveals that the two countries possess markedly distinct participation profiles: while Brazil suggests an active type of engagement with global sustainability initiatives, based on a dense and centralized network of participants, Argentina presents the opposing landscape, suggesting limited local interest due to a fragmented and patchy participation network with few relevant players of institutional relevance.⁶

After this, I move to examine the emergence and evolution of the main features and actors in each national pattern of participation: Why did certain actors acquire the centrality they enjoyed? What is the nature of their engagement with the global initiatives? Who is missing? Why? To answer these and other questions, I recreate the trajectory of central actors, initiatives, and related discourses in each country, analyzing their conditions of emergence and their evolution considering both developments at the global level in relation to global governance programs as well as each country's political and economic circumstances. By approaching the observed national participation patterns as the latest phase of a historical process, the book is then able to develop an original study of Argentina and Brazil's cultural, ideological, and institutional *temporalities* in relation to those involved in the global side of transnational regulation and governance. As a result, I demonstrate that the domestic resonance of sustainability governance, and the pattern of participation of local actors in contemporary initiatives, is conditioned by (i) the policies, discourses, and

models of state-society relations favored by national governments over the last decade, and (ii) by the strong semantic attraction exerted by certain cultural political structures and legacies.

In relation to the first point, the national analyses identify the effect of particular political cultural factors and regime moments over the general domestic resonance of the sustainability program. In particular, I explain that the political agendas and rhetoric advanced by the ‘Lula’ Da Silva presidencies (2003–2011) in Brazil and the Kirchnerist administrations in Argentina—by the late Néstor Kirchner (2003–2007) and then by his wife Cristina Fernández (2007–2015)—played a major role in configuring the discursive conditions affecting the resonance of sustainability initiatives during the 2000s and the first part of the 2010s. In Brazil, the Lula government promoted an inclusive outward-oriented discourse that supported a ‘social liberal’ political economic agenda and an overlapping model of state-society relations linking corporate elites, civil society, and political sectors (Bianchi and Braga 2005; Sola 2008). These features facilitated the expansion of the influence of a particular faction of Brazilian businesspersons championing private governance schemes since the late 1980s, which had brokered the introduction of transnational sustainability frameworks to the country and cultivated strong links with the government. In Argentina, this propitious discursive setting will be absent, and the polarizing rhetoric behind the Kirchner’s ‘open-economy nationalist’ agenda (Riggirozzi 2009; Richardson 2009), combined with a lingering public distrust against business elites, problematized the interest of local firms, civil society, and other actors in relation to private governance.

In relation to the second dimension, the general disposition of local actors vis-à-vis private governance initiatives and frames is demonstrated to be highly conditioned by political and ideological legacies, political cleavages, and public symbolic references. Accordingly, the positive resonance of private governance agendas in Brazil are shown to be connected with the existence of an endogenous trajectory of private regulation in the country in place since the democratic transition and rallying a diversity of influential social actors. This facilitated a positive framing of transnational initiatives as an extension of pre-existing domestic political and civil society concerns. In Argentina, instead, the low resonance of some core cleavages in the sustainability program, such as environmentalism, labor and human rights (in the code used by the global initiatives), and corporate authority, was supported by an adversarial political culture shaped by socio-political struggles preceding democratization, a traumatic economic liberalization

experience, and a resilient pattern of polarized state-society relations, later accentuated under the Kirchnerist political discourse.

On this basis, I conclude that the participation pattern observed in each country follows from the specific manner in which national political cultural factors filter and recreate the relevance and credibility of transnational sustainability norms in the eyes of local players, affecting interests and calculations in terms of engaging in participation, collaboration, or opposition.

A LITTLE ON METHODS⁷

The book relies on a combination of methodologies and analytical techniques to develop a qualitative account of the global evolution of sustainability regulation and governance, and of the situation in the two countries. Methodological eclecticism partly follows from the difficulties involved in a culturalist analysis. As it has been noted by social movement scholars, the study of resonance poses a methodological challenge because, while framing strategies, standard-setting negotiations and bargaining activities can be empirically observed and measured, the effect of political culture in the construction of meaning and the patterning of social behaviors is an abstract process that needs to be inferred (Snow and Benford 2000, p. 59; Rucht 1996).⁸ At the same time, I acknowledge that dealing with national political culture risks, I am afraid, a certain level of generalization.⁹ However, I take as acceptable premises that (i) there are such things as stable patterns of meaning—present across values, identities, discourses, and institutions—characterizing specific polities, and (ii) that these tend to change gradually rather than suddenly (perhaps, with the exception of changes during periods of major crisis or revolutionary upheaval). As a matter of fact, contemporary SM scholars tend to agree that the main thrust of social movements activity is precisely directed toward ‘recoding’ stable cultural structures in society, in order to alter existing perceptions and the distribution of resources (Melucci 1996). And in this regard, Johnston and Klandermans (1995, p. 17) recommend that, given the scope of culture as an object of study, ‘a useful strategy is to concentrate on key junctures in movement development, key organizational situations, and points of contact with institutional and structural constraints’.¹⁰

Accordingly, my characterization of political culture in Argentina and Brazil, and its effects over the behavior and disposition of local actors, is qualitatively inferred from political discourses, contextual references, and institutional agendas according to important junctures in the political

economic history of each country. These general inferences are supported by an extensive analysis of secondary literature and primary material, as well as observations and logics developed by local interviewees and secondary observers, such as scholars, journalists, and politicians.

Case Study Selection

As explained, the local analyses depart from the distinct pattern of involvement of actors from Argentina and Brazil with contemporary sustainability governance initiatives. Three global initiatives are used to map local participation: the UNGC, launched in 2000, the GRI, founded in 1997 but with its first guidelines also launched in 2000, and the ISO SR, which was active between 2005 and 2010, when the new ISO standard was ultimately published (for details on how this mapping was performed see the Analytical Techniques section ahead). These global initiatives were selected because they can be safely considered to be among the main international institutions of the contemporary sustainability agenda, recognized by relevant analysts and practitioners as ‘nodal’ organizations in the field of private governance (Bartley and Smith 2010), and are recurrently referenced by global governance bodies such as the UN, the World Bank, the International Labor Organization (ILO), the OECD, the International Organization for Standardization (ISO), and other private standard-setters. Furthermore, the three initiatives share the basic features of the standard model of private regulation, as outlined by Dingwerth and Pattberg (2009, p. 713) and Abbott and Snidal (2008, p. 509). Hence, the three advance ‘soft law’ agendas promoting standards and voluntary regulatory frameworks dealing with labor, organizational, and environmental matters. They also share a similar ‘global’ rhetoric, underlying values of inclusiveness, transparency, accountability, and deliberation in transnational governance and regulation. Third, their organizational structures aspire to be inclusive and representative, incorporating multi-stakeholder instances of functional, epistemic, and regional representation, involving firms, civil society actors, states, labor, and other constituencies, while actively promoting transnational diffusion and engagement. Fourth, none of the initiatives is certifiable (see Chap. 3), providing guidelines rather than formal requirements. This feature is particularly appropriate for the purpose of this book, as it is expected to minimize the effect of ‘California Effect’-type dynamics, where private actors subscribe to international standards driven by hard incentives, in favor of norm-driven participation.

Hence, the UNGC states that its framework ‘is not designed, nor does it have the mandate or resources, to monitor or measure participants’ performance’ (UNGC 2015), ISO 26000, contrary to other ISO norms, ‘is not intended or appropriate for certification purposes or regulatory or contractual use’ (ISO 2010, p. 1), and GRI ‘does not approve/rate/rank/assure reports’ while providing instructions for organizations to ‘self-declare’ their application level (GRI 2015). Finally, their emergence and consolidation took place in a similar period of time, in the late 1990s and the early 2000s. This has the advantage of facilitating the contrast between developments at the global level and in Argentina and Brazil, in particular (but not only) considering their rather simultaneous transition away from neoliberal market-friendly governments.

As mentioned, the multi-stakeholder features of these initiatives provide the first element used to map participation by local actors. The voluntary character of the global initiatives makes it nonetheless necessary to specify what this domestic participation entails: by this I understand formal and repeated involvement by Argentine and Brazilian actors in any of the advisory, norm-setting, monitoring, and/or directing structures of the three global initiatives in a *representative* capacity.¹¹ In the first part of the analysis, I decided to focus on formal participants, considering these provide a better identification of ‘norm-makers’; those actors that, display a higher level of interest for participating in transnational regulation (even if they do not make the norms themselves), and distinguish them from the larger group of ‘norm-takers’—the actors, mainly firms, that at any point subscribe or adopt a particular (voluntary) standard or framework. While accepting that subscription numbers do provide certain indications of the level of regime resonance in a given domain (Berliner and Prakash 2012), the chosen approach has the benefit of facilitating more targeted qualitative research; isolating the more interested and active local participants, and enabling a more nuanced perception of the ‘depth’ achieved by a private governance agenda in a country.

The second axis of analysis is the case comparison between Brazil and Argentina. The two national cases are particularly appropriate for the purpose of the book. Primarily, as already noticed by different authors, there are striking differences on the level of participation local actors have in global private governance. Brazilian actors often can be found occupying leading roles in sustainability governance bodies, and the country is considered an active player in corporate responsibility and private environmental regimes (Correa et al. 2004; Viola 2013; Espach 2009; Grajew 2010). Argentina does not share any of these characteristics.

Furthermore, as it was mentioned, in spite of these distinct outcomes, the two countries share relevant macro structural similarities that challenge conventional explanations: they are the largest economies in the region,¹² possess similar levels of development and economic integration, and have strong commercial links; Argentina is Brazil's second market as well as its main supplier, while Brazil is Argentina's largest trading partner. Moreover, they enjoy relatively similar temporalities regarding democratization and economic liberalization in the 1980s and 1990s, and both countries elected popular left-leaning parties for government around 2003, which will be in power for the next decade. In relation to the latter issue, the two cases also present an intriguing regional puzzle, concerning the timing of arrival of sustainability governance. This follows from the fact that, while Kofi Annan (1998) called for a 'quiet revolution' in global governance that acknowledged a greater role for the corporate sector, and favored the expansion of market-friendly sustainability regimes, both Argentina, Brazil, and other countries were experiencing the initial phase of the Latin American 'pink-tide', and the rise to power of charismatic leaders that rejected pro-market programs, and often supported illiberal models of state-society relations (Levitsky and Roberts 2011; Philip and Panizza 2011).

The treatment of the national level follows a case-oriented approach, where the goal is to illuminate each national case study by unpacking differences through thick description— assessing the ultimate comparability of the cases through categories that will become better defined in the course of the research itself—and relying on time sequences and eventful temporalities to build 'narratives of process' (Della Porta 2008, pp. 207–208). At the same time, my reflection about the global and national levels also adjusts to what Theda Skocpol and Margaret Somers (1980, p. 182) called a macro-analytic approach: '[moving] back and forth between alternative explanatory hypotheses and comparison of relevant aspects of the histories of two or more cases.' A consequence of this method is the limited generalizability of comparative findings and insights, but this is also an expected consequence of a culture-oriented approach attributing explanatory weight to contextual features.

Sources and Analytical Techniques

The study draws from an extensive range of primary and secondary material. The latter is used extensively to elaborate the historical evolution of transnational private governance and the historical trajectory of Argentine

and Brazilian political economy and culture, relying on publications crossing political science, sociology, political economy, history, international relations, industrial relations, and business studies. On the other hand, to recreate the evolution of private governance in each country, where consistent literature and studies are rare (particularly for early phases), it was necessary to explore a large variety of primary sources and documentation, such as annual reports by international organizations, standard-setting bodies, and local NGOs and think tanks, minutes of meetings, statements in organizational websites, and articles in the media, as well as publicly available statistics, when available. This included hard-copy and online documents in English, Spanish, and Portuguese, which were directly translated by the author. In the case of ISO SR, the archives covering the five-year long development process of the ISO 26000 standard are publicly available, providing valuable and readily accessible data regarding the evolution of the ISO norm-setting process, participation statistics, voting results, and records of various debates.¹³

Importantly, twenty-seven open-ended and semi-structured interviews were conducted to extend, complement, and reformulate descriptive observations and analytical propositions, and gain further insight on actors' positions, motivations, and perspectives, as well as on common cultural-political references and discourse. These interviews targeted mostly Argentine and Brazilian participants in the three global initiatives and relevant international organizations, but also local representatives of civil society indirectly involved with the sustainability agenda and academic experts. A first set of initiatives took place during the 2010 ISO 26000 Annual Plenary Meeting in Copenhagen, Denmark, where I was able to engage in conversations with members of multiple ISO SR national delegations, including representatives of Argentina and Brazil, representatives from other standard-setting bodies and networks including the GRI and UN GC, government officials, and fellow researchers. The bulk of the interviews were conducted in Buenos Aires, Argentina, and São Paulo, Brazil—where most of the relevant actors and organizations were based—during 2011, with additional interviews conducted via Skype when participants were in other locations. Given the number of potential candidates and limited resources and time, the logic for selecting the local interviewees prioritized participants occupying coordinating or high relevance roles in the global initiatives. Secondary targets were representatives from local organizations involved in areas of incumbency of the global initiatives, but that did not directly participate in any of them. This second group was chosen to nuance the perspective of relevant outsiders. In both cases, common guiding themes for the interviews were the

nature of the participation of their organizations in the global initiatives, and the relevance of the sustainability agenda in local public opinion and for different social and economic sectors. At the same time, when possible, interviewees were asked about other participants and non-participants, changes in the importance of sustainability and private governance over the last decade, and their view on the influence of governmental decisions over these attitudes. Finally, a number of scholars were interviewed to provide a perspective from academia, and to inquire about local explanations for the level of salience of sustainability programs in each country.¹⁴ Interview recordings were analyzed in an un-coded manner, while paying specific attention to commonalities and comments in relation to driving forces and milestones in the trajectory of private governance in each country, the use of specific ‘governance’ and ‘sustainability’ vocabulary, and the issues in which interviewees considered global initiatives relevant (or not). Observations were compared to triangulate references from secondary sources, conclusions emanating from the global analysis, and preliminary hypotheses and findings based on the national network analyses to be described ahead.

Second, formal participants in the three initiatives were classified by function in order to outline the initial national participation profiles. In each country, participants were first classified according to organizational typology distinguishing Business, Industry Federations, Consultancies, Academia, Trade Unions, Governmental, and Civil Society Organizations. These categories comprise the following sub-types of organizations:

1. Business: for profit organizations, private, mixed, or state capital.
2. Industry Federations: Official business representation bodies.
3. Consultancies: Private firms providing support services to other organizations.
4. Academia: Universities and educational centers, including think-tanks.
5. Labor: Official labor representation bodies.
6. State: Any office or agency responding exclusively to the state, in any jurisdictional level—national, provincial, or municipal—including state normalization bodies.
7. Civil Society Organizations (CSOs): Comprising organizations of different orientation, this category also includes civil business associations, which are organizations supported mainly (but not exclusively) by business but do not provide official representation, as in the case with industry federations.

Following this, formal participants were classified according to the role performed inside a particular case initiative. In the case of the UNGC and GRI, participants were subdivided in two groups: those having roles either on the Board of Directors (but not in secretariats), and those with any other role, including fiscal, advisory, or technical support functions. For the case of the ISO SR, which is not a permanent organization but a temporal working group, a distinction was made between positions in the leading committee of the working group, and participation in the national delegations attending the plenary meetings (experts or observers). In this case, only participants attending at least one of the last three plenary meetings—correspondingly Copenhagen 2010, Quebec 2009, and Santiago 2008—were considered. This consideration was to minimize the distortion produced by the first meeting held in the Brazilian city of Salvador de Bahia in 2005, where novelty and proximity accentuated the attendance of one-timers from South America.

Third, and in order to extend the ‘flat’ universe of formal participation in the three initiatives, a general network analysis was conducted linking formal participants with organizations not directly involved but relevant in either the local sustainability field or in domestic politics. The main purpose of this network analysis is to facilitate the identification of broader social patterns, central actors, clusters, and secondary relations. To limit the size of the potential networks, only institutional or personal connections among participants and secondary organizations were considered. This included organizational links such as common membership to associations, federations, networks, and partnerships, as well as personal relations such as common founders, board members, advisors, or other executive positions. Links between local participants and external organizations and networks were limited to first level connections and to actors linked with the sustainability agenda.

Based on these considerations, two databases were generated, one for each country. These databases were inputted into the open source network visualization and manipulation software Gephi.0.8.2 Beta. Two network plots were produced, presented in Chap. 4, using an algorithm denominated *Force Atlas* layout. This algorithm considers that (i) each node (actor) repels each other, (ii) linkages among nodes act as binding springs, (iii) the resulting lay out attempts to minimize the repulsion strength of the network, and (iv) due to this, actors with greater number of linkages are assigned a more central position as they are assumed to have greater gravity. In other words, this means that the resulting plots carry no pre-assigned ‘weight’ attributed to nodes/actors; all actors are equal in the

network. Nonetheless, some few modifications were introduced manually for clarity purposes. Mainly, node sizes were altered to highlight the core initiatives and central actors. Additionally, ‘foreign’ actors (excepting the global initiatives themselves) were situated toward the edges of each plot, in order to distinguish them from domestic participants. Third, the three global initiatives and key actors in terms of network centrality (number of links), were assigned a greater size for a more straightforward visual identification.

PLAN OF THE BOOK

The book is divided into seven chapters. This introduction and Chap. 2 present the overall argument, review the main theoretical approaches dealing with private and sustainability governance, and develop the conceptual framework that supports the whole study.

Chapter 3 involves the examination of the global trajectory of sustainability governance, assessing developments from the early part of the twentieth century to the contemporary period. This chapter notes the emergence and rationality of different cleavages of private governance gaining international authority, ranging from early industrial standards to more recent on corporate citizenship, and argues that sustainability governance constitutes the latest phase in the discursive-institutional evolution of the master frame of transnational social regulation. Additionally, the chapter situates these governance programs historically, connecting them with wider political economic developments in North America and Europe.

Chapter 4 bridges the global discussion with the national cases by mapping local participants in the three initiatives by country, role, and type of actor, and discussing the network analyses. Hence, the chapter outlines preliminary participation patterns, networks of actors, indirect and semi-formal links, and identifies key players and anomalies. The brief chapter thus provides the general characterization of each national landscape in relation to sustainability governance: as mentioned, the Brazilian network appears as dense and relatively centralized, while Argentina’s is shown to be decentralized, diffused, and fragmented. On this basis, the chapter derives a number of preliminary hypotheses and observations to be explored in the subsequent chapters.

Chapter 5 develops the Brazilian case. In this chapter, the engagement of Brazilian actors in private governance initiatives is posed to be

supported by rooted cross-sectoral networks linking influential corporate, civil society, and political actors. In particular, I highlight the evolution of collaborative relations existing between two groups: a small group of businesspersons promoting CSR ideas in Brazil, and leading figures of the Workers' Party (PT) and civil society. The relations between these two groups began in the democratic transitional phase between the 1970s and 1980s, as diverse and new social groupings explored political alternatives against state authoritarianism and corporatism, and strengthened in the 1990s, based on common opposition to neoliberal policies. I argue that these programmatic and ideological affinities facilitated a 'natural' hybridization between the moderate social liberal discourse adopted by the PT government since 2003, and the third-way agenda of a faction of businesspersons promoting sustainability and CSR projects.

Chapter 6 develops the Argentine case. As mentioned, the Argentine participation profile differs substantially from the Brazilian situation. The low and fragmented pattern of engagement with the global initiatives is posed to be a reflection of an exclusive political culture, resulting from the combination of rooted political traditions, a conflictive pattern of state-society relations, and later on, the political agenda promoted by the Kirchnerist administrations since 2003. As a result, key programmatic pillars of sustainability governance, in particular referring to human and labor rights, have been framed as political matters outside the reach of 'foreign' and corporate agendas, while other important governance cleavages, such as the environment, historically lacked public visibility in the country. The combination of these factors configures a problematic mismatch between the global sustainability programs and the domestic political and civil society sectors, leaving sustainability projects as marginal or inapplicable to the domestic context, as a corporate concern for a few large TNCs and some peripheral actors in civil society.

Chapter 7 draws together the main findings, summarizing the argument and its contributions. The chapter highlights the relevance of complex local structures in conditioning the involvement of actors from Argentina and Brazil in contemporary sustainability governance initiatives. By attributing an active role to domestic structures, this argument relativizes top-down perspectives on the isomorphic power of global institutions and norms at the national level, in particular when the national links with developing economy features assumed to have low causal impact over the direction of global processes. Moreover, the

chapter reflects on the broader implications of exclusive/inclusive relations between national and global discourses, given the growing role of actors from emerging economies in governance initiatives, and the subsequent possibility of entry of new political frames and cleavages into global governance debates.

NOTES

1. The book adopts a loose approach to terms such as governance regimes, frameworks, norms, and standards, similarly to the use in works such as Bütte and Mattli (2011, p. 17) and Djelic and Sahlin-Andersson (2006).
2. Toward the early 2010s, Brazil and Argentina were among the most protectionist countries in the region and the world (Economist 2011).
3. From a framing perspective, political culture could be seen as a ‘super’ frame (or ideology) organizing claims and social relations, engulfing a variety of frames emanating from a large array of actors at the national level (Snow and Benford 2000). However, while programs of governance are more instrumental and specialized, national political culture, by *antonomasia*, operates around broader identities and issues.
4. This term was borrowed from electoral studies, where it refers to the political activation of a particular demographic group. I use it in a more sociological sense, to refer to a particular social group understood in a functional manner, such as business, labor, civil society, government, etc.
5. In this sense, a program may originate from the extension of values and procedures characterizing a given cleavage: for instance, a labor cleavage expanding to shape an international welfarist program. At the same time, a program can articulate and re-signify previously independent cleavages, e.g. the contemporary sustainability program incorporates labor, human rights, and environmental dimensions.
6. Importantly, in this book I do not assume a normative stance in relation to the convenience of adopting sustainability initiatives, nor do I seek to enhance the effectiveness of specific projects. Neither have I intended to evaluate the appropriateness of particular political agendas in these two countries. I do consider that some

- findings may indeed serve to inform problem-solving concerns, for instance, in relation to the limits and challenges faced by transnational regulatory attempts, and the importance of a certain type of local brokers.
7. This section outlines a number of methodological considerations supporting this study, regarding case study selection, data sources, and analytical techniques. Readers may choose to skip this section and go directly to the plan of the book.
 8. Hence, when reviewing the methods used to study framing, Vicari (2010, p. 508) noticed the prevalence of qualitative techniques, such as discourse analysis, participant observations, interviews, and historical narratives.
 9. The book does not attempt to engage in an exhaustive examination of culture, and a number of methodological considerations in this regard are available in the SM literature (Britta et al. 2014; Polletta 2008; Armstrong and Bernstein 2008; Johnston and Klandermans 1995).
 10. In the same book, Swidler (1995, pp. 32–38) points to three sources of cultural power that can be used to analyze the effect of culture over action: codes (deeply held ‘inescapable’ relationships of meaning), contexts (immediate situations of interaction), and institutions (stable set of purposes and rules backed by sanctions).
 11. This definition excludes Argentine or Brazilian nationals working in international bureaucracies or secretariats, as this is considered to respond to personal rather than institutional motives.
 12. Brazil, however, is the seventh largest economy in the world (2013) and has four times Argentina’s GDP and population.
 13. These archives are accessible via <http://isotc.iso.org/>, accessed February 13, 2016.
 14. A list of the interviews is provided in the annex of the book.

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Framing Transnational Governance

Over the last two decades, an extensive literature has been dedicated to examine the emergence, operation, and impact of transnational governance and private socio-environmental regimes. As mentioned in the introduction, this literature has moved from conceiving private regulation as a technical affair with ‘a marginal role in global regulation’ (Kerwer 2005, p. 205) to see it as a ‘a pervasive trend in contemporary world politics’ (Dingwerth and Pattberg 2009, p. 708). Consequently, the literature has produced a varied set of denominations trying to capture the fundamental traits of this mechanism of global governance, resulting in categories such as non-state global governance (Bernstein and Cashore 2007), private global business regulation (Vogel 2008), transnational new governance (Abbott and Snidal 2008), responsible regulation (Braithwaite 2006), accountability governance (Gilbert et al. 2011), global labor governance (Kallinikos et al. 2013), or just (new) corporate social responsibility (Auld et al. 2008), among others. Underpinning these terminological variations are multiple and often competing views about how soft governance operates, its contribution to global governance and regulation, and its broader political and ideological function, in accordance with theoretical perspectives and paradigms ranging from rationalist regime theory to Marxian political economy and poststructuralist sociology. In the first part of this chapter, I develop a general review of the main theoretical approaches behind these positions, and flesh out some of the major limitations conventional models have to inform

domestic-oriented analyses. Following this, I draw on a number of ideas from social movement theory to provide an analytical framework to guide the book's argument.

THE TRANSNATIONAL PULL: MARKETS, NORMS, AND EXPERTS

As indicated in the previous chapter, mainstream conceptual approaches to private governance see this as a process 'pulled' by the influence of transnational forces and/or powerful actors, sustained on premises where forces at the international level prevail over domestic structures and agency. Thus, from an International Relations perspective, Mattli and Büthe (2003) classify private governance explanations along realist and institutionalist lines, depending on whether convergence depends on the willingness of powerful states to cooperate over specific issues, or on techno-scientific considerations involving both state representatives but also international organizations, civil society, and experts. Botzem and Dobusch (2012) prefer instead a more sociological categorization, distinguishing functionalist arguments where private governance is mostly a technical problem of transborder coordination, from constructivist positions whereby engagement with transnational rules follows the degree of global legitimacy acquired by certain norms. Somehow occupying the middle ground, Daniel Drezner (2007, p. 14) classified dominant standpoints to divide between those that privilege the effect of material factors in guiding efforts to devise transnational regulatory coordination, and those that saw ideational forces as principal, due to the authority gained by Western economic, political, social, and/or organizational principles and models.¹

Neither of these categorizations is completely exclusive, and in different forms, most models tend to conceive the operation of transnational governance in terms of the combined effect of demand-side factors—i.e. a more or less explicit agreement among interest parties that a coordination problem exists and needs to be addressed—and supply-side ones—the existence of institutional, political, and economic conditions enabling to address such a problem. Where explanations differ is on the nature of the factors involved, and the relative primacy they have in relation to each other. A number of theories thus depart from an unresolved 'Polanyian' tension, lingering between the degree of transnationalization of market and economic structures, and the multifaceted and incomplete

efforts to regulate or moderate their social, economic, and environmental externalities. Thus, rationalist arguments consider that transnational regulation follows the logic of instrumental rationality and economic incentives, as a widening set of actors across the world, be them firms, governments, or NGOs, come to recognize the potential benefits of soft law regimes in terms of lowering transaction costs and enhancing market functioning: globalizing markets and transactions need clear rules to operate efficiently, and private regimes can generate Pareto-optimal benefits.² In the case of constructivist explanations, private governance does not only perform a regulatory function in the traditional legalistic sense of the term, but also operates by exerting cognitive and integrative pressures, connected with social processes of learning, emulation, internalization, and behavioral change (Bernstein 2004; Koppell 2008). The role of transnational governance is then not only to achieve efficiency in relation to a particular coordination problem, but to embed economic globalization with the progressive social and political values characteristic of advanced Western democracies (Ruggie 2004, 2008). Moreover, across the rationalist/constructivist spectrum, there is an array of positions that, in one way or another, accept the combined effects of both material and ideational variables, while assigning different weight to particular actors and structures.

For instance, among those favoring market forces, enhanced possibilities for global governance can be associated with the rise of transnational private actors, such as TNCs (Hall and Biersteker 2002; Strange 1996; Huntington 1973), and the extension of global value chains (Gereffi et al. 2001; Kaplinsky 2000; Gereffi and Lee 2016).³ A representative idea here is the previously mentioned California effect, where market incentives, trade mechanisms, and organizational structures become the conveyor belt for new normative demands and regulatory pressures exerted to locations ‘upstream’, to providers, employers, and authorities in developing economies (Vogel 2008; Perkins and Neumayer 2012). More liberal authors prefer instead to emphasize the importance of civil society actors and international organizations, in terms of promoting and embedding transnational norms, campaigning authorities, incentivizing collaboration between different social groups, and monitoring compliance (Scholte 2002, 2011; Keck and Sikkink 1998; Risse et al. 1999). Combining normative and technical factors, a third position commonly found in private governance discussions is the idea that regulatory convergence is driven by the increasing functional specialization of contemporary society. From

this perspective, atop the interests of governments, the economic calculations of firms, and the normative concerns of civil society, is the ecumenical authority of specialized expert networks and associations, increasingly ‘viewed by both public and private actors as the obvious forum for global regulation’ (Büthe and Mattli 2011, p. 5). This technocratic treatment of private regulation draws from functionalist models, such as those developed by Peter Haas and the American school of sociological institutionalism (also known as the World Culture School), and from neo-Weberian ideas,⁴ to pose that pressures for regulatory convergence among institutions and social behaviors follow the consolidation of a highly rationalized, technocratic, and autonomous world ‘culture’ that configures ‘the identities of nonstate actors, the goals and purposes they adopt, the means they employ, and the causal logic they use to orient means to goals and purposes’ (Mattli and Büthe 2003, p. 13; Loya and Boli 1999; Meyer et al. 1997; Haas 1992). In this manner, first and foremost, transnational regulation becomes the institutional embodiment of a pervading globalizing ideology, molded around fundamental world-cultural principles of ‘universalism, individualism, rational voluntarist authority, human progress, and world citizenship’ (Boli and Thomas 1997, p. 180). From this perspective, the fact that there is a tension between private regulatory institutions and initiatives, and traditional categories of authority, regulation, and legitimacy rooted on state-based definitions, it is not surprising, as the type of logics involved may not be commensurable (Kerwer 2004).⁵

Other approaches have also underlined this technocratic dimension as a primary trait of private governance and its operation, including sustainability. As was mentioned in Chap. 1, some authors point to functional autonomy to cast sustainability governance as a separate institutional domain, with a distinct logic to traditional regimes and other mechanisms of hard law (Abbott and Snidal 2000). The increasing ‘global’ recognition and acceptance of the aims, mechanisms, and rhetoric configures a standardized model of transnational rule-making that establishes itself as a social fact, determining ‘the identities of actors as well as their conceptions of both what they consider appropriate and what they consider to be in their interest’ (Dingwerth and Pattberg 2009, p. 732). On this premise, Walter Mattli and Tim Büthe’s model of ‘institutional complementarity’ can pose that the degree influence achieved by private regulators results from the compatibilities between domestic standardization systems and international standards institutions (Mattli and Büthe 2003; Büthe and Mattli 2011). Similarly, Ponte and Cheyns (2013, p. 2) see

that ‘global expert knowledge’ is the principal constitutive force behind the emergence, governance, and diffusion of ‘sustainability networks’—assemblages of actors, objects, procedures, and relations sustained on the idea that transnational governance projects are ‘assumed to be “good for the global commons” within a discourse of science, objectivity, independent verification of claims, and proper systems management’ (Ponte 2008, p. 171).

This technocratic feature is also highlighted by the critical scholarship, albeit this tends to point to the darker side of private authority such as exclusive features and depoliticizing implications. Hence, from this side, deliberations among experts may facilitate consensus but at the expense of marginalizing locally contextual and regional arguments and other socio-political factors, minimizing distributional considerations, and clouding temporalities and political compromises (Ewald 1990; Murphy and Yates 2011). Not surprisingly, critical scholars have turned toward neo-Gramscian, Foucauldian, and even Luhmannian ideas, to cast these depoliticizing dynamics as part of processes of neoliberal hegemony, governmentality, and functional differentiation, and to discuss the tension between private authority and expert actors, and institutions of democratic participation, welfare, and social legitimacy (Peña 2015; Kerwer 2004; Gibbon and Henriksen 2012; Murphy 2000). Hence, Sklair and Miller (2010, p. 484) consider that global business, by promoting ideas such as CSR and appropriating social-environmental discourses such as sustainability, has started to monopolize symbols of modernity and post-modernity ‘such as free-enterprise, international competitiveness, and the good life, and to transform most, if not all, social spheres in their image’. Others pose that private governance attempts to operate as an apolitical socio-technical system, ‘in which the effectiveness and momentum of rules associated with knowledge may be increased by their integration with machine systems, procedure manuals, and operating routines’ that are self-referential and increasingly removed from public scrutiny, as it happens with benchmarking procedures, rankings, and audit systems (Porter 2005, p. 3). These sorts of systems become self-selecting as they consolidate with any new potential participant requiring to embrace accepted values, practices, and vocabularies (Malets and Quack 2013). In a similar line, Higgins and Hallström (2007, p. 699) argue that the favoring of soft and voluntary mechanisms in private initiatives is an expression of contemporary neoliberal governmentality, that ‘relies not on the imposition of rule on objects of government, but on molding networked subjectivities to be

responsive to the implicit demands of government, and in this sense to govern themselves and others in their sphere of influence’.

A useful and simple categorization pointing to some of the limitations of conventional approaches as the ones mentioned above is provided by Bartley (2011), who differentiates explanations in accordance with their level of analysis: technical accounts, on the one side, and ‘transcendent’ accounts, on the other. The former refer to explanations that adopt a strong ‘problem-solving’ approach, trying to achieve a clear regulatory objective or improve the functioning of a particular regulatory initiative. For this reason, authors opting for this approach dedicate their efforts to measure results and deliberate about the convenience of specific organizational features of the like of procedures for effective and legitimate norm-making (i.e. open-consultation versus expert-bases consensus, regional or functional representation), the compatibility of new norms with existing international norms and standards, the convenience of particular monitoring mechanisms (i.e. voluntary disclosure versus mandatory disclosure), and the needs/interests of specific industries and regulators, among other issues (Hahn and Weidtmann 2016; Rasche et al. 2012; Ponte 2008; Schouten and Glasbergen 2011; O’Rourke 2006; Berliner and Prakash 2012; Locke 2013). Instead, as shown with the previous explanations, the concerns of transcendent accounts are broader, aimed at elucidating the overall implications of transnational governance, not so much the operation of a single initiative. Transcendent accounts thus presume the presence of a macro problem, generally of a structural nature—taking the form of a regulatory void, an orchestration deficit, or a legitimacy gap—and where new systems of governance and global standards *transcend* the capabilities and logics underpinning conventional state-based regulation. Consequently, transcendent accounts see private governance as an institution of global order operating above, below, and alongside the state.

Bartley considers that neither of these explanations make much road in terms of explaining phenomena at the national or regional level. In technical accounts, the narrow and specialized focus treats private regimes as packaged products to be delivered to multiple locations, and where the main factors affecting diffusion respond to adequate design against regulatory, market, and technical requirements (Ponte 2008; Brown and Woods 2007). In the case of transcendent accounts, private regimes are, in one way or another, an institutional embodiment of a global trend, and therefore what happens at the domestic level is necessarily a derivative occurrence. As such, both types of explanations end up with limited

capacity to discriminate particular national trajectories of transnational diffusion and implementation, lacking sufficient understanding about ‘how global models and blueprints are diffused, potentially shaping localized discourse and/or structures and activities’ (Sahlin-Andersson and Djelic 2006, p. 14). This is particularly aggravated when dealing with developing economies assumed to be ‘regulation-takers’, with little or no influence over macro structures and processes, or global standard-setting activities (Samford 2015).

In all cases, the national context, and particularly the national context in countries of the global South, occupies a precarious position as an explanatory category, being at the bottom end of economic interdependence, cultural globalization, and technological development and expertise. Key actors, in the form of leading firms, regulatory bodies, standard-setting organizations, and influential civil society entities—in the words of John Meyer (2000, p. 246), the new global ‘clergy’ of the sciences and the professions—are all based in advanced capitalist countries. The technical secretariats of the ISO, the main international technical standardization body, remain still overwhelmingly commanded by individuals linked with countries such as the USA, Germany, and the UK (Murphy and Yates 2010, p. 27; Hallström 2004). The same happens with regulatory bodies in areas where developed economies and firms enjoy greater structural power, from international accounting and banking standards to Internet protocols (Botzem and Quack 2009; Vincent and Camp 2004; Porter 2005; Clapp and Fuchs 2009; Borraz 2007; Büthe 2010).

A second problem with these accounts—still linked with the previous issue, as it is further explained ahead—is that different models, technical or transcendent, operate under alternative understandings of what the transnational diffusion of norms and rules entails and when this can be considered to be successful. Quite often, this issue is associated directly with the question of regime effectiveness. Relevantly, Espach (2009, p. 32) distinguished four ideal-type conceptions of regulatory effectiveness present in governance approaches, each involving different considerations in terms of objectives, expectations, temporalities, and methods of study. Two of these conceptions are problem-focused and more issue-restricted, considering a regime effective if (i) it changes the behavior of member parties in an intended direction (thus pursuing a regulatory goal), or if (ii) it solves the problem it was intended to (achieving a technical objective). The other two conceptions of effectiveness are more demanding in their conditions but also more general and open about expectations, considering a regime

to be effective if (iii) it is efficient but also *equitable* in its solutions (involving a stronger normative component), or if (iv) it alters norm-oriented behavior and common wisdom among members and non-members (thus achieving a cognitive goal). Accordingly, it can be thought that, at least in principle, technical and rationalist explanations should be more inclined toward more limited regulatory and instrumental understandings of effectiveness, while open and generic normative and cognitive conceptions are expected to be involved in constructivist and critical models, where private regulation follows not so much a ‘logic of incentives’ but rather a ‘logic of appropriateness’ (March and Olsen 1998).⁶

Moreover, how effectiveness is treated has implications for how the viability of private regimes is actually conceived and assessed. This is explicit, e.g., in Drezner’s (2007) revisionist model of international regulation, where different types of standards regimes are classified according to their actual capacity to drive regulatory compliance and behavioral change, in turn a function of the degree of agreement between great power states with each other, on the one hand, and the degree of agreement between these states and other relevant international actors (firms or NGOs), on the other. For instance, Drezner himself concludes that human rights treaties and international labor standards, and quite possibly by logical extension, sustainability initiatives, are a classic example of what he calls ‘sham standards’: frameworks that have little or no effect in altering actor behavior, with weak global coordination, and where compliance and convergence can largely be attributed to other factors, such as state coercion or coincidence of interests (Drezner 2007, pp. 83–84). This conclusion rests on a strict conception of effective compliance, one that sidelines cognitive and social effects, and possibly their operation over longer periods of time, and disregards the possibility that soft law regimes can serve as a basis for eventual ‘normative covenants’ and the consolidation of public discourses enabling future compromises and understandings (and even harder forms of regulation) once normative convergence has moved forward (Abbott and Snidal 2000).

At the same time, behind different conceptions of effectiveness there are clouded methodological issues, concerning, among other dimensions, the universe and type of actors involved in regime implementation and diffusion processes, the observable change in behavior expected in these actors, the acceptable time domain when these changes are expected to take place, and the form in which these transformations can be actually measured. Though these methodological reflections are not an issue of

direct concern in this book, I do consider that they also serve to justify the sidelining of domestic variables in conventional arguments about private governance, given the difficulty of assessing and measuring developments at the domestic level compared to general global ones. Absolute indicators of regime effectiveness are particularly problematic given the difficulty of delimiting the universe of variables and actors involved. Thus, a common approach is to try to measure effectiveness by quantifying the degree of adoption of a particular standard/scheme in a given country or industry. However, this poses a number of problems. First, the absolute number of subscribers to a governance initiative is generally marginal compared to the overall population of potential targets, particularly in softer areas of governance such as sustainability. Second, not only does subscription not necessarily involve compliance, but many private regulatory frameworks have very low entry barriers (the UN Global Compact, for instance), while others do not even track subscription statistics (i.e. ISO 26000). A practical solution to this problem has been assessing effectiveness in comparative terms. However, the problem here is that causal complexity appears to be high: large-N quantitative studies have correlated adoption of private social and environmental norms with variables as diverse as national export orientation, number of local firms listed in NYSE, subscription to ILO conventions, freedom of press, civil society capacity, international treaty participation, and/or the level of respect for rule of law, among others (Berliner and Prakash 2012; Toffel et al. 2015; Perez-Batres et al. 2011).⁷ Qualitative analyses have not fared much better. A conventional assumption in these approaches is that the global/Northern proliferation of private initiatives, and the increasing activity of standard-setting actors, is a valid expression of regulatory demands being somehow addressed somewhere, even if details about how this actually takes place, and the extent to which it does so, are rarely provided. As Amenta et al. (2010, p. 296) have noted regarding social movement outcomes and impact, constructivist analyses of global governance often display a throwback to rational choice accounts where ‘once a collective action problem (say, gaining contributions for pizza) is solved, a collective benefit (pizza) is automatically provided’.

As a consequence of this, to underplay the domestic dimension of private governance has been a recurrent fallback position for researchers, both theoretically and methodologically, particularly when developing countries are concerned (Bartley 2014, p. 95). The consequence has been somewhat patchy and limited accounts of the domestic and regional

situation of private governance, and the inability to account for wider and deeper forms of engagement beyond statistical measures of effectiveness and correlation. To deal with these limitations, in the last few years a number of scholars put greater attention to the milieu of domestic political economies, aspiring to develop less prescriptive but more nuanced understandings of the manner in which national, political, cultural, and economic environments condition how local actors engage with private regulation. I consider that these approaches hold greater explanatory potential to address the complexity of factors that may be at play in diffusion and uptake processes at the domestic level, and understand different domestic manifestations of transnational governance, from different types of participation in private regimes to the spread of certain discourses and vocabularies in particular organizational and societal circles. To these approaches I turn my attention ahead.

THE DOMESTIC PUSH: POLITICS, LEGACIES, AND DISCOURSES

The ‘turn to politics’ comprises the efforts of diverse scholars that put national particularities at the center of the scene, grating greater explanatory power to structural and institutional characteristics commonly found in Southern political economies, such as ‘highly salient transnational pressures on the state, comparatively intense redistributive politics, and limited state capacity’ (Dubash and Morgan 2012, p. 225). By doing so, this literature challenges the mainstream unidirectional narrative of transnational governance, where private regimes propose new rules for dealing with previously ‘ungoverned’ issues, posing instead that governance projects intend to add ‘an additional layer of rules for phenomena that are already embedded in complex political, legal, and regulatory orders’ (Bartley 2011, p. 518). More importantly, this literature accepts that regulatory effectiveness, regime uptake, and domestic participation are affected by national political economic, institutional, and ideational factors and motivations, often acting in combination. Hence, in their study on private forest certification, Cashore et al. (2004, p. 8) concluded that the level of local support for private initiatives reflected the place a country occupied in the global economy, the domestic configuration of the industry, and the historical positioning of the sector in public opinion. As a result, ‘in some countries these factors combine to create hospitable environments [...], while in others these factors combine to limit such efforts [for rallying support for a private initiative]’.

Similar conclusions were reached by Espach while examining the reasons why Brazil possessed a stable network of willing and capable business and civil society actors supporting environmental initiatives such as the Forest Stewardship Council (FSC) while Argentina did not (Espach 2006; Espach 2009). He concluded that legacies of national industrial and environmental policies, linking with processes of industrialization in the 1960s and of liberalization in the 1990s, strongly influenced the local effectiveness of transnational efforts. Moreover, he noticed that in the case of Brazil, the *willingness* of local actors to engage with private regimes was rooted in the legacy of crisis experiences concerning Amazonian deforestation, conflating into a collaborative stance by some industrialists, civil society actors, and authorities in favor of strengthening standards in the forestry sector. In this sense, a recurrent finding in this literature is that particular patterns of state-society relations and developmental trajectories, embedded in resilient institutional arrangements and ideological/symbolic repertoires, condition actor engagement with private initiatives over the medium and long term. Stefano Ponte's (2008) examination of the motivations of South African fisheries for adopting MSC certificates highlighted the effect of political legacies over sectoral interests. He noticed that private certificates were simultaneously used by local industries to obscure distributional advantages obtained under the apartheid regime, avoid wider public inquiries about the origins of large 'white-owned' fisheries, and prevent quota reallocations by the government. Analyzing private labor and environmental regimes in Indonesia, Bartley (2010) also observed that forms of state-business relations often reproduced structures of moral hazard, dependence, and collusion, which in turn conditioned decision-making by firms in relation to supporting greening attempts and private certification. Additionally, he indicated the importance of indirect incentives emanating from specific regime 'moments', i.e. from the discourses, ideology, and policy orientation adopted by national authorities at a particular point in time, as these contributed to 'channel domestic coalitions towards public or private arenas of rule-making' (Bartley 2010, p. 27).

These analyses converge on the notion that the uptake of transnational governance is as much 'pushed' by domestic factors as pulled by global forces, incentives, and/or actors. Diverse national, political, economic, and political cultural characteristics—contemporary as well as historical—emerge as major variables in shaping the behavior of local actors, by constituting formal and informal sanction and rewards structures in relation to private regimes and regulation (Bartley 2011; Ebeling and Yasué 2009).

This means that, in spite of their generic characterization as transnational or global, private regulatory frameworks remain very sensitive to domestic structural and institutional conditions, and that these conditions have the potential to make implementation more or less feasible and durable. This opens the door to a frequently overlooked scenario in both transcendent and technical accounts of governance where the lack of this national push raises a major barrier to transnational diffusion and regime uptake, as ‘although formally independent of the actions or inactions of national governments, these [private] regimes depend on factors and conditions that pertain to the local societies, institutions, and economies in which they function, and over which they have no control’ (Espach 2009, p. 141).

Embracing these conclusions, particularly in regards to the role of historical and political economic trajectories and the compatibility between transnational rules and domestic institutions, I consider that it is necessary to broaden the range of variables involved beyond political regimes, formal institutions, and the features of a given sector or industry. Particularly, I pose that greater attention should be given to the semi- and non-institutionalized dimensions of politics and political culture that underpin social behaviors and actor interests, as well as diverse forms of social relations. Even a rationalist author such as Drezner (2007, p. 212) observed that a potential cause for the persistence of ‘geographical determinism’ in the era of globalization—the resilience of regional and national behaviors non-conforming with global norms and regimes—was the distinction between the information contained in norms and standards, and the actual ‘transmission of knowledge’, as forms of knowledge facilitating intersubjective understanding and learning often ‘cannot be codified, only experienced’. Accordingly, I will argue that to understand transnational norm diffusion it is necessary to examine the level of semantic compatibility between the mobilizing (and normative) propositions advanced by governance initiatives, and the cultural, symbolic, and discursive components patterning domestic politics, practices, and vocabularies (Swidler 1995, p. 39).

The Politics of Resonance: A Conceptual Framework

My main argument is that local cultural-political institutions, legacies, and discourses play a fundamental structuring function in the process of diffusion of governance initiatives: (i) conditioning the meaning and relevance regulatory proposals and standards have within particular national

contexts, (ii) shaping the disposition of local actors in relation to them and related matters, and (iii) configuring the type of organizational capacity shaping the changes for regime uptake. Drawing from social movement theory and some of the ideas previously outlined, the main premise behind this argument is that political culture, and the institutions, discourses, and symbols through which it is patterned, plays a major role in constituting ‘grievances, identities, and goals’ necessary for collective mobilization around a certain frame (Polletta 2004, p. 100). This framing-based approach, it must be noted, has had very limited application to governance studies, and only recently Dobusch and Quack (2013, p. 59) suggested that, just as an SM organization or activist group, ‘mobilization for standards seeks its adoption and acceptance by large groups of individuals’. However, while these authors use framing ideas to focus upon the strategies deployed by private standard-setters to recruit participants, I consider that social movement models also enable to consider the conditions that make governance proposals to resonate culturally and appeal to varied audiences (Walder 2009; Fligstein and McAdam 2011).

Over the last 30 years, political sociologists and social movement scholars have examined the manner in which social movement actors can exploit changes in ‘political opportunity structures’—the consistent dimensions of the political environment that provide incentives and constraints for people to undertake collective action by affecting their expectations of success or failure (Keck and Sikkink 1998, p. 2)—to successfully mobilize supporters (McAdam et al. 2002; Tarrow 2012; Tilly and Tarrow 2007). However, a lingering problem in analyses focusing on structural political conditions is that they tend to be rather dismissive of the constraints imposed by the cultural environment, generally assuming that activists ‘face cultural challenges that, like a deficit of funding or a repressive political context, can be overcome’ (Polletta 2008, p. 83), and where the crucial element is adopting the right frame and repertoires of contention for the right time and place. This position was challenged by supporters of framing theory, which adopted a communicative approach to study the complex mechanisms involved in frame diffusion (Tarrow 2012, p. 23), and where the chances of success pivot on the capacity of mobilizing actors to ‘offer interpretative frames that connect with the self-conceptions, values, or moral and cultural sensitivities of potential adherents’ (Walder 2009, p. 406), on the premise that this increases ‘the probability that receivers will perceive the information, discern meaning and thus process it, and store it in memory’ (Entman 1993, p. 53).

Accordingly, from this second perspective it is only when a frame ‘resonates’ with individual values and experiences that it can be expected to trigger interest, facilitate recruitment and commitment, and ultimately produce sustained collective action. Elaborating on this idea, the proponents of framing theory conceived resonance as a function of two interacting dimension: *credibility* and *salience* (Benford and Snow 2000, p. 619). The first of these concepts, credibility, encompasses elements such as the legitimacy and authority of the framing source, the consistency between the claims, beliefs, and actions of mobilizing actors, the credibility of claim-makers, and the empirical validity of particular claims/frames. Hence, credibility can be seen as dealing mostly with supply-side considerations, in the vocabulary of institutionalists, and aspects of what is known as ‘input’ and ‘throughput’ legitimacy, according to constructivists (Hahn and Weidtmann 2012). Salience, on the other hand, refers to the cultural, political, and ideological conditions shaping the *experiential commensurability*, *centrality*, and *narrative fidelity* of a proposed frame. In this manner, salience links with features on the demand side of mobilization, as commensurability points to the audience’s recognition that the issues being punctuated are indeed problematic or unjust, and the congruence of these claims with the audience’s routine experiences—centrality to how essential the beliefs and ideas underlying a frame are to the lives of the target audience, and fidelity to the relative alignment of the frame with extant beliefs, ideologies, and myths (Snow and Benford 1992, p. 140). The importance of this distinction is that lacking salience, an incoming frame could be perceived as credible and valid in terms of the source, but potentially as trivial and unworthy of attention at the destination, as it is lacking the contextual and semantic fit that makes it significant to specifically situated groups. This means that frame resonance (and regime) ‘effectiveness’ do not derive solely from the properties of the message and the character of the emitter, but proceed as an outcome of a dialogical and complex heuristic process crossed by multiple political institutional, socio-psychological, and ideological factors that can rarely be isolated (Snow and Benford 2000).

Moreover, framing scholarship poses that a significant amount of the activities performed by social movement organizations is aimed at enhancing the resonance of their message by way of two main processes: strategic fitting—where the transmitter actively tailors the object or practice of diffusion to the host culture—and strategic selection—where the adopter is the active agent, strategically selecting or adapting the borrowed item to

enhance local fit (Benford and Snow 2000, p. 627). Accordingly, assessing the salience of incoming frames requires considering the socio-cultural as well as political environments where these two processes take place as well as the role of certain actors in strategic selection activities (Snow 2004). In this form, framing theory supplies a basic hypothesis that can be used to explore the politics of resonance, considering that the greater the misalignment between (supply-side) credibility conditions and (demand-side) salience dimensions of the proposed model, the more problematic and limited the mobilization of local actors can be expected to be, as strategic selection by local champions becomes more difficult and costly (Benford and Snow 2000, p. 622).

In the case of transnational private governance and standardization, this hypothesis is of further relevance, considering that even when multiple ‘fitting’ efforts can be made by international norm-setters to make norms more inclusive or generalizable, the possibilities for this can be assumed to be restricted, as there is a tradeoff between the extent a norm can be customized to local conditions and its regulatory and standardizing force as a ‘global’ reference. Framing theory explicitly considers this scenario, acknowledging that in given situations, audiences, and area-issues ‘certain ideas are likely to be structurally disadvantaged by the terms of the dominant discourse’ (Ferree 2003, p. 305), limiting the range of options for frame fitting and selection processes. Thus, the identification of compatible frames has been noted to be a recurrent challenge for transnational movements, and more so for movements and initiatives aiming to rally participation across borders and the North-South divide, where transmitters and receivers often draw from ‘diverse political cultures, languages, wealth, strategic interests, and organizational experiences’ (Resnick 2009, p. 58).

A second concept from framing theory that is useful to understand the semantic articulation involved in processes of frame-making, alignment, fitting, and selection is the notion of ‘discursive fields’. As mentioned, the discursive fields configured around a frame are expected to assume different levels of extension depending on the reach, scope, and aims of the frame in question, and of the multiple variables affecting salience. Thus, more inclusive/general frames and master frames have the potential to directly or indirectly reverberate with a greater array of cultural material and actors, including ‘the target of action or change, the media, and the larger public, which includes clusters of individuals who may side with the protagonists or antagonists as well as those who are indifferent’ (Snow

2004, p. 402). Through the notion of discursive field it becomes possible to incorporate in the fitting process the activities performed by secondary actors, which as indicated in Chap. 1 have been noticed as fundamental for sustaining domestic engagement with governance initiatives upon implementation, as these are involved in configuring organizational capacity, broadening civil society coalitions, and influencing local public opinion.

The notion of discursive fields can accommodate the legitimacy-effectiveness tradeoff observed in transnational standard-setting (Bernstein 2004), whereby the more global the proposed norm or standard, the more extensive the discursive field, the higher the chances the frame being challenged by alternative visions, and the more convoluted the politics of resonance. It also allows conceiving situations where a frame or initiative displays a high degree of resonance with a limited group of target actors, but also lacks relevance and centrality for secondary participants in the field. Again, this is rather common in the case of highly technical norms, such as Internet protocols and banking regulations, where resonance is grounded on narrow expert knowledge and epistemic communities (Spruyt 2011; Ponte and Cheyys 2013). Over issues such as sustainability, the political topography of the resulting discursive field can be expected to be more convoluted; as it will be shown, this master frame covers a wide array of socially and politically sensitive issue-areas, and touches upon the interests of various sorts of actors. Hence, I argue that by extending framing theory and ideas such as resonance and discursive fields, it is possible to cover a variety of constructivist and institutionalist arguments about transnational governance and diffusion under a broader semantic framework. Furthermore, I pose that this framework can be used to extend and nuance private governance analyses and grant greater explanatory weight to national semantic structures, institutions, and discourses. The notion of resonance, without denying the importance of developments at the emitting-side of governance, easily allows to shift the emphasis attributed to Northern/global actors and processes to the domestic, where the interactions configuring frame salience take place.

On these ideas, this book examines how national political and ideological conditions in Argentina and Brazil have historically conditioned the salience of a particular program of governance such as sustainability, distinguishing the symbolic elements and actors involved in the discursive field surrounding this regulatory program in each location. Hence, I distinguish two aspects of political culture at play in the politics of resonance. On the one side, there are historical and path-dependent (semantic)

structures and institutions, such as ideological legacies, discursive practices, and various institutional configurations, outlining the more durable and distinctly national characteristics of the socio-political and political economic landscape in each country—those structures that, albeit flexible and changeable, provide a certain degree of continuity to the patterning of social and political relations characterizing a national or regional location.⁸ On the other hand, there are the multiple activities of situated agents enacting and reshaping existing national political-cultural material for purposes of strategic fitting, but also to advance/defend their particular interests and stakes. On this second level, the role of the state is considered particularly relevant, as it remains the actor with the largest amount of material and symbolic resources to shape (multiple) discursive fields and orient collective behaviors, either by establishing mandatory policies and regulations, channeling or blocking demands, or promoting certain discourses and ideologies.

This leads to a final consideration: not all social actors have the same weight within a discursive field. Mario Diani (2003, p. 108) distinguishes two types of influence exercised in a social network. The first type is denominated centrality (not to be confused with frame centrality) and refers to the capacity of an actor to be recognized as a viable partner in potential alliances, as well as to the capacity of a certain actor to ‘attract’ support for specific projects. The second is linked with the notion of brokerage, i.e. the capacity of an actor to develop associational linkages across actors that are not directly in contact with each other, thus expanding the reach and number of participants in a network. Centrality and brokerage are indeed factors connected with the possession of material capital—such as the availability of organizational resources or institutional access—but also with the possession of cultural resources and what Pierre Bourdieu (1989, p. 23) denominated ‘symbolic power’, the capacity to influence the categories of perception and recognition of the social, ‘the power to make things with words’. It is this combination of material and symbolic resources that provides certain actors, such as elite players and governmental authorities (among others), with ‘convening power’, the ability to create groups, set agendas, and coordinate activities by bringing other actors into a movement or network (Lindsay 2008, p. 75).

At this point, I am in good condition to state a core proposition of my conceptual framework: in this book, both centrality and convening power are treated as relational outcomes of the dynamics of resonance

within a discursive field. Hence, if resonance conditions are positive (i.e. alignment between semantic/institutional dimensions in the incoming frame and the receiving conditions) it can be assumed that this will have an amplifying effect over the brokerage abilities and influence of certain type of local players, as it increases the specific gravity of their social and symbolic resources. Instead, a situation of low resonance and limited compatibility between global norms and national political culture would deprive the same actors of these capabilities, reducing their capacity to rally support while favoring the appeal of potential challengers and opponents. This combination of social network and framing ideas results in a secondary hypothesis regarding the institutional effects of politics of resonance. Thus, it is presumed that if resonance is high, the discursive and participatory field configured around a global norm or agenda can be expected to show a greater degree of centrality, with more visible local ‘champions’ and a greater array of links across actors from different social sectors. Instead, if resonance is low, more decentralized and sectorally fragmented arrangements are to be expected (in addition to a lower number of interested parties), as potential brokers and would-be allies see their convening power and relational gravity diminished. This secondary hypothesis is particularly relevant to support the preliminary observations done in Chap. 4, when I examine the degree of centrality of national participation networks is sustainability governance in Argentina and Brazil.

In synthesis, my understanding of the relationship between political culture and processes of transnational diffusion and mobilization argues that there is an open but necessary interaction between incoming (global) frames and programs, and pre-existing (national) political cultural structures and local actors’ dispositions. This interaction conditions the credibility and visibility of global initiatives and norms, the convening power of global and local actors, and the collaborative/antagonistic propensities of eventual participants, challengers, and bystanders. Accordingly, my conceptual framework inspired by relational framing theory poses two hypotheses: (i) the salience of a program of governance at the national level depends on the degree of semantic compatibility between incoming governance frames and norms, and relevant aspects of national political cultures, and (ii) salience affects the disposition of local actors by affecting the centrality and convening power of potential brokers, supporters, and challengers. Schematically, I understand this relationship in the following manner:

As can be seen in the figure, global and national institutional and discursive dimensions operate simultaneously in norm diffusion processes. In relation to transnational sustainability governance, I accept that certain programs and cleavages underlying particular initiatives of transnational regulation—that will be revised in Chap. 3—constitute an established program (and field) of transnational regulation with shared general norms, identities, and rhetoric. These initiatives outline the frameworks and standards expected to be adopted by private actors at the domestic level. On this level, I pose that the interface between transnational norms and frames and national political culture is ‘expressed’ via the pattern of national participation around a particular governance program or agenda.⁹ Consequently, the puzzle of explaining different national participation patterns in sustainability governance becomes the problem of examining the (domestic) politics of resonance in distinct country settings, and understanding ‘how design principles are mobilized or resisted by actors with different degrees of power, rooted in different socio-political circumstances’ (Bartley 2014, p. 106).

CONCLUSION

In the first part of this chapter, I situated transnational governance and diffusion processes in the theoretical literature, pointing to the overall Western perspectivism implicit in conventional accounts, and the limitations of technical and transcendent explanations to unravel the trajectories of private regulation at the domestic level and account for context-specific developments and deviations from expected patterns. Subsequently, the second part of the chapter introduced an interpretative framework where transnational diffusion is conceived as a bidirectional process of framing, more or less successful depending on the degree of (semantic) alignment between global regulatory projects and frames and domestic institutions and political cultural elements.

The next chapter develops the first part of this argument (i.e. the upper part of Fig. 2.1) by exploring the global trajectory of transnational regulation and detailing the historical evolution of the main transnational programs of social governance. The chapter poses that three programs consolidated throughout the twentieth century, articulating multiple cleavages of social regulation and generating specific institutional architectures and norms. The first to consolidate, at the turn of the twentieth century,

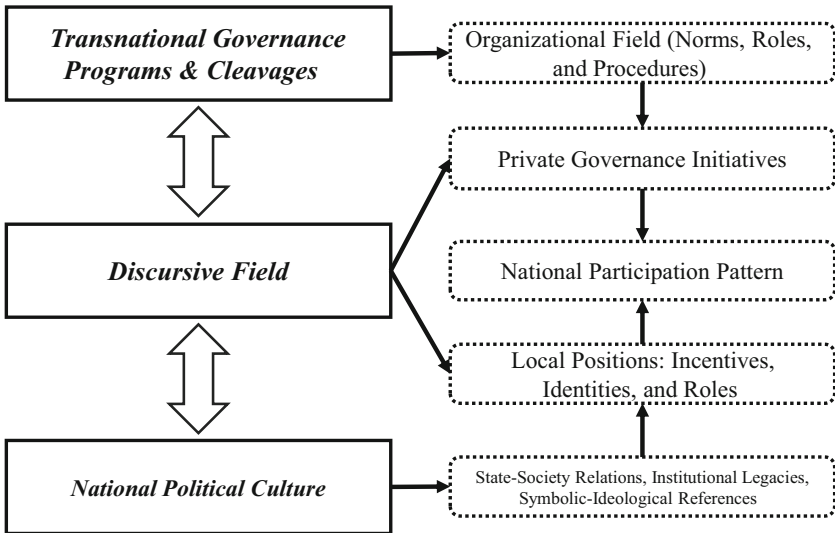


Fig. 2.1 The politics of resonance—An analytical scheme

was what I call a ‘welfarist’ program, as it aimed primarily at the regulation of labor and industrial relations via corporatist arrangements between states, business associations, and trade unions. This model was gradually (and successfully) challenged, from the 1960s onward, by a business and trade program, centered on promoting international trade and adapting modern organizations to the needs of capitalist competition and increasing interdependence. Since the 1990s, a third and final sustainability program gradually took shape, aiming to integrate market-based governance mechanisms with stronger normative components based on notions of human rights, development, and environmental responsibility. The three initiatives on which this book focuses to study sustainability governance at the national level—the UNGC, the GRI, and the ISO SR—are considered representative of this latter program. Developing the historical evolution of sustainability governance serves to get a better grip of the historical evolution of private social and environmental governance, and facilitates a more comprehensive and ordered understanding of the diffusion process and discursive resonance of this transnational governance agenda in South America, thus dealing with the bottom part of Fig. 2.1.

NOTES

1. Regulatory coordination is understood as the codified adjustment of national standards in order to recognize or accommodate regulatory frameworks from other countries (Drezner 2007, p. 11). Regulatory coordination does not imply policy convergence, which refers to the narrowing of gaps over time, nor harmonization (or standardization), which means convergence to a single norm or standard. It is clear though that the latter two are non-necessary possibilities of the former.
2. Drezner (2007, p. 43) points, e.g., to three benefits for multinational corporations, and by ‘extension to home and host countries’: maintaining single production processes, developing consistent and distinct brands, and clarifying the political process through which transnational norms are made and can be changed.
3. Within this latter school, authors have explored how different supply chain structures can shape normative convergence, given the degree of export dependence of a given industry, the ultimate destinations of exports (distinguishing high standard destinations such as the USA and Europe, from low standard ones, such as those in Asia), and the type of value chain involved (buyer-driven or supply-driven, with the former being more susceptible to consumer demands) (Vogel 2010; Locke et al. 2009; Nadvi 2008; Toffel et al. 2015; Navdi et al. 2011; Ponte and Gibbon 2005).
4. See Di Maggio and Powell (1983) in regards to notions of mimetic and normative isomorphism.
5. Some authors go even further, considering that, it is the state and its structures that are adapting to the demands stemming from this world culture, by becoming an increasing rationalized and function-oriented institution (Meyer 2000).
6. In this latter case, effectiveness and compliance is expected to increase the more new norms and practices become socially accepted, with success ultimately being associated with the extent to which these recede into what John Searle (1995) called ‘the Background’, the taken-for-granted ideational structures organizing social life.
7. For instance, a study on the evolution of the GRI-based reports concluded that ‘GRI adoption may well increase in some sectors and decrease or remain stagnant in others’, depending on factors such as the level of public distrust for certain industries, their involvement

in environmentally harmful activities, company size, and trends in capital markets (Marimon et al. 2012, p. 142).

8. I see a connection between these pre-existent institutions and memories and Tilly and Tarrow's (2007) notion of 'social movement bases', the associational and cultural residues that social movements leave behind and linger after active mobilization phases ended. In their view, these bases serve as dormant semantic resources with high salience in a particular setting, but that only become re-energized when incorporated, by certain actors, within a new discursive field and frame. As it will be shown in future chapters, memories of previous collaborations and crises are recurrently used by certain actors to frame and fit sustainability initiatives under positive and negative light.
9. The manner in which I approach participation was explained in the methodological section in Chap. 1.

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Global Trajectories in Sustainability Governance

This chapter examines the global trajectory of sustainability governance. In doing so, the chapter makes two relevant contributions to the book's argument. First, by tracing the modern origins of private programs of social, environmental, and corporate regulation, it identifies the context of emergence of multiple governance cleavages through the twentieth century. These cleavages represent different rationales, discourses, and institutions of transnational regulation, which developed independently but gradually combined to articulate broader governance agendas and programs. Second, by identifying and tracing these cleavages and programs, the chapter outlines the emitter's side of the governance 'master frame' set to interact with the national political culture of Argentina and Brazil.

The chapter is divided in two parts. The first and most extensive section traces the evolution of private social and environmental regulatory initiatives and cleavages from the early twentieth century to the late 1990s, when the sustainability program is posited to have consolidated. The second section introduces the three case study initiatives, the United Nations Global Compact (UNGC), the GRI, and the ISO SR, and uses them to characterize the latest and current program of transnational socio-environmental governance.

A (PROGRAMMATIC) HISTORY OF PRIVATE SOCIAL GOVERNANCE

As explained in Chap. 1, the book approaches transnational governance as a historical process involving the articulation of diverse cleavages of governance into programs—robust schemas of interpretation delineating discursive models and institutional configurations for the regulation and standardization of social affairs. A diagram representing the general discursive-institutional evolution of transnational social governance is provided in Fig. 3.1, serving to situate the approximate moments of emergence of the main cleavages and the periods corresponding to the three governance programs, and summarizing developments and issues to be explored in this chapter. Four cleavages of private social regulation are identified as relevant at the beginning of the twentieth century, albeit with different levels of institutional development: labor regulation, civil and political rights, international trade regulation, and corporate ethics.

The Early Origins: Workers, Humanists, and Experts

The consolidation of the first program of private governance, which I denominate ‘welfarist’, was part of a political trend emerging in the nineteenth century by which certain elite groups and governments moved to enhance the regulation of the cross-border externalities of industrialization,

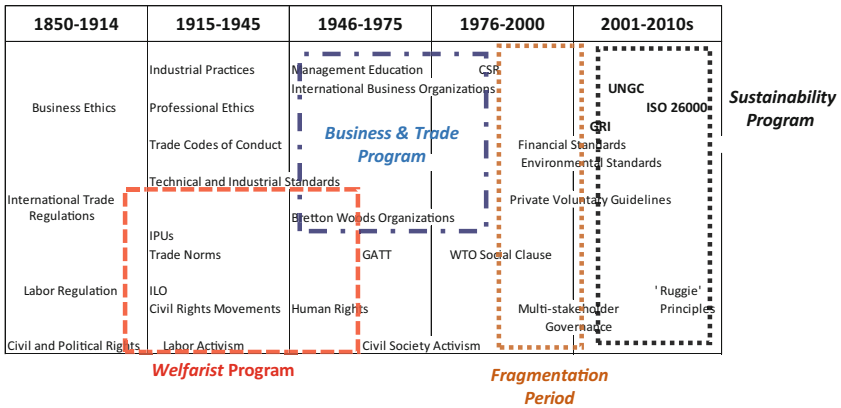


Fig. 3.1 The global evolution of social governance

trade, and modern industrial relations. This trend comprised multiple efforts, some more focused on technical affairs, while others were associated with ethical values and new corporate practices. Nonetheless, many of the initiatives during this first phase were marked by a general concern for the ‘labor question’: how to respond to growing demands from an active and internationalized labor movement, and the challenges posed by expanding collectivist political ideologies. This labor challenge—following different pathways, from Syndicalist and Communist struggles to Christian and humanist mobilizations—eventually forced the authorities in the most advanced industrialized (and industrializing) nations, in particular in Western Europe and North America, to acknowledge the importance of establishing some basic international labor rules (Silver 2003; Murphy 1994). However, even if dominant, labor-related cleavages would not be the only relevant forms of social governance gaining ground at the time.

By the early 1900s, the European labor movement already displayed a strong transnational orientation, posing class values, categories, and identities as the main structuring cleavage of modern society. With the impetus provided by events such as the Second International—grouping the main socialists, communists, and labor political parties of the time¹—there was a surge in organizational efforts and a push for the internationalization of labor-protective regulations in Europe. Thus, already in its first meeting in 1889, the Second International passed resolutions that connected labor solidarity with broader political liberties, calling for the eight-hour working day, the abolition of standing armies, declaring May 1 a public holiday, and the struggle for universal social legislation and suffrage. Moreover, the European labor movement actively promoted the formation of International Trade Secretariats connecting trade unions across Europe and North America, with 32 in existence before WWI (Van der Linden 2004; Van der Linden 2003).² It was also during this period that the first official set of international labor norms to be applied voluntarily by states to regulate working and industrial conditions were established: in 1900 the International Association of Labor Legislation (IALL) was created, followed shortly by the foundation of the first International Labor Office at Basle, Switzerland, on May 1, 1901, the predecessor of the ILO. Interestingly, already with the creation of the IALL two competing visions regarding labor governance and standardization became identifiable: one centered on the morality and legitimacy of labor rights, and another focusing on the importance of common industrial norms

and practices to prevent unfair commercial competition (Francke 1909; Turmann 1922). These visions represented two incipient ‘frames’ surrounding social regulation—one rooted in a cosmopolitan humanist morality, the other in economic and techno-scientific rationality—that will be recurrently at play across many regulatory projects through the twentieth century.

As a matter of fact, these competing visions were very much present in the first wave of modern international organizations appearing from the 1850s onward, with the goal of regulating diverse components of international trade and industry: by 1914 around 30 International Public Unions (IPUs) existed, delineating regulatory frameworks for both governments and private actors over issues such as communications, transportation, health and hygiene, and technical cooperation (Murphy 1994; Reinsch 1907). The promoters of these proto international organizations considered that the regulation of commercial and industrial affairs was directly connected with human welfare and progress, and international meetings were often sponsored by liberal and modernizing European monarchs and aristocrats, among the most cosmopolitan individuals of the time.³ This aristocratic/cosmopolitan component overlapped with the expanding authority and recognition gained by modern science and technical professions, and the growing involvement of experts and scientists in international meetings and forums, in particular over issues at the center of the industrial revolution, such as medicine, engineering, and the applied sciences.

Nonetheless, already in these early moments, humanist views of international regulation and collaboration came to clash with more traditional state-centered and nationalist stances. Thus, on the one side, there were those embracing an idealist vision where science was the path for universal and fair solutions to humanity’s present and future problems. On the other, there were politicians that privileged national interests at a time of increasing competition among industrialized powers. In this context, many liberal and cosmopolitan supporters of the early IPUs saw the growing politicization of international industrial conventions and conferences as an ominous development (Murphy 1994). Relevantly, in order to avoid the negative implications of ‘political intrusion’, a call was made during the fifth Congress of Electricians of 1904 to establish a purely technical international standard-setting organization, resulting two years later in the creation of the International Electrotechnical Commission (IEC). The IEC is considered to have originated a new

model for ‘transnational standardization’, where international norms resulted from technical exchanges between experts and practitioners, providing the basis for the model adopted 50 years later by the ISO (Loya and Boli 1999; Büthe 2010). This technocratic model of regulation and governance will surface as well during the first international conventions in the 1930s discussing environmental issues such as oil pollution and whaling (Charnovitz 1997).

Two aspects of these early regulatory projects would change dramatically during and after the interwar years. First, the transnational treatment of labor regulation promoted by the IALL would rapidly shed its technical component, to become exclusively treated as a political matter. Second, the ‘social awareness’ of early industrialists will start to mutate and expand, in particular in North America, slowly outlining a more apolitical conception of capital-labor relations: that between ‘management’ and ‘employees’. The politicization of international labor regulation achieved its maximum expression at the end of WWI, when advanced nations agreed that the labor question had become too sensitive to be left to academics, legal scholars, or utopians. Hence, the creation of the ILO in 1919 followed a different ethos to that behind the IALL, embodying a consensus among policy-makers whereby—in light of nationalist forces, labor activism, and the consolidation of the Soviet project—the improvement of working conditions and social standards was no longer a mere industrial concern or an ethical matter, but a fundamental consideration for maintaining social and political order, as well as international peace. In other words, after 1919 labor governance had become a geostrategic matter.⁴ This state-centric and growingly ‘corporatist’ framing of labor governance had the effect of sidelining humanist and civil society cleavages that have previously been considered relevant for labor affairs.⁵ This was the case of the anti-slavery movement, Christian associations, women associations, and the English Chartist Movement, which had contributed to promote a cosmopolitan view of labor practices across Europe, and to include ethical considerations in early international trade norms (Coats 1958; Turmann 1922). The International Abolitionist Federation, for instance, founded in 1875, pioneered in launching campaigns for regulating international trade according to standards of origin that discriminated goods manufactured under slave, forced, or prison labor (Charnovitz 1987)—some-what representing an early ‘fair trade’ movement. Braithwaite and Drahos (2000) also indicated that the anti-slavery movement integrated multiple ethical philosophies, as diverse as Quaker’s morality in North America and

England, French liberal thought, and the economic arguments of Adam Smith, where slavery was conceived as being economically inefficient.⁶

The ILO made official a model of international labor regulation centered on the main sectoral actors participating in industrial relations. The tripartite mechanism of the ILO—based on national delegations of government representatives, labor unions, and business—was in this manner both revolutionarily inclusive, and silently exclusive. Thus, though celebrated as a triumph of the labor movement, the ILO model also drove forward the sectoral organization of business (Charnovitz 1987) as its foundation coincided with the formation of the International Chamber of Commerce (ICC), an initiative promoted by US, British, French, Italian, and Belgian businessmen. The ICC, expanding dramatically in its initial years, had as its basic mission to promote international business intercourse and cooperation among countries over issues such as finance, industry, and commerce (Keppel 1922). The ICC was followed by the creation of the International Organization of Employers (IOE) in 1920, grouping national employer associations and becoming the official body representing business interests in the ILO.⁷ These and other business associations represented new channels for local and international business to enhance their participation in international debates over trade issues, technical regulation, and political affairs. The ICC, for instance, advocated a liberal vision of global governance based on minimal state intervention over private affairs and low restrictions for international trade. After its first official meeting in London in 1920, the ICC produced a striking set of resolutions for expanding world trade and finance that, among other points, asked for the reduction of trade taxation and the abolition of restrictions over foreign banks, discouraged government control and state enterprises, and asked for the unification of commercial practices. Moreover, it explicitly called for ‘Cooperating with existing agencies in the development of standardization’ (Keppel 1922, p. 197). Notably, this agenda did not mention organized labor, even when the issue dominated regulatory debates at the time, reflecting already a conceptual distinction between market- and labor-oriented cleavages of regulation (a distinction that would only widen with the following decades).

On a more secondary level, the first part of the century also witnessed the consolidation of an independent business culture. This culture will support the emergence of a separate cleavage of private governance of growing importance in later years: business ethics. Certainly, the existence

of a link between industrial practices and morality was not a new idea. Max Weber's famous work 'The Protestant Ethic and the Spirit of Capitalism' (Weber 1930), originally published in German in 1904, already posed a constitutive connection between entrepreneurial spirit, early capitalism, and certain types of religious values. Similar links between morality and industry were central to the ideas of Robert Owen in Britain and Charles Fourier in France—who by early nineteenth century promoted co-operative ethics based on communitarian ownership of industrial property (Kolakoswki 1978). However, by the early 1900s, a new ethical cleavage will become distinguishable from the philanthropic activities of wealthy industrialists and early paternalist concerns for the moral well-being of 'their' workers and communities (Heald 1961). Thus, certain literature points to the USA for the first expressions of what later became known as the corporate 'self-regulation movement': the formulation of corporate codes of ethics by firms, trade associations, and commerce chambers. For example, in the 1880–1890s period, US railroad companies appear to have financed the activities of the Young Male Christian Association (YMCA) among their workers, the American Electric Railway Association adopted a code of principles in 1914, and by 1924 the US Chamber of Commerce had launched its 'Principles of Business Conduct' (Heald 1957; Brooke Graves 1924). Universities in the USA, in particular the Wharton School of Finance and Commerce and Yale University, are also mentioned as pioneers in academic research on business ethics (Bunzel 1905). This included early critiques on the nature of private standards: interestingly, in 1907 the President of Yale University considered sectoral 'honor codes' to be more frequent among industries prone to scandals, such as banks and railroads, and the large monopolies consolidated during the initial industrialization in the country (Hadley 1907). By the 1930s, these ideas intertwined with the rise of modern managerial thinking, based on the codification of Taylorist and Fordist principles and practices (which had very limited application in Europe prior to 1914) (Dulebohn et al. 1995). In particular, the Hawthorne experiments, taking place in Chicago between 1923 and 1933, are considered to have initiated the technical approach to working standards and employee' well-being. Conducted by managers of the Western Electric Company in collaboration with social scientists from MIT and Harvard, the experiments studied the relationship between worker motivation and performance, outlining a positive link between working place standards,

industrial quality, and efficiency. These experiments became the backbone of the Human Relations movement in academia, evolving into the field of Human Resources. Over the following decades, this field will provide important contributions to ‘technical’ considerations supporting modern organizational practices, integrating with business ethics cleavages and CSR arguments.

On the other hand, the USA also appears to have witnessed the emergence of the first organized civil society movements interested in raising social and ethical standards across the liberal professions. Representative of this were the activities of the Rotary Club, first established in Chicago in 1905 and reaching 80,000 individual members in 25 countries 15 years later. In the 1920s, the Club launched an international campaign aimed at setting an international professional conduct guide to be followed by any of its members independently of location (Brooke Graves 1924). The vision of the Rotary Club was radical for the time, differing from both the free-marketeer view of the ICC and from the corporatist and social-democratic values behind the ILO. Its recommendations proposed to regulate the relationship between labor and corporations according to notions of professional respect, advocating for ‘rules of conduct governing the relation of employer with the employee’, while considering that this relation—and not the one between labor, business, and state—was the ‘only known antidote’ for social unrest (Gundaker 1922, p. 230). In this manner, the Rotary Club advanced a broader civil vision of organizational and professional practices, cosmopolitan by definition and carrying a strong social responsibility commitment.

Despite all these developments, the turmoil of the interwar period hardly provided a supportive environment for furthering the development of private initiatives set to enhance social standards. International labor cleavages in particular, were substantially weakened as a consequence of WWI, the spread of fascist ideologies, and the widespread climate of economic and social turmoil of the 1930s. Moreover, labor discourses in Europe and the USA became polarized with the consolidation of communist states and their influence over workers’ movements. The crisis context also eroded progressive corporate and civil society movements seeking to improve corporate standards and industrial practices, as well as liberal ideas about industrial cooperation and free trade. It would be only after 1945 that some of these cleavages would regain visibility in international regulatory debates.

The Rise and Fall of Welfarism: Labor, Neoliberals, and Human Rights

After 1945, it was a widely accepted notion that the ILO, which had seen its mandate extended a year before, would provide the institutional backbone to a new social contract, around the idea of the welfare state and its association of economic progress, political stability, and the mass expansion of social benefits. This welfarist model expanded across the developed world in the following two decades, constituting the period Eric Hobsbawm (1997) denominated ‘the Golden Years’. Moreover, in terms of international governance, the welfarist model was seen as being intrinsically associated with the expanding normative discourse of human rights—the UN Human Rights Charter was proclaimed in 1948—and the official recognition of the link between basic political and social freedoms and economic rights.⁸ Even as late as the 1960s, there were serious expectations that the ILO would displace the UN as the principal international organization dealing with the regulation of socio-economic matters, with some observers considering that the term ‘labor’ in the ILO’s name had become narrow and misleading (Gormley 1966). The vitality of this welfarist program was such that in 1964, the ILO was emboldened to launch Convention No. 122 on Employment Policy, whose ratification implied a country’s commitment to guarantee full and freely chosen employment, the ultimate Keynesian ideal (Standing 1999, 2008). Five years later, the ILO received the Nobel Peace Prize for its contributions to global social justice and the regulation of work. This triumph, however, would be short lived.

The reasons for the fall of welfarism are multiple. On the one side, the Cold War context brought forward an incommensurable conflict over the socio-political position of labor. This conflict politicized the international labor movement and paralyzed the ILO’s tripartite mechanism, progressively contributing to sideline this organization as an effective mechanism of global governance.⁹ Relatedly, since the 1960s the hegemonic vision promoted by the USA (in the West at least) started to clash openly with the social democratic and workerist spirit that the ILO model represented, posing instead a new governance paradigm that rejected a corporatist treatment of the labor question. Accordingly, US political elites understood that as long as the Fordist bargain could be kept—high wages and benefits in return for high productivity—international negotiations between workers and employers were unnecessary, in particular if these granted access and voice to communist regimes and socialist organizations (Standing

2008; Murphy 1994). In the mind of US policy-makers this justified transferring the social and economic responsibilities attributed to the ILO to the UN system, and specifically to the new, more technical, Bretton Woods organizations, where the space for ideological polarization and political disagreement was much narrower. This situation was recognized by the ILO leadership, which started shifting its attention to issues of technical cooperation and development. Nonetheless, the level of politicization became eventually unacceptable for the US government, which decided to suspend its payments to the ILO in 1970 and to withdraw from the organization in 1977, launching it into financial and ideological disarray. The USA eventually re-joined the ILO in 1980, but only after the latter's leadership committed to a markedly 'non-political' agenda (Armstrong et al. 2004, p. 63). At this point, a number of scholars noted that the ILO leadership had become co-opted by US elites and allies, turning it into

a politically efficient mechanism for maintaining and husbanding the alliance of industrialists with those more conservative elements of the workers' movements rejecting the promise of the Russian Revolution. (Murphy 1994, p. 200)

Somewhat paradoxically, the welfarist program faced a second challenge coming from the rising human rights agenda. The increasing framing of labor standards as human rights, in addition to a number of legal debates and implications (Alston 2004), generated tensions regarding the actors and categories involved in the regulation of the social, supporting criticisms against state-centered and corporatist regimes from an liberal civil society perspective that called for the inclusion of development, decolonization, gender, and environmental concerns as 'new' social governance priorities. Moreover, while the human rights agenda was by definition global, labor regimes in the West had become markedly national, in a big step backward from the cosmopolitan aspirations of nineteenth century socialists and humanists. Thus, from a human rights perspective, organized labor and related corporatist practices were framed as being conservative and exclusive, in detriment of other sectors and social cleavages (Leary 1996).

In this manner, by the 1970s the welfarist program was suffering a two-pronged attack on its programmatic bases. On the one side, the rise of the liberal human rights discourse was eroding the legitimacy of labor as the principal socio-economic cleavage organizing collective relations.

On the other, the political economic underpinnings of the welfare state model were raided by the ideological antagonism of US elites for collectivist ideologies and schemes. This rejection would be reinforced by the increasing authority of theories of neoliberal economics. This previously small school of economic thought acquired global influence with the election of Margaret Thatcher in the UK in 1979 and of Ronald Reagan in the USA in 1981, although neoliberal policies had been previously implemented by authoritarian regimes in Latin America (for instance, in Chile since 1973 and in Argentina since 1976) (Cook 2007).¹⁰ Under this new economic paradigm, the Keynesian social pact was considered inflationary and inefficient, and detrimental to economic growth, as implied in the ‘Eurosclerosis’ dysphemism popular at the time referring to the poor performance of many European economies. Instead, neoliberals advanced a supply-side vision of the economy and advocated policy agendas aimed at ‘liberalization, deregulation, privatization, market proxies in the residual public sector, internationalization and reduced direct taxation’, including the creation of free labor markets (Jessop 2010, p. 70). In this conception, labor was no longer a sector to be protected in exchange for stability, but a commodity that had to be deregulated in order to trade freely and reach its natural clearing price.

Thus, as this technocratic paradigm gained preponderance in Western policy-making circles, the institutional architecture of welfarism, at both international and domestic levels, started to be dismantled. Diverse expressions of this are reflected in the figures below. Figure 3.2 shows the fall in the number of ratifications of ILO Conventions in the 1946 to 2007 period. The broadening gap between the downward rate of ratification of ILO conventions and the growing number of member states is a clear indication of the falling influence of the ILO as a global standard-setter, in particular after 1985.¹¹

Simultaneously, trade unions in developed economies started to lose ground as governments liberalized their industrial relations systems, often very aggressively, while the service sector displaced industry as the main source of employment. Consequently, Fig. 3.3 displays the sustained fall in union density in the USA, Japan, France, UK, and Germany, with drops between 30 % and 50 % between the 1970s and 2000s (Visser 2006). By the early 1990s, the influence of the labor movement and workerist ideologies suffered a final blow with the disintegration of the Soviet Union, an event that proved almost fatal for communist trade unions and international labor federations, in particular for the once powerful

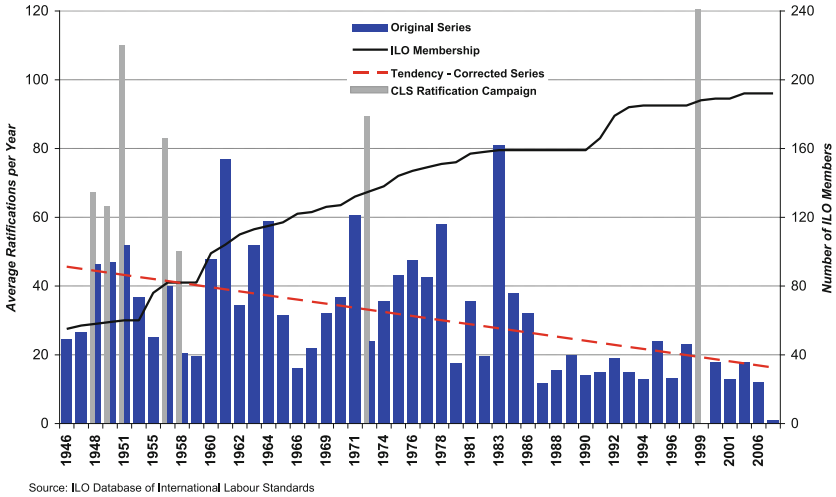
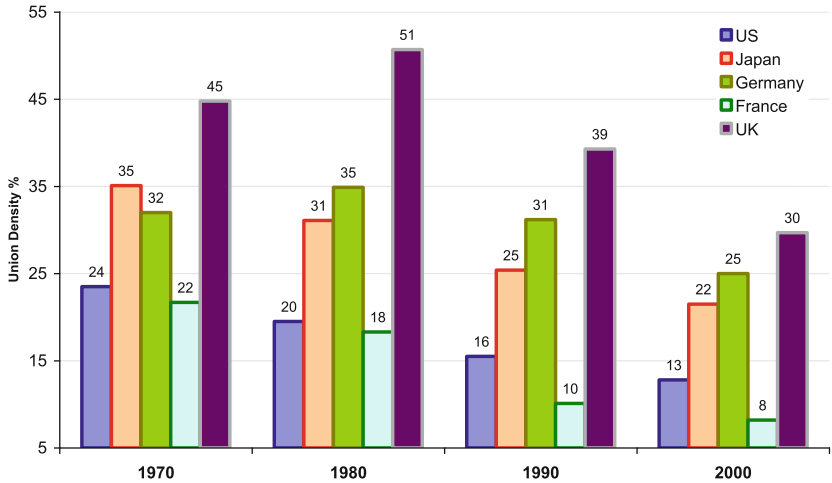


Fig. 3.2 Ratification of ILO Conventions (1946–2007)



Source: Visser, 2006, p45

Fig. 3.3 Evolution of trade union density, adjusted data (1970 to 2000)

World Federation of Trade Unions (WFTU). The remaining international trade union bodies, grouped around the International Confederation of Free Trade Unions (ICFTU), the European Trade Union Confederation (ETUC), and ten international Trade Federations—renamed as Global Union Federations (GUFs) later on—were gradually displaced from relevant political roles, fragmenting into narrower spheres of influence and areas of concern (Gumbrell-McCormick 2004; O’Brien 2000).

At this point, there was a relative consensus emerged among international policy circles that the welfarist agenda of social pacts and corporatist bargaining, and the associated model of labor governance, had become an obsolete discourse, overridden by the ultimate utopia of capitalist globalization and pluralist democracy, and only sustained by some bureaucratic nations (i.e. France) and backward countries in the developing world (Fukuyama 1992; De Soto 1989). As the next section explains, in this transition corporate and market-oriented cleavages of regulation gained authority, altering the manner transnational social governance was conceived.

Fragmentation and Markets: The Firm as a Regulator

An important point stemming from the previous section is that the demise of the welfarist program was not just the consequence of economic neoliberalism: rather, it responded to the combined effect of pro-market and pro-civil society cleavages of social regulation and governance. This paradigmatic change nonetheless facilitated the re-activation of cleavages that linked economic progress, liberal ethics, and managerial practices. Already in 1970, Peter Drucker, a renowned American management thinker, could confidently write that management had become the dominant institution of Western civilization, as it expressed

the belief in the possibility of controlling man’s livelihood through the systematic organization of human resources. (Drucker 1970, p. 4)

This idea was underpinned by a master frame where the effectiveness of free markets and technical knowledge legitimized a greater role for economic ideas and private actors in global governance, and promoted changes in the institutional mechanisms through which international social regulation should proceed: away from political deliberation between governments and corporatist groups, and closer to technocratic deliberation and private authority.

On the one hand, this new managerial vision articulated earlier ideas of corporate social responsibility (Carroll 1999), which prior to the 1960s were still under the influence of welfarist discourses, discussing the convenience of imposing higher social standards over corporations through mandatory mechanisms such as domestic law. It was against this view that one of the intellectual fathers of neoliberalism, Milton Friedman (1970), openly revolted¹² in an article famously titled ‘The Social Responsibility of Business Is to Increase its Profits’ arguing that mandatory linkages between corporate performance and broader social concerns would contribute to increase market inefficiencies, and ultimately be detrimental for society as a whole. A decade later Peter Drucker would adjust Friedman’s orthodox view, positing that this inefficiency could be superseded by creating schemes that generated economic incentives for the improvement of social and environmental standards, as well as new economic opportunities (Drucker 1984). This argument became known as the ‘business case’ for CSR, where the establishment of voluntary higher-than-required social and environmental standards could constitute a win-win situation for businesses and society at large. Importantly for this book’s purpose, these debates suggest that it was no longer enough to promote higher social standards on religious, humanist, or ethical grounds, nor as part of a political economic trade-off for social stability. By the 1980s, social governance also had to pay off.

The resurgence of CSR ideas heralded not only changes in economic and managerial thought but were also accompanied and reinforced by the growing weight, and exposure, firms enjoyed as international economic and political actors. During the 1970s, a series of serious illicit activities committed by large North American firms operating overseas—including support for insurgent activities in host countries, the financing of political parties, participating in illegal arm sales, and bribing public officials—came to light (Solomon and Linville 1976). In light of this, public opinion in the USA, already agitated by social movements around the Vietnam War, became increasingly critical of unregulated corporate practices. Campaigns led by activists such as Ralph Nader advanced the idea of treating corporations like political entities with societal responsibilities and challenged authorities to consider that they ‘could not rely on market mechanisms on decision-making to serve society adequately’ (Vogel 1975, p. 27). As a response, the Securities and Exchange Commission (SEC) and the US Congress passed the Foreign Corrupt Practices Act in 1977 (Solomon and Linville 1976). This act triggered a rapid reaction within the corporate

sector whereby firms re-discovered self-regulation as a preemptive strategy, in particular proclaiming Codes of Conduct (CoC) and unilateral commitments to ethical practices and legal principles.¹³

This policy by the largest world economy came in tandem with a series of new international initiatives aimed at providing internationally recognized regulatory frameworks for guiding the social, environmental, and political activities of multinational corporations (the largest of which were dominantly from the USA) (Huntington 1973). In 1976, the OECD launched the first version of its ‘Guidelines for Multinational Enterprises’, outlining a set of recommendations for governments and enterprises to homogenize a liberal regime of foreign direct investment but that also included aspects concerning CSR.¹⁴ The ILO also recognized the role of TNCs as the main job-owners and in 1977 launched the ‘Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy’, enumerating various standards of behavior for corporations in areas such as employment, training, conditions of work, and industrial relations. Similarly, international business associations started to draw their own recommendations for good corporate practices: the ICC launched its ‘Guidelines for International Investment’ in 1972 and its ‘Rules of Conduct to Combat Extortion and Bribery’ in 1979, the Sullivan Principles were launched in 1977 by a religious board member of General Motors reacting against South Africa’s apartheid, and the Caux Round Table Principles of 1986 were drafted by a coalition of businessmen from North America, Europe, and Japan (Hassel 2008; Horn 1980). Also the UN started to pay attention to private social standards, trying to advance its own norm of corporate social responsibility with the creation of the UN Commission on Transnational Corporations (UNCTC) in 1975, an autonomous body with the task of setting an international Code of Conduct clarifying the roles and responsibilities between states and Transnational Corporations (TNCs).¹⁵ These international initiatives represented a first wave of institutional attempts to re-create an international governance architecture around certain social issues and private practices, even if they were very limitedly adopted by business organizations, suffered criticisms from labor and civil society, and lacked clear procedures for monitoring and enforcement (Hassel 2008; Heintz 2002; Rubin 1995; Kolk et al. 1999). At the same time, they indicated the advance of a market-oriented agenda of transnational governance, as previous intergovernmental arrangements and corporatist structures were abandoned and firms came to be accepted as the principal transmission mechanism for diffusing regulatory norms across borders.

However, the proliferation of these initiatives contributed as well to institutional fragmentation and confusion, in particular as official projects made little inroad in terms of achieving regulatory convergence: the UN, for instance, proved incapable to agree on the basic principles for its CoC, and by 1993 the UNCTC was dissolved. The early 1990s thus witnessed the last serious attempt to establish an effective international regime capable of reconciling two major cleavages of social governance: labor regulation and international markets. The main initiatives in this direction were negotiations around the introduction of a ‘social clause’ into the WTO, an idea proposed during the 1996 WTO Ministerial Conference. The proposal was to incorporate ILO Conventions and international Human Rights Declarations within the clauses of the new trade regime and benefit from its enhanced coercive capacities: this would block the race-to-the-bottom in social governance as developing economies would have to comply with higher social standards to access Northern markets, while the latter would have to enforce them to avoid sanctions based on the WTO’s Trade Dispute Settlement (O’Brien 2004; Chan 2003). The opposition to this project illustrates the conflicting political rationales crossing social and environmental governance by the end of the twentieth century as the project was resisted by a variety of parties, including the bureaucracies of the ILO and WTO themselves. WTO bureaucrats were reluctant to formalize connections between technical international trade negotiations and ‘vague’ labor and social standards that could jeopardize market efficiency. On the other hand, the ILO was concerned with the moral hazards of linking with a ‘hard’ free trade regime, given the ILO’s tradition of voluntarism and moral persuasion, the supposed neutrality and democratic spirit of its tripartite assembly, and the overall autonomy of the organization (Wilkinson 2002). The project, brought forward by the governments of the USA, France, Norway, and the European Commission, was also opposed by a number of developing countries and the UK, on the premise that it would provide moral grounds to implement protectionist policies. The main employer organizations such as the IOE and the ICC lobbied for maintaining the status quo, in line with their free trade tradition and their historical opposition against the enhancement of ILO powers (Leary 1996). International trade union federations, and trade unions from Asian, African, and Latin American countries, supported the project as they considered that a social clause would benefit low-paid workers in labor-intensive export-oriented industries, while providing new possibilities to pressure corporations and states

(Kirton and Trebilcock 2004). In this environment, no agreement was reached and the final WTO Ministerial Declaration at the Singapore Meeting merely reaffirmed the ILO as the exclusive ‘competent body to set and deal with these [labor] standards’ (WTO 1996). A number of related debates resurfaced during WTO meetings in Seattle in 1999 and Doha in 2001, but in the latter the initial declaration was confirmed and the social clause debate was concluded.

The failure of the WTO-ILO initiative represented a definition regarding the old tension crossing social regulatory projects, indicated in the first section of this chapter. On the one side, there were actors supporting a technical-economic position, concerned with the effects of universal social standards on economic competitiveness, the area of expertise of the WTO. On the other, there was a normative-political camp focused on the respect of human and collective rights, the focus of the ILO (Lee 1997). These positions represented two distinct programs of governance: (i) a soft-law *laissez-faire* B&T program, voluntary, fragmented, and aimed at private authority, and (ii) a political-legalistic welfarist program, aiming for centralized and even coercive mechanisms of regulation, but deadlocked by the challenges of state-centered deliberation. The difficulties in reaching any form of coordinated agreement meant the impossibility of revitalizing this latter program under conditions of globalization. This, however, meant accepting a legitimacy gap that could not be fully resolved by the existent regulatory architecture, whereby universal social principles regarding human rights and environmental protection were accepted as valid normative references for global regulation and governance, but only private actors and soft initiatives, with their limitations and sectoral concerns, were in charge of implementation.

Ultimately, the balance tilted toward soft regimes, as international organizations came to embrace transnational private regulation. The most evident expression of this was the new policy line the ILO rolled out in 1998, which can be considered a key milestone of the origins of the sustainability program. During its 86th Session, the ILO launched the ‘Declaration on Fundamental Principles and Rights at Work’, which among other measures proclaimed the abandonment of its centennial convention-based procedure to labor and industrial relations governance—that had produced 150 Conventions, over 200 recommendations, and 5 protocols—to focus on the promotion of general but universal principles (ILO 1998). Mimicking the approach taken by the UN half a century before when launching the Human Rights Declaration, the ILO unilaterally established

four fundamental ‘Core Labor Standards’: (i) freedom of association and effective recognition of the right to collective bargaining, (ii) elimination of all forms of forced labor, (iii) the abolition of child labor, and (iv) the elimination of discrimination in respect to employment or occupation. Overlapping with basic human rights, these core standards would constitute a ‘new normative hierarchy’ (Alston 2004, p. 458) to guide domestic regulation and international initiatives, irrespective if governments ratified related ILO Conventions or not.

The 1998 ILO Declaration was received with controversy among specialized observers and scholars, ranging from those considering it the defeat of the ILO’s social democratic spirit and the exhaustion of the concerted model of international labor governance (Standing 2008; Alston 2004; Vosko 2002), to more optimistic stances where it was posed as bold and pragmatic ‘strategy of relevance’ enabling the organization to adapt to the twenty-first century (Haworth et al. 2005; Wilkinson 2002). In any case, the timing, content, and style of the measure by the main international labor body represented a clear move away from any further attempt to reinvigorate a legalistic, corporatist, and/or state-centered model for the regulation of the social dimensions of economic activity. Instead, the ILO accepted its new role as a provider of general normative references, and the international labor regime was reduced to a handful of ‘standards’,¹⁶ a few declarations by international organizations, and an expanding and disjointed array of corporate and civil society initiatives, with no central hierarchy or authority striving for regulatory convergence or coordination.

The Path to Sustainability: Environment and Human Rights

The reason why I chose the term ‘sustainability’ to denominate the latest phase in the trajectory of transnational social governance responds to its contemporary use to characterize the range of activities that somehow recognize the ecumenical limitations of the social and environmental context. Over the last 30 years, the term has become a dominant signifier used in global governance circles, civil society initiatives, corporate projects, and national political agendas, including an eclectic range of discourses generated by the CSR industry.¹⁷ The term itself developed from more technical and environmental applications, as international organizations started to refer to a ‘sustainability deficit’ associated with the looming dangers of the unrestricted exploitation of natural resources and an

unbalanced distribution of wealth. It gained wider notoriety however, with the publication of the UN World Commission on Environment and Development Report 'Our Common Future' in 1987 (UN 1987) and the 1992 UN Conference on Environment and Development (UNCED) at Rio de Janeiro (known as the Rio Earth Summit), and later with the appearance of some of the first 'sustainability indicators', launched by the US Department of Energy in 1995 and by the OECD in 1999 (Faber et al. 2005). The Rio Summit was a particularly relevant milestone as it contributed to the notion of sustainability diffusing to the corporate sector, the first international conference where business leaders joined politicians and scientists to discuss the role of the private sector in 'sustainable development' (Morgera 2004).¹⁸

In this process, the sustainability signifier started to be used to articulate elements of the previous welfarist and B&T programs, generating a new master frame that combined technical-economic authority with the enlarging universality of Western liberal, civil, and political principles. The institutionalization of this agenda was gradual, accompanying a series of novel hybrid initiatives where governments, firms, and civil society tried to address some of the deficits of unilateral CoCs and generic international declarations. These initiatives started to adopt more sophisticated operational models, where compliance and norm-diffusion would follow a combination of incentives and penalties relying on inputs from consumers, civil society, and the media. At the forefront of this trend was the expansion of certification and labelling mechanisms. The first labelling schemes appeared during the mid-1980s in the forestry sector, as a response to a struggle between corporations and environmental movements boycotting timber exploitation. In 1993, an initiative by the WWF and Greenpeace led to the formation of the first forestry certification body, the Forest Stewardship Council (FSC), where environmental organizations and timber producers would collaborate to establish core principles to regulate on-the-ground timber management and harvesting operations, while compliance would be verified by specialized private certifiers (Gereffi et al. 2001). Soon, other similar initiatives emerged to deal with labor conditions. For example, the US Department of Labor encouraged the creation of private labor certificates, on the position that the traditional scheme relying on labor inspectors was becoming increasingly unpractical (with the ratio of inspectors to total workforce dropping from 1:46,000 in the early 1970s to 1:130,000 in 1992) (Bartley 2003, p. 448). Interestingly, the first move by the Labor Department was to go through the official

international regime, and in 1996 it submitted a proposal for the ILO to create a ‘global social label’ aiming to certify countries. This proposal was subjected to similar criticisms as the WTO social clause, and the project was dropped. Two years later, the ILO’s Core Labor Standards agenda was launched, and the Clinton administration turned to the private sector, convening the Fashion Industry Forum and extending invitations to US trade unions and NGOs to discuss a self-monitoring certification model for the garment industry.¹⁹ In 1997, the Forum resulted in the creation of the Apparel Industry Partnership (AIP), a multi-sectoral arrangement that included public, civil society, trade unions, and firms from the USA. The AIP established a Workplace CoC that companies in the industry would adopt voluntarily and require their contractors to adopt, covering issues of child labor, discrimination, working conditions, minimum wage, health and safety, and respect for workers’ rights. As this model consolidated, specialized NGOs originated to provide certification services, such as Social Accountability International (SAI) and Fair Labor Association (FLA), both created in 1998. The latter also launched its own industrial standard—known as SA 8000—drawing from ILO and UN Conventions, and included an accreditation package to certify social conditions in industrial facilities across the world (SAI 2015). Other multi-sectoral initiatives emerged in other countries, such as the UK Ethical Trading Initiative (ETI) in 1998,²⁰ the Fair Wear Foundation established by the Dutch Clean Clothes Campaign in 1999, and the Workers’ Rights Consortium (WRC), a US group founded in 2000 by North American trade unions, student associations, labor activists, and human rights, labor, and religious NGOs (O’Rourke 2003, 2006; Standing 2007).²¹ The proliferation of private certification schemes became so noticeable at the time that Power (1999) coined the term ‘audit society’ to refer to this booming governance model, while Gereffi et al. (2001) referred to the ‘NGO-Industrial Complex’ to indicate the rapid expansion of the certification business.

By the turn of the millennium, business was nonetheless facing a second wave of public criticism. Naming and shaming campaigns reverberated with the anti-globalization and Global Justice movement, and widespread mobilizations against the WTO and the World Economic Forum (WEF), calling for greater equity, transparency, and accountability in economic governance (Hertel 2005; Della Porta et al. 2007; Juris 2004). Moreover, with the publication of best-sellers such as Naomi Klein’s (2000) ‘No Logo’, widespread violations of labor and human rights by recognized brand companies such as Nike and others came to the spotlight. This and other findings

triggered a second wave of regulatory effort by US authorities, contributing to the introduction of the ‘Child Labor Deterrence Act’, first proposed in 1992 and with subsequent modifications in 1999, through which the USA prohibited the importation of products produced through child labor (Caraway 2006; Hertel 2006). In this context of renewed questioning of transnational corporate practices and of the ethical bases of economic globalization, a new round of efforts will develop seeking to provide firmer institutional support to labor and environmental governance. It would be as part of these efforts that the three case study initiatives emerged.

SUSTAINABILITY AS FIELD: FRAMES, NORMS, AND PRACTICES

As explained in Chap. 1, this book agrees with the conclusions reached by other authors where sustainability can be conceived as a separate organizational field, structured around a relatively stable set of core norms, discourses, practices, and institutional mechanisms, and with a thickening density of interactions across core institutions. The process of constitution of this field is briefly examined ahead through a review of evolution and the main features of the GRI, the UNGC, and the ISO WG SR. Though these three initiatives are not posed to provide an exhaustive characterization of the sustainability field, I approach them as important institutional representatives of the overall program and its operation. This is based on three main considerations. First, by the 2010s the three initiatives were recognized among the ‘central intermediaries’ in sustainability governance, providing definitions, principles, and guidelines for other organizations on issues of CSR, sustainable development, and social reporting (Bartley and Smith 2010; Ward 2012; Gilbert et al. 2011; Rasche et al. 2012; Levy et al. 2010). Second, while a number of initiatives focus on subcomponents of the sustainability agenda, targeting a particular industry (for instance, fisheries, forestry, soy production, and so on) or regulatory dimension (i.e. labor rights in the garment industry), these three initiatives cover a wide spectrum of area-issues ranging from labor standards and human rights, to organizational practices and environmental concerns, as shown in Fig. 3.4. The diversity of categories in this table provides a representation of the extension of this regulatory agenda. Third, the three initiatives claim to represent an international consensus regarding sustainability governance, and their organizational structures purposely incorporate multi-stakeholder and geographically representative standard-setting

	<i>GRI</i>	<i>Global Compact</i>	<i>ISO 26000</i>
Business	Economic	Investment	Organisational Governance
Labour	Labour Practices & Decent Work	Labour	Labour Practices
Environment	Environment	Environment	Environment
Social	Product Responsibility Human Rights Society	Human Rights Peace Business Education Development	Human Rights Consumer Issues Community Involvement & Development Fair Operating Practices
	Source: GRI (2010)	Source: GC (2010)	Source: ISO (2010)

Fig. 3.4 Cleavages of transnational sustainability governance

mechanisms. These structures are used in Chap. 4 to unpack Brazilian and Argentinian participation.

A final relevant feature mentioned in the introduction, relevant to explore resonance rather than norm subscription, is that three initiatives reject the certification model. Thus, GRI's guidelines are freely downloadable from the web and the GRI does not provide any form of auditing, verification, consulting, or certification of reports to companies using their guidelines (though third party organizations do), beyond giving instructions for adopters to 'self-declare' their application performance (GRI 2015). The UNGC also states that its framework

is not designed, nor does it have the mandate or resources, to monitor or measure participants' performance. (UNGC 2015)

The final ISO 26000 document, contrary to previous ISO norms,²² stated that 'it is not intended or appropriate for certification purposes or regulatory or contractual use' (ISO 2014a, p. 1), neither can it be used as a label nor subjected to customary law by nations or as basis for international procedures.

In the section ahead, the three initiatives are discussed in chronological order of emergence, with the GRI being first and the ISO SR last, albeit the three were created within a period of five years, in the process commenting on other relevant developments in sustainability governance.

The Global Reporting Initiative

The GRI was conceived by two individuals associated with NGOs focusing on the technical and economic dimensions of the emerging

sustainability agenda: Robert Massie, then President of the Coalition for Environmentally Responsible Economies (CERES), and Allen White, belonging to the Tellus Institute, an environmental think tank (Brown et al. 2009).²³ Both were part of a wave of ‘socially responsible investment’ (SRI) initiatives appearing in the 1990s,²⁴ a new governance cleavage that advocated for linking financial performance, civil action, and social and environmental considerations, in order to empower ‘shareholder activism’, turning financial tools into yet another channel to exercise private regulation (Soederberg 2007).²⁵ By the early 1990s, both organizations were interested in devising new tools to promote the adoption of the recommendations of the 1972 UN Stockholm Conference on Human Environment among firms. Their first steps followed the standard strategy of the B&T program, with CERES launching a voluntary CoC for firms—based on the 1977 Sullivan Principles—aimed at the protection of the environment and the sustainable use of natural resources, and addressing other environmental concerns such as energy conservation, risk reduction, and waste disposal. The impact of the CERES Code was marginal: by 1993 only one company had subscribed to them (and approximately 50 firms would do so in the next 20 years). However, the code carried a novel emphasis on practical and methodological matters, considering that compliance could be enhanced by developing common guidelines for auditing, disclosing, and measuring sustainability-related information. The task of turning these ideas into an applicable tool was then picked up by the Tellus Institute, which developed one of the first private frameworks of environmental reporting (GRI 2007). Instead of relying on one-off audits or private certification procedures, this framework assumed that the adoption of better social and environmental practices could be incentivized by incorporating verifiable indicators in the reports public companies were obliged to submit to regulators.

This model was based on the premise that firms faced actual and growing demands for communicating their environmental and social activities more accurately and transparently, not only to stockholders but to an expanded audience involving the media, consumers, civil society, politicians, and academics. Moreover, the proponents of the framework saw the lack of clarity of CSR concepts, and the poor consistency, exhaustiveness, and comparability in the mosaic of public and private regulatory frameworks in existence, as a serious deficiency that disincentivized participation (White 1999; Willis 2003). Accordingly, information-based and firm-oriented mechanisms such as reporting represented in their view ‘the only viable tool for moving corporate behavior in the desired direction’

(White 1999, p. 42). In 1997, the project of standardizing sustainability reporting was formalized with the creation of the GRI. The GRI distinguished from other initiatives as it explicitly incorporated both corporate practices and civil society needs in the design and functioning of reporting guidelines and sustainability indicators, considering that these should facilitate benchmarking, ranking, and comparison across industries, countries, and time (Levy et al. 2010). For this purpose, GRI presented an extensive range of indicators covering five areas of organizational activity, dealing with many of the cleavages previously revised: corporate principles and ethical standards, employee relations, local and global community relations, relations with suppliers, and relations with customers.

The take up of GRI in its first years was rather slow. However, in April 1999, the initiative received a legitimacy boost when the UNEP endorsed its environmental charter and UNEP's Executive Director sent letters to Ministers and Secretaries of Environment around the world recommending the promotion of the GRI framework with their companies. Three years later, the GRI was declared a new global institution by the UN and an official collaborating center of UNEP. But it would be only with the release of its third generation of guidelines (known as G3) in 2005, involving substantial adjustments and simplifications (Etzion and Ferraro 2010), that the transnational spread of the GRI guidelines accelerated. As shown in Fig. 3.5, the number of companies presenting GRI reports jumped from under 200 in 2005 to 1,500 in 2009 to around 3,500 in 2015.²⁶

The standard-setting structure of the GRI reflect the hybrid character of modern sustainability initiatives. The guidelines are created and updated by a network of voluntary 'experts' from over 60 countries elected according to 5 sectoral constituencies: business, civil society, inter-governmental agencies, labor, and mediating institutions, mostly consultancies and think tanks. Draft versions are released for public consultation for a period of 90 days, after which they are passed with recommendations to a Technical Advisory Committee and finally to a Stakeholder Council, a member-elected forum composed of 22 seats for business actors, 16 for civil society, 16 for mediating institutions, and 6 for labor, organized according to UN-defined regions: Africa, Asia Pacific/Oceania, Latin America/Caribbean, North America/Europe/CIS, and West Asia. The members of this council are elected every 3 years from and by an Organizational Stakeholder Group, integrated by all fee-paying organizations affiliated

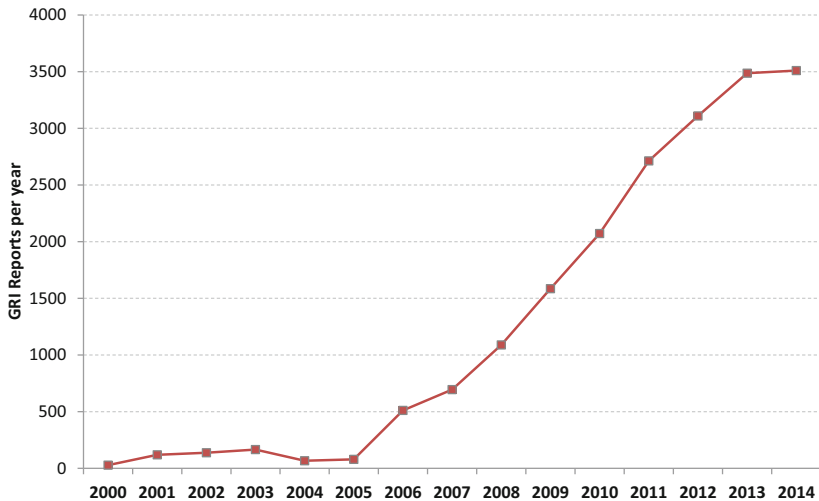


Fig. 3.5 Evolution of GRI submissions (2000–2014) (*Source:* GRI sustainability disclosure database)

to GRI, including firms, NGOs and research institutions, financial contributors, and specialized consultants, practitioners, and training providers (GRI 2013).²⁷ As an example, by 2010 this governance structure included a variety of high reputation actors: its Board of Directors and advisory board combined directive members of Greenpeace, academics of different extraction, representatives of international organizations and the labor movement—such as UNEP, the General Secretary of the OECD Trade Union Advisory Committee, and the Counsellor of the AFL-CIO—and high executives of large industry and consulting firms, such as Ernst and Young, the British Association of Chartered Certified Accountants, the Indian conglomerate Tata Industries, and the Dutch ABN Amro Bank. Moreover, since 2007 the GRI has expanded its geographic reach (its headquarters are based in Amsterdam) by opening six local offices (or ‘focal points’) with the mission of stimulating participation and harmonizing its guidelines with national standards and practices. Relevantly, the first local office was opened in Brazil, and the latest in Colombia in 2014. Other offices are currently located in the USA, Australia, China, and India.

The United Nations Global Compact

The endorsement the GRI received from UNEP has to be put in perspective in light of a new strategy adopted by the UN since 1998, based on supporting public–private partnerships (PPPs) as a way to address ‘global commons’ deficits in areas such as health, the ecology, and human rights (Benner et al. 2004). At the time, former Secretary General Kofi Annan conceived this strategy as part of a ‘quiet revolution’ in global governance, involving the gradual inclusion of non-state actors in regulatory initiatives in order to enhance transparency, accountability, and effectiveness (Annan 1998).²⁸ Behind this lingered the failure of previous UN projects to regulate TNCs, the legitimacy gap in social governance, and the level of popular contention represented by the anti-corporate and anti-globalization movements. In this context, Secretary General Annan expressed that the UN mission could no longer be achieved by relying on state cooperation alone, and that the time had come to extend toward business the standing civil society actors enjoyed as a legitimate contributor to governance affairs (Forman and Segaar 2005). Thus, during a speech at the 1999 WEF, Annan made reference to the social pacts and safety nets that had girded the economic expansion, political stability, and social harmony Western nations enjoyed during the post-war years—the programmatic pillars of the welfarist program—and called for ‘a similar compact on the global scale, to underpin the global economy’ that could ‘...unite the powers of markets with the authority of universal ideals’ (UN 1999). Interestingly, this call was responded by an actor previously mentioned as being a consistent free-marketeer: the ICC. By the late 1990s, the oldest of the international business federations had lost much of its influence, and its leadership was keen in finding ways to bring the organization closer to the new centers of influence (Kelly 2005; Therien and Pouliot 2006). Hence, by 1998 the ICC had embraced PPPs as a central theme in its agenda and organized a series of meetings with UN officials. Following this, a joint UN-ICC statement was released highlighting the importance that ‘thriving markets’ had for development, and the ICC published its ‘Geneva Business Declaration’ calling for a speedier and more intense economic globalization, the *harmonization of international rules* and competition policy, and a greater role for business in global affairs (ICC 1998). In July 1999, the UN Secretary General and the heads of the ILO, the UNEP, and the Office of the High Commissioner for Human Rights met with the leadership of the ICC and a dozen CEOs from large TNCs, and produced a

statement outlining the basic norms for this new global compact (Kell and Levin 2003). These involved nine fundamental social and environmental principles to which corporations and other organizations should voluntarily subscribe, based on the UN Declaration on Human Rights, the Rio Declaration on Environment and Development, and the ILO Core Labor Standards (adding later a tenth anti-corruption principle drawn from the UN Convention against Corruption of 2003) (UNGC 2013). In January 2000, the ICFTU and other labor organizations endorsed the UNGC initiative considering that it complemented the recently launched ILO strategy, and that ‘...trade unions can strengthen corporate social responsibility and help build the social dimension of globalization’ (ICFTU 2000). This statement by the main representative of the international labor movement is a clear example of the level of recognition the private governance program enjoyed by that point. Seven months later, the UNGC was officially launched.

To oversee the development of the new project, Secretary Annan appointed Harvard professor John Ruggie, who would occupy the position of UN Secretary General Special Representative for Business and Human Rights since 2005. Ruggie conceived the functioning of UNGC as an operative platform that could ‘weave universal principles into global corporate behavior’ (Ruggie 2002, p. 35). The idea was to avoid the institutional deadlocks experienced by previous schemes by adopting a flexible and minimalistic model based on a few basic principles of ample acceptance, and use the UNGC as a channel through which interested parties could interact and converge on ‘good practices’ that could evolve into global standards with law-like recognition, as it occurred with human rights. On this logic, the UNGC did not state any requirement beyond its ten fundamental principles, and only imposed some general requirements on participants (Ruggie 2001).²⁹

Organizationally, the UNGC was conceived as an ‘expanding set of nested networks’ (Ruggie 2001, p. 374), where the principal network is composed by a number of UN agencies: the Secretary-General’s Office, the United Nations High Commissioner for Human Rights (UNCHR), the ILO, UNEP, UNDP, as well as the UN Office on Drugs and Crime, the UN Industrial Development Organization (UNIDO), and the UN Development Fund for Women (UN Women). This ‘high policy’ network, in charge of strategic direction, policy coherence, and quality control, is in turn surrounded by the main network composed by the member organizations of the compact itself: mostly firms, but also NGOs, trade

unions, public sector organizations, and research centers. Around these two groups there are a myriad of secondary regional, national, and sectoral initiatives, mostly in the form of local arrangements denominated Global Compact Local Networks and Forums, which are the spaces where most coordinating activities at the national level are supposed to occur. Finally, the outer layer of UNGC is formed by diverse partner initiatives and organizations such as the ICC, the IOE, and the World Business Council on Sustainable Development (WBCSD). Additionally, in 2006, a Board was created to provide policy and strategic direction. Composed by 20 members elected by the UN Secretary General, the Board has a sectoral logic, integrated by 12 representatives of business, 2 of labor, 2 of business, 4 of civil society, and 2 members of the UNGC Secretariat.

Contrary to the case of the GRI, the membership of the UNGC expanded rapidly, actively supported by the high visibility and recognition of the promoting organizations. As shown in Fig. 3.6, UNGC participants enjoyed a sustained pattern of growth, counting with 12,000 members worldwide by 2014, both corporate and non-corporate, and involving over 95 national networks. This initiative also generated sub-

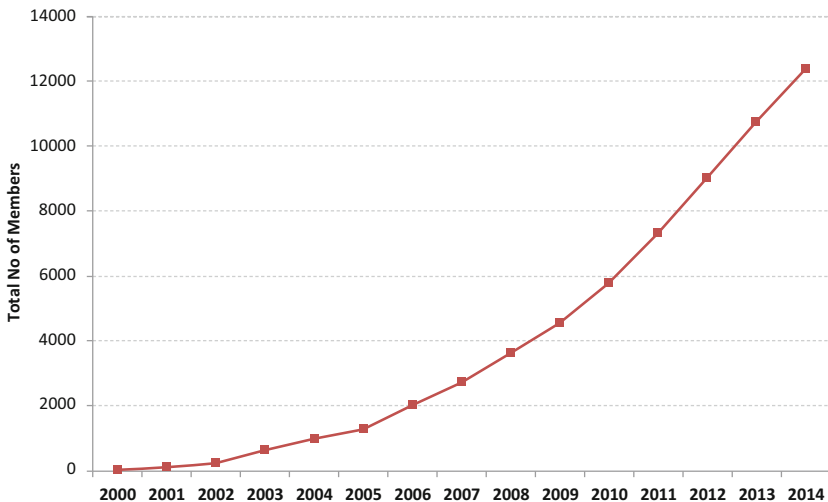


Fig. 3.6 Evolution of UNGC membership (2000–2014) (*Source: UNGC (2015)*)

stantial academic interests, with some scholars considering it as a valuable reinvention of the UN system (Ruggie 2004), or perhaps more modestly, as an important and ‘necessary’ supplement to the global regulatory system, ‘a hub for coordinating an emergent loosely coupled meta-network of corporate responsibility initiatives’ (Rasche and Gilbert 2012, p. 110).³⁰

The ISO 26000 Working Group

The involvement of the ISO in issues of CSR and sustainability can be considered one of the latest phases in the evolution of the sustainability program of governance, as it meant that this agenda had become distinctive enough to be subjected to a process of technical standardization. This, however, was not straightforward and involved numerous deliberations in ISO circles. These debates involved lingering programmatic conflicts stemming from the different logics and cleavages of governance underlying the sustainability master frame.

Officially created in 1946, by the end of the twentieth century the ISO was recognized as the main representative of the technocratic model governance: a networked quasi-public quasi-private institution integrated by the national normalization agencies of 164 countries, running around 230 committees and 500 sub-committees linking tens of thousands of volunteer experts interacting to define standards over an extensive range of domains, as diverse as shipbuilding and marine structures, image technology, and health care (Murphy and Yates 2009). The supervision of ISO affairs is exercised via three high policy committees—a Conformity Assessment Committee (CASCO), a Developing Country Matters Committee (DEVCO), and a Consumer Policy Committee (COPOLCO)—all coordinated by a Technical Management Board (TMB), the ‘real power’ behind ISO’s technical work (Wood 2012, p. 86).

Nonetheless, during most of its history, ISO remained largely on the periphery of the public domain, dealing with technical affairs of scarce public visibility. This started to change in 1987, when the organization published its quality standard series ISO 9000, setting the criteria for a quality management system applicable to any type of organization, regardless of size, field, or activity.³¹ In 1993, the ISO caused further surprise when it announced that it had started developing a new standard series on environmental management, ISO 14001, aimed at guiding any organization in the design and monitoring of their environmental

management processes. The entry of ISO in environmental regulation generated some controversy, as it was seen by some as a shift ‘away from the technical standard-setting it [ISO] was known for and towards “soft” standards with significant public policy relevance’ (Clapp 1998, p. 302), while others treated this as part of the ongoing privatization of global governance, particularly as the ISO 14001 norm became recognized as an international standard under the GATT/WTO system. Social and labor issues were seen as a matter for the ILO and the UN, beyond ISO’s scope and its expert-centered standard-setting procedures.

Nonetheless, by the early 2000s a number of private organizations had mimicked ISO methods to generate labor norms and regulatory frameworks: e.g. SAI’s SA 8000 standard explicitly followed the format of ISO 9000 and ISO 14001. At the same time, a number of national normalization agencies, the official members of ISO, in countries such as Australia, France, Japan, and Brazil had been working on national recommendations on issues of corporate social responsibility and sustainability (Castka and Balzarova 2008), while the UNGC had officially linked organizational practices, corporate governance, and social and environmental principles. In this environment, in 2002 the ISO’s consumer policy committee COPOLCO requested initial evaluations for the desirability of producing a social ISO standard. The first assessments identified similar deficits to those noted by both the GRI’s founders and the champions of the UNGC, reckoning that the ‘... tremendous range in quality, content, comprehensiveness and operability...’ (ISO 2002, p. 4) of private frameworks discouraged interested parties to seriously engage with the notion of CSR, and that the absence of agreed definitions on CSR matters ‘[...] impedes the abilities of parties to communicate with each other, and to interact’ (ISO 2004, p. 30). This disarray was seen as an opportunity for ISO to identify substantive principles and norms that could homogenize private governance initiatives, and to outline some basic procedures for the operation of a private social regime. Thus, COPOLCO recommended creating a norm that encompassed existing de facto definitions as well as accepted mechanisms in CSR, sustainability governance, and international socio-environmental initiatives.³²

To devise this unprecedented norm, ISO adopted a more inclusive procedure to the one used in other standards. The TMB was aware that ISO working groups have long been weighted toward three main groups: leading firms, national standardization agencies, and key service

providers—i.e. management consultancies, and certification and auditing firms—from advanced economies. This technocratic and Northern inclination was seen as unproblematic in the techno-industrial domains ISO was conventionally involved with, as best practices and technical knowledge generally converged around firms and experts from these nations. However, the COPOLCO reports highlighted that maintaining this approach would be detrimental for the legitimacy of a global standard on social responsibility. Thus, the TMB decided to expand the network of expert participants in the ensuing working group both in terms of geographic diversity and functional orientation. The new ISO SR would be integrated by experts representing six constituencies: consumers, governments, industry, labor, NGOs, and service, support, research, and others (SSRO), a category grouping members of academia, normalization institutes, consultancies, and think-tanks. ISO would maintain its core nation-based arrangement—inherited from the early models of IPU and the IEC—where participating experts attend as part of national delegations, and with participants selected by the national normalization institutes (Murphy and Yates 2011).³³ Nonetheless, ISO also included a purely functional constituency of ‘liaison organizations’, said to represent the broader field of specialized international actors.³⁴ Forty-two of these organizations participated in the ISO SR, including many of the organizations mentioned through the chapter: private standard-setters such as the FLA, GRI, UNGC, and SAI, international associations such as the ICC, ITUC (the successor of the ICFTU), the IOE, and the WBCSD, and international and supranational bodies such as the ILO, the OECD, the European Commission, and the WHO.

At the same time, the new ISO working group expanded the presence of developing country representatives. The TMB decided to extend its incipient ISO’s ‘twinning’ policy to the leadership of the group, whereby two normalization institutes, one from a developed economy and one from a developing one, would chair the entire norm-setting process (Mattos de Lemos 2004). The selected co-chairs for the ISO SR were Sweden’s Standards Institute (SIS) and the Normalization Institute of Brazil (ABNT). Additionally, several translation task forces (TTFs) covering nine languages, including Spanish, Portuguese, Korean, Chinese, and Arabic, were put in place by the experts themselves.³⁵ Finally, as the ISO SR meeting proceeded through the eight plenary meetings that took place between 2005 and 2010, the composition of the working group was

levelled to achieve a more egalitarian distribution among experts in terms of gender, constituency, and region of origin. By the end of the process over 60 % of the attending experts belonged to developing countries, from an initial proportion of 47 % (ISO_SR 2010).

In this manner, the approach by ISO to norm-making regarding sustainability issues differed from the one by the UNGC and GRI, as it aimed for a top-down process that would outline precise and consensual definitions over issues that until that moment had evolved in a rather decentralized manner. Inspired by recognized international norms and conventions, the final version of the ISO 26000 standard published in November 2010 outlined its own definitions of basic concepts in the sustainability discourse, such as sustainable development, social responsibility, stakeholder, sphere of influence, and social impact, among many others. Sustainable development was thus defined as the process that ‘meets the needs of the present without compromising the ability of future generations to meet their own needs’, while social responsibility entailed the ‘responsibility of an organization for the impact of its decisions and activities on society and the environment’ (ISO 2014a, p. 3). The norm also established seven constituent principles that should guide the orientation of sustainability projects, namely, accountability, transparency, ethical behavior, respect for stakeholder interests, for the rule of law, for international norms of behavior, and for human rights. Additionally, it outlined the range of issue-areas where the standard was applicable, extending to aspects of human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development, as was shown in Fig. 3.4.

Given that the ISO 26000 norm is not certifiable, there are no official numbers to evaluate its take up since 2010. An internal ISO report on the impact of ISO mentions, e.g., that a year after its publication it was selling better than ISO 14001, the third bestselling standard behind ISO 9001 and ISO 31000 (on risk management). Other indirect indicators mentioned are the extent to which national norms and frameworks have been influenced by the new standard, e.g. shaping the European Commission’s CSR strategy, as well as subsequent social responsibility norms in countries such as Chile, Brazil, Japan, the Netherlands, and Denmark, among others (Henriques 2012). In November 2012, an ISO official declared that at least 60 countries have ‘adopted’ ISO 26000 and 20 more were considering doing so, though the exact meaning of ‘adoption’ in this statement was not specified (Lazarte 2012).

CONCLUSION

In this chapter, I examined the evolution of transnational governance, outlining the configuration of three semantic-institutional programs through the twentieth century, three general grammars for the cross-border regulation of the social. At different points, these programs articulated and/or amplified diverse regulatory cleavages dealing with particular social and economic dimensions, for the international labor law to managerial principles, and sidelined others, in the process shaping (and reshaping) the institutional architecture and organizational landscape of transnational regulation. The model represented by the ILO hence embodied the corporatist grammar underpinning the welfarist program, revolving around a vision of state-society relations and international regulation in the image of collective industrial bargaining. As this model decayed, trade regimes and corporate regulation became structuring cleavages within a new B&T program that no longer accepted corporatist arrangements and the protagonist role attributed to certain actors, mainly organized labor, but also of interventionist states. Since the 1960s, both the corporate and civil society sector will see their influence over the regulation of transnational affairs, while highlighting deficits in governance in terms of both effectiveness and legitimacy. By the 1980s, these gaps, and the evident lack of regulatory hierarchy and coordination at the international level, incentivized the mushrooming of a myriad of private regulatory initiatives. In this sense, the modern transnational governance reflected two features in tension: on the one hand, institutional fragmentation, as small private initiatives started to occupy the orchestration void left by state regulation, international organizations, and traditional norm-setting bodies, and on the other, a resilient drive among certain public and private actors to embed globalization with some common regulatory horizon.

Transnational sustainability governance emerged as response to this situation but also inherited some of its original sins. Over the last two decade or so, however, a certain level of convergence has been observed in relation to the new ambitious and all-encompassing program,³⁶ if not in terms of centralization, at least in relation to common objectives, procedures, and institutional forms. The three case initiatives, among others, have contributed to advance this process.³⁷ Thus, Murphy and Yates (2011) indicate that the involvement of ISO in sustainability regulation generated new links between standard-setting agencies and other

organizations that did not exist when initiatives such as the GRI, UNGC, and others were launched. Furthermore, since 2010 there have been a number of movements where the main actors in this field, including the three case study initiatives, have actively sought to promote regulatory convergence. It is worth noting that when the ISO SR process was launched, ISO signed the Memoranda of Understanding with the ILO in 2005, with the UNGC in 2006, and one with OECD in 2008, with the explicit intention to engage in mutual consultation and achieve greater normative consistency (ISO 2006, 2008). At the same time, the three initiatives started to openly emphasize the complementarities of their frameworks. Thus, in 2007, the GRI and the UNGC published a document titled ‘Creating a value platform for sustainability’ pointing to the synergies between the two schemes (UNGC 2007). When the ISO 26000 norm was concluded in 2010, both the GRI and UNGC published compatibility documents (GRI 2011; UNGC 2010). By 2014, the complementary between ISO 26000 and GRI was officially recognized with a joint publication stating that ‘while ISO 26000 is intended to give guidance on the actions and expectations for organizations to address each of these topics, the GRI Guidelines provide guidance on what to report for each of these topics specifically’ (ISO 2014b, p. 8). Other initiatives also reflected renewed attempts to further integrate diverse cleavages in sustainability governance. As an example, in 2010 a new initiative was launched to integrate financial and sustainability reporting into a single scheme, under the name of the International Integrated Reporting Council (IIRC), counting with the participation of the GRI, WBCSD, CERES, the UNGC, and other organizations (IIRC 2015).³⁸ In 2011, the UN Human Rights Council finally endorsed the ‘Guiding Principles on Business and Human Rights’,³⁹ a document aiming to provide a ‘public’ and legalistic complement to the private character of the UNGC. In the spirit of the ‘Responsibility to Protect’ notion stipulated in 2005 (UN 2016), this new normative concluded the task started by UNCTAD, outlining a basic code of conduct for both states and corporations on the basis of three normative pillars: the state’s duty to ‘protect’ human rights, the corporate responsibility to ‘respect’ human rights, and need for rights and obligations to be matched by appropriate judicial remedies when breached (UN 2011).

In this manner, this chapter has analytically unpacked the trajectory of sustainability governance, from its disaggregated labor-oriented origins to the consolidation of a sustainability ‘master frame’ linking human rights,

environmental protection, and private responsibility, and with strong commonalities in terms of preferred mechanisms and dominant rhetoric. By mapping the evolution of programs and initiatives aimed at the governance of the social, the chapter detailed key dimensions of the global frame aspiring to be diffused to the national level, and to be adopted, embraced, and/or respected by local firms and other social actors. It is against this global trajectory that the domestic trajectories of sustainability and private governance in Argentina and Brazil will be contrasted in the next three chapters.

NOTES

1. The first International dissolved in 1876 (known formally as the International Workingmen Association), and counted with the participation of the most prominent socialist leaders of the time. In addition to Marx and Engels, this included figures such as Karl Liebknecht, Rosa Luxemburg, Jean Jaures, Vladimir Lenin, and Leon Trotsky.
2. Labor solidarity was also quite consolidated in the US, albeit it did not share the socialist orientation of its European counterparts. Instead, labor rights were promoted by a Masonic-influenced group known as the ‘Knights of Labor’, which by 1886 and before giving origin to the American Federation of Labor (AFL), was considered to have approximately one million members (Wright 1887).
3. Craig Murphy (1994, p. 75) noted the role of ‘*noblesse oblige*’ behind the organization of the first industrial normalization meetings, highlighting that a third of the attendants to the founding meeting of the Telegraphic Union of 1865 were of ‘royal’ blood.
4. Aware of this context, an observer of the signing ceremony of the ILO’s foundational treaty wrote: ‘I don’t think international competition loomed large in the minds of those that framed Part 13 of the Treaty of Versailles’ (Heaton 1927, p. 162).
5. Corporatism is defined as a system of state-group relations where the state encourages the formation of a limited number of officially recognized, non-competing, state-supervised groups, shaping a non-pluralistic system of representation of interests (Schmitter 1974). Traditional corporatism is a model associated with fascist-style models of economic organization. Under democratic conditions, some authors prefer to use the term neo-corporatism, in particular in reference to social democratic regimes in Europe and

- Latin America (Crouch 2006). In the book I will use these terms indistinctively.
6. As will be shown further ahead, this is an argument that will be re-used in the 1970s to justify ideas such as CSR.
 7. And later on by a confessional employer's body created in 1949, known as the International Union of Catholic Employer Associations (UNIAPAC).
 8. This has been a major demand of socialist countries, to be included within the UN Declaration.
 9. Splitting between capitalist and communist trade union federations, organized correspondingly, through the International Confederation of Free Trade Unions (ICFTU) and the World Federation of Trade Unions (WFTU).
 10. It should be noted that the 'The Road to Serfdom', Von Hayek's liberal attack on socialism and central planning, was published in 1944, the same year when Polanyi launched its welfarist vision in 'The Great Transformation' (Polanyi 1944; Von Hayek 1944).
 11. The X-axis indicates the year of launch of the conventions. The Y-axis reflects the average number of countries that ratified such conventions at any point in time, as a convention launched in 1955 could have been ratified by a country in 1960. Additionally, the graph distinguishes the effect of a specific campaign led by the ILO in 1995 which promoted ratification of seven particular conventions launched as early as 1948 (as part of its Core Labor Standards campaign, to be commented ahead). The darker line shows the increase in ILO membership in the same period, following the decolonization process.
 12. Reflecting the growing recognition acquired by this economic paradigm, Friedman would win the Nobel Prize in Economic Sciences six years later.
 13. The effect of the SEC's intervention and the revitalization of the self-regulation movement is suggested by Jenkins et al. (2002), indicating that approximately 90 % of the CoCs in existence in the USA by 1985 were created after the Act was passed a decade earlier.
 14. The guidelines have been repeatedly revised as recently as 2011, with private governance issues becoming increasingly more prominent.
 15. This initiative will come to fruition 30 years later.
 16. Interestingly, 20 years prior to this measure an ILO official stated that only one-tenth of the approximately 80 Conventions in existence at

- the time would be sufficient to establish a general system of fair labor standards (Edgren 1979).
17. Displaying a striking parallelism with the challenge to CSR made by Milton Friedman, the Economics' Nobel Prize winner Robert Solow wrote an article explaining the dangers of attaching strong moral considerations to the idea of sustainability, and the limitations stemming from the intrinsic vagueness of the term (Solow 1991).
 18. During this event, CEOs of the attending companies were called to affiliate to the World Business Council on Sustainable Development (WBCSD), an initiative created by the Swiss industrialist Stephan Schmidheiny, appointed by the Secretary General of the UNCED to promote business engagement with the new global agenda (Therien and Pouliot 2006). Through these contacts sustainability started to intertwine with business ethics cleavages and discourses, for instance, in the form of the CSR's 'triple bottom line' of CSR, linking economic prosperity, environmental protection, and social equity (Jamieson 1998).
 19. In this regard, Bartley (2007) considered that the new private governance initiatives were a product of the failure and standstill of traditional state and inter-state (Welfarist) mechanisms of social and labor governance, rather than of their stimuli.
 20. ETI counts among its members the British Trade Union Confederation as well as the ITUC and some GUFs, plus international NGOs as Oxfam GB, Care International UK, Christian Aid, and the Fair-trade Foundation.
 21. The WRC Advisory Body includes representatives of organizations such as the main US union federation AFL-CIO, Harvard University, People of Faith Network, Labour Action China, Independent Monitoring Team of Honduras, and the East Bay Alliance for Sustainable Economy, among many others (WRC 2007).
 22. The ISO 9000 and 14001 standards are certifiable and have been adopted as de facto market requirements by different regimes, including the WTO (Clapp 1998).
 23. The Tellus Institute had been created in 1976 by a group of physicists and mathematicians as a multi-disciplinary research and policy organization, aimed at environmental and civil society campaigns with scientific rigor. CERES, instead, was founded in 1989 by a consortium of NGOs, investors, and religious organizations interested in preventing environmental devastation, motivated at the time by the dramatic impact of the

- Exxon-Valdez oil spill. By 2010, the Board of CERES reportedly included representatives of the Presbyterian and Methodist Churches, CSOs such as PAX World, the Sierra Club, the Labor Network for Sustainability and Green America, and investment groups such as CALPers and the Investor Network for Climate Risk (CERES 2013).
24. Albeit the first SRI mutual fund, the Pax World Fund had been launched in 1971 (Diller 1999).
 25. This concept would acquire greater recognition with the launch of the Dow Jones Sustainable Development Index in 1997.
 26. The majority of submitting companies are located in OECD countries, mainly in the USA and Spain, though users in Asia have been expanding rapidly in recent years.
 27. Interestingly, individual labor representatives in the Stakeholder Council are not elected but appointed directly by international labor organizations.
 28. In this sense, the GRI was part of a wave of UN-sponsored partnerships, which included other projects such as the UN Foundation, via a one billion dollars' contribution by CNN's Ted Turner, and the Global Alliance for Vaccines and Immunization, through contributions from the Bill and Melinda Gates Foundation.
 29. Subscribing organizations are required to send a Letter of Commitment signed by their maximum authority to the UN Secretary General, pledging to the UNGC principles, committing to engage in partnerships advancing UN goals, and agreeing to submit a progress report (plus mentioning this report in its organizational website and annual public reports). More recently, the UNGC added as a condition to provide some measurement of outcomes, but the targets are still set by the subscribing organization. The only punitive mechanism is that failure to submit such report would eventually lead to de-listing from the Compact's website.
 30. Criticism has also been extensive, pointing to issues such as the prevalent role of big business, the vagueness of its framework, and the lack of serious mechanisms to verify compliance (See Rasche 2009 for a summary).
 31. This standard expanded rapidly worldwide, with over 1 million organizations in 170 countries certified by 2015.
 32. Interestingly, initial reports also elaborated on how to expand the discursive and institutional reach of the new standard. A first

proposal was to drop the ‘corporate’ term from CSR and envision a norm applicable to all types of organizations, not only to firms (as was the case with ISO 9000 and ISO 14001). Second, it was understood that ‘Social Responsibility’ should connect directly with the ‘triple bottom line’ of the sustainability agenda linking labor, environmental, and economic concerns (ISO 2004, p. 25). Finally, it was advised to better account for the situation of developing countries and SMEs, both poorly addressed by existing norms and with scarce participation in both ISO and other standard-setting bodies (Heires 2008).

33. Each national delegation consisted of one expert and one observer in each stakeholder category, but only experts had voting rights in plenary meetings.
34. Liaison organizations had no voting rights and could only comment on the standard-setting process, albeit their support was expected by the Chairman of the WG SR to consider that consensus had been reached.
35. The TTFs would run in parallel with the English-held plenary meetings, and not a posteriori publication of the norm, with the objective of discussing points of relevance as the contents were discussed.
36. Sustainability schemes and discourses are now found in relation to multiple area-issues as diverse as agriculture and food production (Schouten and Glasbergen 2011), biofuels (Ackrill and Kay 2011), IT outsourcing (Babin and Nicholson 2011), mining (Mudd 2007), tourism (Bramwell and Bernard 2011), and transportation (Humphreys 2011), to mention but a few.
37. Authors such as Fransen (2015) have underlined the emergence of ‘meta-governance’ initiatives such as the Fairtrade Labelling Organizations International, created in 1997, and the International Social and Environmental Accreditation and Labelling Alliance (ISEAL), founded in 2002. In 2004 ISEAL launched a ‘Code of Good Practice for Setting Social and Environmental Standards’. However, this author also noted that many of these initiatives remain uncoordinated and are often inconsistent with each other.
38. The first ‘Integrated Reporting’ framework was published in 2013.
39. Also known as the ‘Ruggie’ Principles.

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Mapping Participation in Argentina and Brazil

The previous chapter examined the grand evolution of transnational social regulation, outlining a global narrative involving major historical events, macro processes, and influential actors such as the US government, international organizations, multinational firms, and Northern NGOs and standard-setters. In this narrative, the emergence of sustainability governance was explored not as a collection of problem-solving developments to improve coordination under conditions of neoliberal globalization, but as a historical process whereby diverse regulatory cleavages rooted in distinct logics of governance became intertwined into broader programs of regulation and governance of social affairs. At the same time, in this globalist narrative, supported by main findings in the literature, the South is only a sporadic reference, the implicit direction where governance norms are expected to go, but very little can be said from here about what happens upon reception and implementation (and notably, not much of the global narrative seems to be hampered by this absence).

To challenge this perspectivism, and resolve some of the gaps left by conventional globalist accounts, the next three chapters engage with the national dimensions of resonance and participation in transnational governance, tracing the processes and developments by which contemporary sustainability initiatives manage (or fail) to generate interest and mobilize supporters in two South American countries. This chapter develops the initial situation of sustainability governance in Argentina and Brazil, mapping direct and indirect participants in the three case study initiatives.

The chapter demonstrates that the two countries possess markedly different participation profiles in transnational sustainability governance. In the case of Brazil, the national profile is characterized by a dense and centralized network of actors comprising a variety of business, civil society, and governmental actors, an identifiable cluster of core players, and multiple links with the international sustainability community. Instead, in Argentina the participation pattern is more fragmented and dispersed, featuring actors with scarce institutional links with both the global initiatives and with each other, as well as multiple proxy organizations of limited influence. A number of preliminary observations and conjectures are derived to be further examined in Chaps. 5 and 6.

FORMAL PARTICIPANTS IN PRIVATE GOVERNANCE STRUCTURES

Argentina and Brazil are countries that can be assumed to face similar global market incentives and normative pressures in relation to sustainability governance. As was previously explained, both countries have similar levels of industrialization and development, experienced similar political economic trajectories (democratization and economic liberalization in the 1980s and 1990s, and a turn toward neo-developmental regimes in the 2000s), repeated experiences of economic crisis, hyperinflation, and devaluation, both remain essentially primary commodity exporters (soybeans derivatives and corn for Argentina, iron ore, oil, and soybeans for Brazil), and both economies are relevantly interconnected: they are the major members of Mercosur, with 30 % of Argentine exports going to Brazil and 10 % of Brazil's going to Argentina (Comtrade 2014).

In these conditions, trade models of norm diffusion pose that developing economies with greater exposure to sophisticated market destinations and greater integration with buyer-driven supply chains should display more prominent forms of governance at the point of production. Consequently, both countries should have a similar level of involvement with sustainability regulation, given that, e.g., both export similar amounts to OECD markets (53 % Argentina, 59 % Brazil in 2012), although Brazil destines a greater proportion of its total exports to China (26 % Brazil, 11 % Argentina), a less demanding destination regarding socio-environmental standards (Comtrade 2014). Moreover, considering the latter and that Argentina is the country with greater exposure to foreign

corporate influence—its economy is more export-dependent (with an exports-to-GDP ratio of 17 % against 9 % for Brazil) (Ferchen et al. 2013) and has a greater presence of foreign TNCs (65 % of Argentina’s top 500 firms are foreign, compared to 40 % in Brazil) (Schorr and Wainer 2014; Kormann 2015)—it should present a more active and developed engagement profile with private regimes than Brazil.

However, when these predictions are examined in terms of subscription numbers, the evidence is inconclusive.¹ On the one side, discounting that the Brazilian economy and population is four times the size of Argentina’s, Fig. 4.1 shows that the latter has a relatively higher level of subscription to initiatives such as the United Nations Global Compact (UNGC), Global Reporting Initiative (GRI), ISO 14001, and the Roundtable for Responsible Soy Production (RTRS).² Regarding the UNGC, both countries were among the first to set up national networks after the UNGC was launched, and the two possess some of the largest national networks in the world. As can be seen in Fig. 4.2, by 2015 Brazil reached around 679 UNGC members, following a relatively constant rate of subscription against Argentina’s 304, which shows a slowing down in its subscription rate since 2006.

In relation to other indicators, both countries display striking differences, in some instances more ‘favorable’ to Brazil than Argentina. This is not only the case concerning initiatives such as FSC and SAI, where Brazilian participation substantially exceeds the Argentine one, but also in relation to the GRI. As shown in Fig. 4.3, until 2005 the number of worldwide users remained overall quite low, with 80 firms using GRI guidelines worldwide—four in Brazil, and none in Argentina. Following

Initiative	Argentina	Brazil	Brazil/ARG
<i>UNGC Members (2014)</i>	354	768	2.2
<i>GRI Reports (2014)</i>	70	206	2.9
<i>ISO 14001 (2013)</i>	1,308	3,695	2.8
<i>RTRS Participants inc. observers (2014)</i>	22	31	1.4
<i>FSC Certificates (2014)</i>	156	1,761	11.3
<i>SAI Certified Facilities (2015)</i>	1	72	72.0

Fig. 4.1 Comparative participation in sustainability initiatives (Sources: FSC 2015; GRI 2015; ISO 2015; SAI 2015; UNGC 2015)

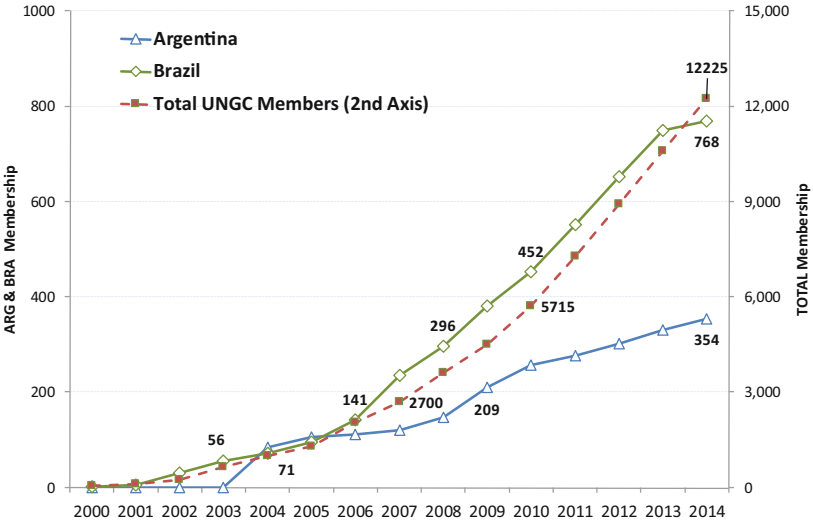


Fig. 4.2 UNGC membership—Argentina and Brazil (2000–2014) (Source: UN global compact)

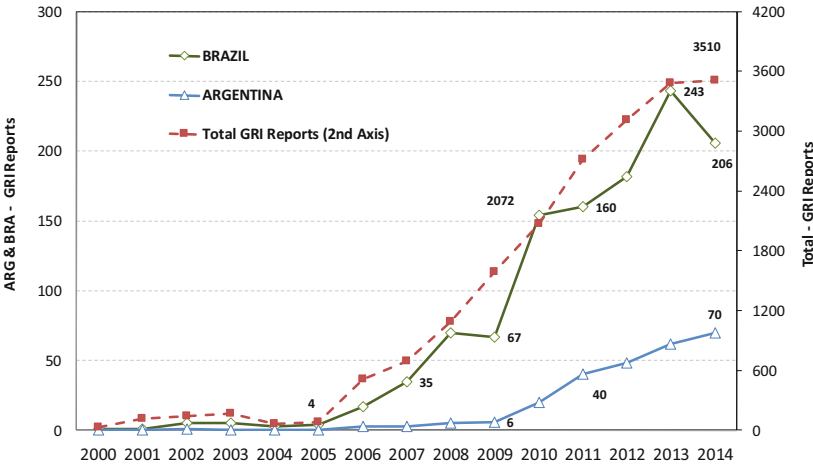


Fig. 4.3 GRI reports—Argentina and Brazil (2000–2014) (Source: GRI sustainability disclosure database)

the launch in 2006 of the G3 version of the guidelines, the number of GRI reporting organizations rose sharply. Interestingly, Fig. 4.3 shows that the growth rate of Brazilian GRI users mimicked the global trend, reaching 206 companies by that year. However, in Argentina sustainability reporting remained marginal until 2010, when it started to grow to reach 70 companies 4 years later. As explained, not much can be said regarding the number of users of ISO 26000. Even when both countries were among the 83 nations that participated in all ISO SR working group meetings, Brazilian actors certainly occupied positions of higher influence in the standard-setting process: as was mentioned, the Associação Brasileira de Normas Técnicas (ABNT) occupied the twinned chair directing the whole standard-setting process alongside its Swedish counterpart SIS, with two Brazilian nationals occupying the positions of Chair and co-Secretary.³

Moreover, in light of some nuanced considerations, Brazilian participation emerges as more developed and active, contradicting the hypothesis of market-led models. Not only Brazil has proportionally more participants in some initiatives than Argentina, but Argentine participation rates appear to be slowing down in relation to other countries in the region. For instance, the rate of firm subscription to the UNGC is falling, with an average of 36 firms/year in 2007–2010 dropping to 24 firms/year in 2011–2014 (while remaining constant around 78 firms/year in Brazil). Additionally, since 2007, Argentina has been surpassed by Colombia, the third largest South American economy, in terms of total UNGC membership, ISO 14001 certificates, and GRI reporting firms. Second, keeping in mind that the number of subscribers to voluntary initiatives provides but a general indication of regime uptake, more qualitative studies have noted striking different patterns of engagement between Argentina and Brazil over issues of private environmental governance and CSR, with Brazil displaying a more active presence in private regimes not observable in Argentina (Espach 2006, 2009; Peña and Davies 2014; Peña 2014). Some of these differences will be confirmed and extended with the network analysis developed ahead.

To acquire a more sensitive perspective of the local actors linked to the sustainability initiatives in Argentina and Brazil, I mapped formal participants in the main governance structures of the three case initiatives, in accordance with the methodological considerations provided in Chap. 1. The resulting map of participants is presented in Fig. 4.4. This figure registers a total of 39 participants from Argentina and 95 from Brazil by 2012.⁴ In sectoral terms, 18 of the total 39 participants were organizations representing the business sector in Argentina (12 firms, 2 industry federations, and 4 consultancies) while 15 were NGOs of diverse orientation,

ARGENTINA	Business ^a	Ind. Fed.	Consult.	Academia	Labor	State	CSOs
Global Compact	11	2	1	2			5
Board ^b							
Local Network ^c	11	2	1	2			5
GRI			3				3
Board							1
Org. Stakeholders			3				2
ISO 26000	1			1	1	2	7
Working Group				1			
Experts ^d	1				1	1	4
Observers ^d						1	3
TOTAL	12	2	4	3	1	2	14
BRAZIL	Business ^a	Ind. Fed.	Consult.	Academia	Labor	State	CSOs
Global Compact	22	6	1	2			3
Board ^b	1						1
Local Network ^c	21	6	1	2			2
GRI	15	2	16		1	2	9
Governance Bodies	1					1	
Org. Stakeholders	14	2	16		1	1	9
ISO 26000	3		2	1		1	9
Working Group	1						1
Experts ^d	1			1		1	4
Observers ^d	1		2				4
TOTAL	30	8	19	3	1	3	12

^a Including state-owned firms

^b Under this category are board members or members of technical and advisory committees

^c Organisations participating in the direction of the local GC network

^d Present either at Copenhagen 2010, Quebec 2009 or Santiago 2008 ISO 26000 Plenary Forums

Source: the analyses are the author's / Data extracted from publicly available information:

GC: Official Website (http://www.unglobalcompact.org/AboutTheGC/The_Global_Compact_GRI): www.globalreporting.org
 Argentina Local Network (<http://www.pactoglobal.org.ar/>)

Brazil Local Network (<http://www.pactoglobal.org.br/>) ISO26000: Participants lists in http://www.iso.org/sr_archives

Fig. 4.4 Local participants—UN GC, GRI, and ISO SR (by 2012)

(Some column totals may differ because the same organization can occupy different roles in different initiatives)

including 6 non-profit business associations. In the case of Brazil, the proportion of business participants is even higher, with 40 firms, 19 consultancies, and 8 industry federations, and 19 NGOs, including 9 civil business associations. The proportion of participating actors from sectors

such as labor, academia, and the government is low and relatively similar between the two countries.

This figure sheds light on some preliminary features of each country's participation pattern, albeit it cannot dissolve the ambivalence identified in the first paragraphs. Hence, from a certain angle, Argentine participation appears to be more diversified than the Brazilian one; when grouping non-profit business associations with firms, consultancies, and industry federations, corporate participants represent 60 % of total Argentine involvement, against 80 % in the case of Brazil. From another position, this diversity is not so clear; on the contrary while Brazil has over a dozen companies engaged with the UNGC and GRI, as well as numerous corporate representatives attending ISO SR, in Argentina 11 out of 12 participating firms are engaged exclusively with one initiative, the local UNGC network.⁵ Similarly, and in spite of the surge of GRI reporting witnessed in Argentina since 2010, Brazil has a much greater number of actors engaged with this initiative alone, profit and non-profit. Even in the case of participation in the ISO SR, where national delegations had in principle a pre-determined number of invited representatives, there were observable differences in the attendance pattern to the ISO plenary meetings. As shown in Fig. 4.5, nearly half of the Brazilian participants, which included representatives of civil society, labor, government, and industry, attended the last three ISO SR meetings—five experts and one observer—while less than a third of the Argentine attendants show this consistency, and attended in smaller numbers.⁶ Moreover, as was already indicated in relation to ISO SR, Brazilian actors occupied more hierarchical positions than Argentine ones across all the three initiatives.

Figure 4.4 also allows to unpack some country-specific sectoral characteristics. In the case of Brazil, two business-related constituencies—industry federations and private consultancies—show a relatively visible level of involvement with the three global initiatives. This is not the case in Argentina, where both groups, and in particular consultancies, are virtually absent. Regarding industry federations, Brazilian participation includes some of the main peak federations in the country, such as the powerful Industrial Federation of São Paulo (FIESP), but also those from the states of Minas Gerais and Paraná. In the case of Argentina, the main corporate association in the country, the Argentine Industrial Union (UIA) was not directly linked with any of the initiatives, and only the Argentine Banking Association (ABA)—representing foreign banks operating in the country—is mentioned as member of the local UNGC network.

	Once	Twice	Thrice	TOTAL
Argentina	5	3	3	11
WG			1	1
Experts	2	3	2	7
Observers	3			3
Brazil	7	1	8	16
WG			2	2
Experts	1	1	5	7
Observers	6		1	7
TOTAL	12	4	11	27

Fig. 4.5 Attendance profile to ISO SR plenary meetings (Source: ISO SR attendance sheets, available on <http://www.iso.org/wgsr>)

Concerning non-profit organizations, NGOs, academic institutes, trade unions, and governmental agencies show a more limited type of engagement in both countries, with almost half of civil society participation being civil society groups of corporate extraction (business associations, foundations, etc.). Of the remaining sectors, trade unions are absent from the UNGC, and only a handful of labor actors are present in the other two initiatives. However, Brazilian labor involvement appears slightly more active than Argentina's: notably, a representative of one of the largest trade union federations of Brazil, *Força Sindical* (FS), was until 2012 an organizational stakeholder of the GRI, while Brazilian labor was represented in the ISO SR via two important labor think tanks; the Inter-Union Department of Statistics and Socio-economic Studies (DIEESE) and the Social Observatory Institute (IOS), both partially run and funded by the main trade union federations in the country, including the CUT and FS. Argentina's main labor federation, the influential General Labor Confederation (CGT), also sent a representative to ISO SR, but this only attended one of the last three events (a point to be further examined in Chap. 6).⁷ Finally, in relation to government actors, no Argentine state

representative was found to be involved directly with any of the three initiatives, with the exception of the role of the Argentine normalization institute Instituto Argentino de Normalización y Certificación (IRAM) as a participant of ISO SR.⁸ In the case of Brazil, participation again appears as more active: in addition to the role of the ABNT as co-chair of ISO SR, representatives of the Secretary of Human Rights and the Ministry of Environment have been members of GRI's Governmental Advisory Group, and a representative of the state's standardization institute Instituto Nacional de Metrologia, Qualidade e Tecnologia (INMETRO) attended as government expert to ISO SR. In Chap. 5, indirect involvement by Brazilian state actors will be shown to be far more prominent than in the case of its Southern neighbor.

PARTICIPATION IN (NETWORK) PERSPECTIVE

To add greater depth to the participation map, a general network analysis was performed extending links between actors directly involved in the global initiatives, as relevant second-order connections, according to the considerations outlined in Chap. 1. Furthermore, the network plots facilitate the identification of sub-patterns within each country, cross-sectoral linkages, and clusters, and to provide a better perspective of the degree of centrality of certain players. The resulting network diagrams are presented in the next pages, with Fig. 4.6 for Brazil and Fig. 4.7 for Argentina.

From this enhanced perspective, the situation of sustainability governance in the two countries becomes more distinctive and clearly delineated. The Brazilian plot strikes the observer as being more balanced and dense, with the presence of a distinguishable core of actors possessing numerous links with the global case initiatives and with each other. Against this, the Argentine plot is characterized by less numerous linkages and a rather fragmented arrangement without a clear center and actors positioned around two separate clusters: one around the UNGC and the GRI, where the bulk of actors and connections are located, and a more peripheral ISO SR cluster, with a fewer number of participants and links (but greater sectoral diversity). The next two sections comment of some additional features of each network, in order to inform the retrospective tracing of the trajectory of private governance in each country to be conducted in the next two chapters.

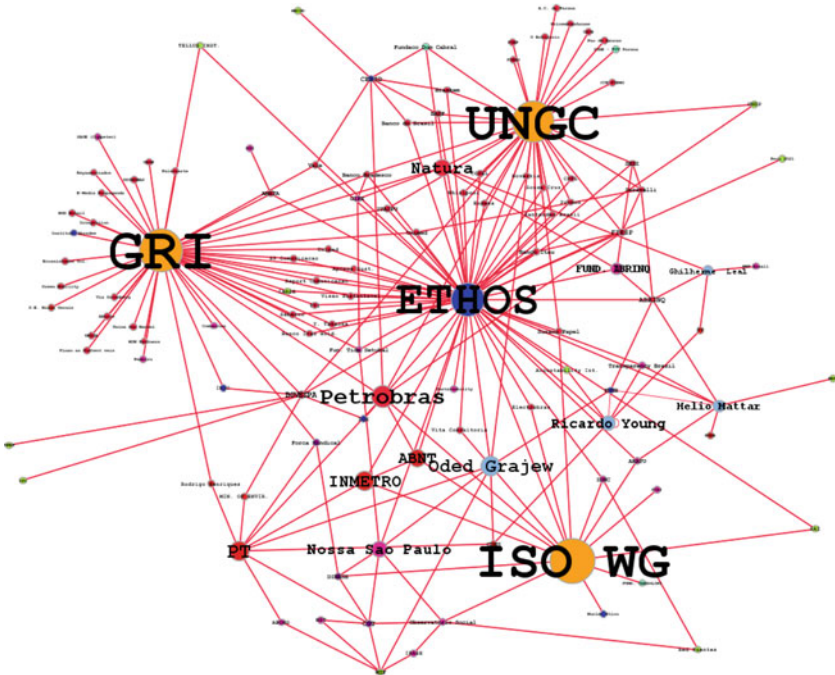


Fig. 4.6 Brazil's participation network

THE BRAZILIAN NETWORK

The main feature of the Brazilian network is its high degree of centralization and density. Figure 4.6 shows a rather concentric arrangement, composed by three more or less distinct levels of engagement with the case initiatives: (i) a first core level comprised by actors possessing direct and indirect connections with each other as well as direct links with the three case study initiatives, (ii) the second layer composed by organizations with second order connections with core actors, and with some links with one or two of the global initiatives, and (iii) a final layer formed by a variety of actors that have either a single direct connection with a case initiative or an indirect link with a formal participant. Each of these layers presents some relevant features indicative of the level of local resonance of sustainability in the country.

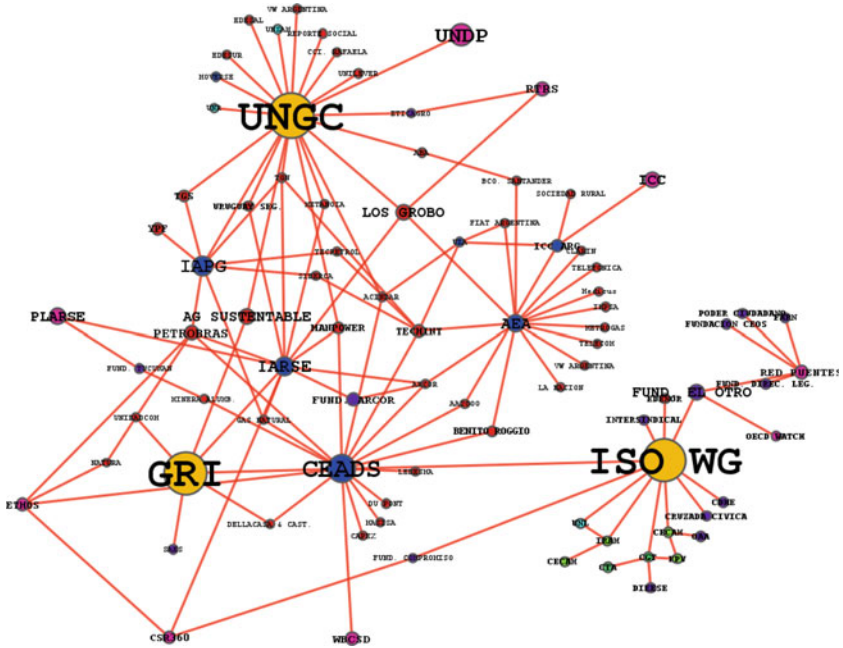


Fig. 4.7 Argentina’s participation network

1. The actor with the highest degree of centrality in the network is the Ethos Institute of Enterprise Responsibility (from this point onward, Ethos). This position by Ethos is a striking and intriguing feature of the Brazilian network. As a matter of fact, Ethos is one of the two Brazilian organizations with repeated involvement in all three case initiatives, in addition to the (partly) state-owned oil giant Petrobras. This makes Ethos’ centrality somewhat more outstanding, given that while the latter is one of the largest companies in the world and counts with over 80,000 employees, the former is an NGO formed by approximately 50 employees in a São Paulo office. At the same time, Ethos concentrates the majority of the links with international bodies and private standard-setters, possibly suggesting a high level of recognition outside Brazil.⁹ Third, Ethos not only has links with the three case initiatives but with local organizations across all social sectors. This centrality and potential recognition provides a valuable cue to trace the institutional

trajectory of private governance in Brazil and understands how this small NGO came to occupy this central role. As the next chapter shows, by examining the trajectory of this actor it becomes possible to unpack the broader evolution of private and sustainability governance in Brazil in light of domestic, political, cultural, and economic developments.

2. Around the Ethos Institute, there is a circle of mostly corporate actors with a high number of links with the global initiatives, Ethos, and with each other. This second level of participants is predominantly integrated by some (very) large Brazilian corporations, including Petrobras, some of the largest banks in the country, such as Itaú Bank, Banco do Brasil, and Bradesco, the stock market BOVESPA, the personal care giant Natura (the first user of GRI guidelines in the country), the paper pulp producer Suzano Paper (the first Brazilian firm to join the UNGC), the mining firm Vale (the second largest mining firm in the world), the health provider Unimed, and a range of mixed capital energy firms such as COPEL, Electrobras, and Itaipú Binational.¹⁰ Also in this group is FIESP, the main industry federation in the country. Two relevant questions emerge from this level: why this group of large and dominantly Brazilian firms occupies this central position, and what is the nature of their links with both Ethos and the global initiatives? Moreover, the central position of a firm like Petrobras and other state-owned firms is suggestive of some form of positioning by Brazilian authorities and constitutes another intriguing feature deserving explanation.
3. The third layer involves organizations placed in the outer perimeter of the GRI, the UNGC, and ISO SR, integrated by a myriad of companies, specialized consultancies, business associations, NGOs, and academic centers. Upon inspection, this group can be separated into three sub-constituencies: (i) firms that have a single link with one of the case study initiatives, (ii) consulting firms providing assistance regarding sustainability issues, social reporting, and CSR, and (iii) business-backed civil society organizations and foundations, such as the Tide Setubal Foundation (linked with the Itaú Bank), the children's rights ABRINQ Foundation, connected with the Brazilian Chamber of Toy Manufacturers, and the Brazilian Institute of Corporate Governance (IBGC), representing the Board Directors of large Brazilian firms. This layer is suggestive of the existence of consolidated group of service organizations as well as the presence of different types of civil society collaborators.

Two additional features of the Brazilian network need mentioning. The first is the presence of a number of individual businessmen, all of them with direct connections with the Ethos Institute and represented through enhanced-sized circles located on the right-hand side of the diagram. These individuals appear to be key brokers or intermediators: as it will be further explored in Chap. 5, they occupy central coordinating roles in the Brazilian CSR movement but also have important links with civil society, industry, and the political system, including the Brazilian Social Democratic Party (PSDB), the Workers' Party (PT), and, more recently, Marina Silva's sustainability network. The second feature is the degree of sectoral diversity found around the ISO SR initiative. This diversity, imposed partly by the six expert constituencies participating in ISO delegations, involves relevant representatives of the state, labor, and civil society, including many of the actors mentioned in the previous section, such as personalities linked with the Brazilian Ministry of Environment and the national metrology institute INMETRO, as well as recognized civil society actors such as IBASE, the Nossa São Paulo Network (NSP), the consumer defense institute IDEC, the Brazilian Association of NGOs (ABONG), and representatives of organized labor.

THE ARGENTINE NETWORK

As mentioned, the Argentine network lacks many of the salient features found in the Brazilian plot, with a configuration that is less populated and more disjointed. The dominant particularity is that the central area of the diagram shown in Fig. 4.7, the area where the actors with the greater interest for the initiatives are expected to be found, is occupied by relatively peripheral organizations, both in size and institutional relevance. However, some features still provide valuable clues about the resonance of sustainability governance in Argentina.

1. First, the Argentine network lacks an identifiable core of actors. The denser area in Fig. 4.7, located between the GRI and the UNGC, is populated by a number of large firms, foreign and domestic (including the local subsidiaries of Brazilian firms such as Petrobras and Natura), and by a few small local NGOs. The latter include the Argentine Institute

of CSR (IARSE), the Tucumán Foundation, the Arcor Foundation, and Consejo Empresario Argentino para el Desarrollo Sostenible (CEADS), the local branch of the World Business Council on Sustainable Development (WBCSD). Two features of this configuration are suggestive of salience. First, no actor is directly connected with all three case study initiatives simultaneously and only two organizations, CEADS and a small sustainability consultancy called *AG Sustentable*, have involved with two of them. Second, considering that the bulk of corporate participation revolves around the UNGC, the Argentine network strikes as lacking influential sectoral players, contrary to the case of Brazil.

2. A second particularity, and another important difference with the Brazilian case, is that there is a much greater proportion of foreign companies. Local firms, contrary to Brazil, appear to be mostly absent or indifferent to the global initiatives (albeit two major TNCs of local capital have indirect involvement, the confectionary manufacturer Arcor and the Argentine-Italian industrial holding Techint). Indicative of this is that, even in the case of the ISO SR, the corporate expert was represented by CEADS, a small proxy organization, while in Brazil this role was occupied by representatives of two very large firms, Natura and Petrobras. This indifference by corporate actors of weight suggests a low (or at least lower) level of interest about sustainability initiatives in Argentina than in Brazil. Relatedly, the absence of large state-owned companies, found in important numbers in Brazil, could also suggest limited interest by the authorities, as these firms may play the function of signaling political commitment or support with a given project or agenda. Moreover, this fragmented engagement pattern and the sparse institutional links could be read as indicators of limited institutionalization of this agenda in the country, and the limited availability of collaborative opportunities and instances, a relevant point to be examined in greater detail in Chap. 6.
3. A third particularity is the low number of international linkages. As will be explored in Chap. 6, the international connections of Argentine actors emerge as organizational rather than associational in nature. This means that they involve a local organization being either a national chapter of an international body—such as the ICC, the WBCSD, or the UNDP—or a subsidiary of a foreign TNC, as is the case of Petrobras Argentina, Natura, Volkswagen, Santander Bank, Manpower, Dupont, and Unilever, among other firms involved with the local UNGC network. Again, this can be treated as yet another indicator of the resonance, considering that some participants may be involved with the

governance schemes in order to comply with headquarters' directives, and not following more endogenous interests.

CONCLUSION

This short chapter provided the first empirical examination of the participation pattern of Brazilian and Argentine actors in three case study initiatives of contemporary sustainability governance. By mapping direct and indirect participants, it was possible to go beyond descriptive and unidimensional measures of norm subscription and reveal some preliminary but interesting particularities of each national situation. The participation of Brazilian actors was thus found to be more centralized and dense with a clear core of key players composed by organizations such as Ethos and corporations such as Petrobras, Natura, Suzano, and others. In the case of Argentina, the opposite was confirmed to be the case, with a fragmented structure with scarce high profile participants, no central actors, and limited links. Accordingly, the centrality of the Brazil network and the fragmentation of the Argentine one by the mid-2010s constitute two valuable starting points to guide the retrospective analysis of the national trajectory of sustainability governance in each country.

In light of the contrasting participation patterns shown above, it is clear that conventional models based on global market and influence factors lack sensitivity to account for the institutional configurations associated with transnational governance in these locations. It is appropriate then to return to the main research question behind this project: what sustains such strikingly different patterns of engagement with transnational regimes? If both countries started from situations where transnational sustainability values and frameworks were absent, and considering that these values and frameworks were diffused at relatively similar times, why did their national trajectories come to diverge so markedly? Addressing these sorts of questions demands a broader historical study of the evolution of private governance actors, discourses, and cleavages in each country. This study avoids previous approaches, trying to explain local occurrences from the basis of the global history, with its forces, values, and initiatives, and turns the analysis on its head, to focus on the temporalities and features shaping the political culture, political economy, and the overall discursive field that incoming governance initiatives encounter when arriving to these countries. This is the goal of the next two chapters.

NOTES

1. These subscription numbers are approximate, as in certain initiatives, such as the UNGC and GRI, they are subject to constant change, given the entry of new members and de-listing/withdrawal of previous ones.
2. Argentina, along with Brazil and the USA, is one of the leading soy exporters in the world, with 70 % of its domestic production controlled by 3 % of the producers (García-López and Arizpe 2010, 199).
3. An Argentine academic was appointed co-Convenor of the Communication Task Group, in charge of the overall communicational strategy for the ISO SR, but this participation was personal, not institutional.
4. Again, these numbers represent the situation by 2012. Given each initiative's representation procedures and electoral periods, these numbers (and participants) have been subjected to change.
5. The remaining organization is a firm that attended a single ISO SR meeting, the electricity supplier EDENOR.
6. This number includes a representative of the Ethos Institute of Enterprise Responsibility, which attended the ISO SR not as part of the national delegation but as a Liaison organization, representing the Latin American CSR Network. The relevance of Ethos is explained in detail in Chap. 5.
7. There was also the presence of an Argentine labor think tank called 'Intersindical' in the role of an ISO observer, but this organization was found to be marginal, integrated by just one individual.
8. As it will be commented in Chap. 6, the government expert attending the ISO delegation will be shown to be a private consultant. In 2014, the Ministry of Finance joined GRI as an organizational stakeholder.
9. It is worth noticing that Ethos will appear as one of the few foreign organizations to be found connected with some actors in the Argentine network.
10. Itaipú is the joint binational state company (owned by Brazil and Paraguay) administering the Itaipú Dam, one of the largest hydroelectric plants in the world.

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Sustainability, Ethical Business, and Party Politics in Brazil

This chapter argues that the centralized participation pattern found in Brazil reflects, on the one side, the inclusive and flexible character of Brazilian political institutions and state-society relations since the democratic transition, and on the other, the overlapping of private governance frames with relevant dimensions of the local political agenda. These two factors underpin a supportive discursive field that over the years has facilitated engagement with private governance projects not only by corporate actors, but also by political leaders and influential players in civil society. To support this conclusion, and unravel the politics of resonance of transnational sustainability governance in Brazil, the chapter begins by tracing the origins of the actors at the core of the network presented in Chap. 4 and their subsequent development in light of the political economic and social evolution of the country, aiming to reconcile the trajectory of transnational governance with major domestic political developments. The chapter's structure is arranged according to three analytical phases in the evolution of the private governance in Brazil between the 1980s and the 2010s, summarized in the table below (Fig. 5.1).

The table indicates an evolution of the private regulation in Brazil with a different trajectory to the global one developed in Chap. 3. Relevantly, the emergence of private and market-based regimes in the second part of the 1980s coincided locally with the gradual transition to

Period	Pre-1970s	1980s	1990s	2000/2010s
Local Social Governance Agenda	Civil Rights	Political Rights	CSR + Business Ethics	Sustainability + Public Policy
Promoting Actors	Church / Community Relations	Organized Civil Society	Business + Civil Society	Business + Civil Society + Political Actors
Regime Orientation	Developmental Authoritarian	Democratization & Stabilization	Economic Liberalization & Modernization	Social Liberalism
State- Society Relations	Corporatist / Authoritarian	Supervised / Exclusive	Pluralist / Complementary	Inclusive Neo-corporatism

Fig. 5.1 Domestic politics and global programs in Brazil

democracy and the opening of the economy. It was in this context that a number of businesspersons, activists, and organizations started exploring new forms of civil society activism and political participation, in order to challenge the authoritarian and corporatist system organizing Brazilian social and economic relations until then. Because of this particularity, many initial private regulatory projects will be understood as part of a wider *civic* movement, aiming to strengthen social and political rights and to consolidate a rather young and disorganized civil society. These rather contentious beginnings will be a birthmark that would color the manner in which social and sustainability agendas will be framed in Brazil over the following decades, as well as the positioning of diverse local actors in relation to them. As it will be explained, some of the leading advocates of CSR and sustainability initiatives in Brazil never fully embraced the more liberal B&T program; on the contrary, their success was partly due to their active opposition to market neoliberalism and their preference for arrangements that combined civil society participation and state intervention. Due to these and other factors, the resonance of transnational sustainability governance in Brazil will be rather positive, sustained on an inclusive discursive environment that posited private governance as complementary to major political agendas and public debates in the country, particularly since 2003, when the PT came to power.

POLITICAL OPENING AND CORPORATE ACTIVISM IN THE 1980s

To understand the context of emergence of the central actors in the Brazilian network, it is necessary to step back and understand the political economic context characterizing the country prior and during the democratic transition, formally completed in 1989, with the sanctioning of the new constitution. Since the early 1970s, Brazil began to transit a period of increasing civil, economic, and political openness, as part of a controlled folding-back of military authority after almost 30 years of uninterrupted rule. Democratization literature refers to the Brazilian transition as a typical case of ‘transition from above’, where the ruling regime managed to control and influence the conditions of exit (O’Donnell 1988; Mainwaring and Viola 1984). In the Brazilian case, this gradualism was enabled by the relative success the military government enjoyed in its political and economic agenda, subduing insurrectional guerrillas while advancing the industrialization of a country that by the mid-twentieth century was practically an agrarian economy (Bulmer-Thomas 2003). Since the early 1960s, Brazil started to receive large amounts of foreign investment seeking to benefit from its immense reserve army of labor (Skidmore 2009).¹ Double-digit growth rates between 1968 and 1973—a period known as ‘the Brazilian Miracle’—rapidly increased the number of industrial workers from 9 % of the active economic population to 16 %, with union membership increasing five-fold (Drake 1996, p. 80). This, it must be noted, coincided with the peak of labor repression and human rights violations, though in levels of brutality much lower to those characterizing the Argentine and Chilean dictatorships (Roniger and Sznajder 2003).

Until that moment, and considering that the country enjoyed only 18 years of semi-democratic experience since the 1930s, state-society relations were characterized by the tacit acceptance of marked political asymmetries and a stratified model of citizenship based on personalistic relations among elite actors (Mainwaring and Viola 1984; Wirth 1970).² The intersection between a hierarchical conception of the state and a subordinate pattern of state-social relations bolstered a far-reaching corporatist system—‘the most full blown system of corporatism in Latin America’ (Collier and Collier 2002, p. 186)—whereby the state was the main actor behind the creation of the main actors in the party system, national industry, and economic governance. Thus, the Brazilian state promoted the formation of the largest industrial conglomerates, including Petrobras, the steel producer CSN,

and the plane manufacturer Embraer, among others, and organized labor and business actors into syndicates arranged by sector and territorial level. In this manner, the main representative bodies of industry, such as the National Congress of Industry (CNI) and FIESP, were also a product of the corporatist state, and since their creation in the 1940s had remained supportive of the authoritarian model of state-led development (Schneider 2004; Skidmore 2009). However, by the late 1970s, and responding to growing pressures from military ranks and elites, the regime decided to start relaxing the centralization of the economic and political systems in a context of relative low risk, as business recommended the withdrawal of the state to improve economic competitiveness, reap the benefits of economies of scale, and access international markets.

Consequently, the early phase of the Brazilian democratic transition remained largely in the hands of actors supporting an elitist and traditionalist pattern of state-society relations and that showed little interest for enabling wider popular involvement. Accordingly, the first democratic coalitions were described by O'Donnell (1988, p. 299) as an alliance of 'everyone with almost everyone', referring to the exclusion of socialist political parties and the left-wing popular front formed around the new Workers' Party PT, created in 1980. However, as happened with other countries in the region, the incipient democratic experience was accompanied by the negative consequences of rapid economic liberalization and growing indebtedness. During the 1980s, Brazil will experience a yearly average inflation rate of almost 780 % and will see its GDP per capita fall an average of 0.5 % per year (similarly, Argentina would have 680 % average inflation and a fall in GDP/capita of 2 % per year) (Bulmer-Thomas 2003, p. 383). Consequently, the arrival of democracy to the country occurred in a context of economic and social turmoil, as diverse actors struggled to protect recently earned political and civil liberties against the fall out of Washington Consensus-style conditions pressuring for fiscal discipline, financial liberalization, exchange rate stability, privatization, and labor market flexibilization (Williamson 1993).

The Activation of the Dissidents

In this context, civil society started to become more mobilized and organized, slowly challenging the verticalism of Brazilian political culture and institutions. Two new cleavages of political, social, and economic

governance will emerge, associated with two sets of actors of quite different nature: (i) a wide movemental/civil society cleavage around a left-wing political front led by the PT party, and (ii) a business ethics cleavage commanded by a dissident faction of young businessmen challenging industrial corporatism. The evolution of these actors, and the increasing contacts developed between them, are central elements to understand the ideational and institutional bases of private governance in Brazil and its subsequent evolution over the next two decades.

The emergence of an autonomous ‘popular front’ represented a major political occurrence against the historical weakness of civil society, and the centrality of the state as the main organizer of collective relations (Keck 1992; Bresser Pereira 2000). Traditionally, the only ‘civil’ actor enjoying some relative degree of freedom to engage in popular mobilization had been the Catholic Church, on the basis of its wide legitimacy and the activism of left-wing preachers influenced by Latin American Liberation theology. And it would be an organ of the Church, the National Conference of Brazilian Bishops (CNBB), which would play a key role in the activation and organization of two social movements at the forefront of the popular front: the rural movement and the new ‘independent’ labor movement (Maybury-Lewis 1994). Regarding the former, it should not be surprising that mobilization around rural concerns gained force with political and economic liberalization, given the historical privileges enjoyed by the country’s agrarian elites and the political marginalization of peasants (Carter 2010, pp. 190–191). In the early 1980s, rural labor unions, simultaneously promoted by the Church and the Brazilian Communist Party (PCB), will consolidate and start campaigning for agrarian reform, gaining visibility with a series of mass demonstrations that brought together the CNBB, diverse federations of rural workers, and confessional bodies such as the Pastoral Land Commission and the Missionary Indigenous Council, and were later joined by new influential civil society actors such as the Brazilian Institute of Social and Economic Analyses (IBASE), created in 1981, and the Landless Workers Movement (MST), founded in 1984.³ Roughly in the same period, urban workers turned increasingly contentious, particularly in the ABC region of São Paulo,⁴ where the abundance of highly trained workers in formal employment had bred a new generation of trade union leaders (including a young Lula da Silva). Representing what became known as Brazilian ‘*novo sindicalismo*’ (Collier and Collier 2002), the new labor leaderships openly challenged the corporatist structures linking the official trade union federations, industrial peak

associations, and the government, launching a series of mass strikes and sit-outs between 1978 and 1980.⁵

In 1980, the two groups—the rural movement and urban labor, in combination with intellectuals from the organized left, clandestine Marxists, *Paulista* intelligentsia, and politicians from the Brazilian Democratic Movement Party—came together to create a new political party, the Workers' Party PT (Keck 1992; Ribeiro 2008).⁶ The new party's foundational mission centered on granting political representation of popular interests in the opening political system, the promotion of civil and labor liberties, the implementation of a more plural and democratic system, and the movement toward a socialist economy (PT 1979). In 1983, the PT directly contributed to organize an alternative labor structure by promoting the creation of an independent labor federation, the Unified Workers Central (CUT), representing a new form of social movement unionism: a social movement alliance of labor and civil society groups such as the MST, confessional associations, and liberal sectors of middle class professionals, public workers, and academics (Alves 2000; Moody 1997; Scipes 1992). The CUT would become the labor arm of the PT, over time earning the party substantial support among the working sectors and new middle classes.⁷

The second cleavage of private social governance concerns business ethics. This cleavage fed from three separate streams: (i) traditional capitalist philanthropy in the Christian tradition, (ii) North American management and human resource practices, and (iii) the liberal agenda of new independent business associations. The first strand represented the oldest form of business ethics in the country, based on a tradition of patriarchal (and authoritarian) plantation-style social responsibility combined with certain Catholic solidarity, in particular given the high degree of religious observance among traditional industrial families and land-owning elites (Dillman 1976; Ribeiro De Oliveira 1979). In more modern forms, the city of São Paulo was also the place where the Association of Christian Managers of Brazilian Companies (ADCE) was constituted in 1961 (as the local branch of the International Christian Union of Business Executives UNIAPAC), which after a few years launched a Charter of Principles where it delineated a set of 'social' duties that local business leaders and executives should practice and promote.⁸ The second pre-existent strand connected with the (global) spread of new managerial techniques, in the Brazilian case brought to the country by US and European firms establishing local operations since the 1950s

(F. Cardoso 1968). This was also supported by the growing adoption of ‘modern’ business education contents and degrees in the local higher education curricula, for instance, through new MBA degrees (Gantman 2010). In this process, and following the development of ideas at the global level, notions of ‘corporate citizenship’ and CSR will gradually gain a foothold in local business culture, supported by the spread of initiatives such as the ‘Company in the Community’ prize the American Chamber of Commerce (AMCHAM) started awarding in 1982, to outstanding performance in areas of health, education, ecology, and community participation (Capellin and Giuliani 2004).

However, it would be the third stream of business ethics that came to constitute the most active factor in the development of private governance in the country. Interestingly, this strand developed as part of the emergence of new ‘dissident’ business associations that, just as the popular front around the PT and the CUT, also set to challenge the authority of the state-sponsored peak associations represented by the CNI and FIESP, while pursuing a broader type of engagement of the business community in the democratization process, more concerned with agenda-setting rather than interest representation (Mancuso 2007, p. 134; Lucas 1997).⁹ Among these new business groups were the *Instituto Liberal*, created in 1983, the *Instituto de Estudos para o Desenvolvimento Industrial* (IEDI), founded in 1989 and representing the interest of large Brazilian business, and the business association *Pensamento Nacional das Bases Empresariais* (PNBE, translating as ‘National Thought of the Business Grassroots’), founded in 1990.

For the purpose of this book, the PNBE constitutes a central protagonist, performing a major role in the consolidation of private governance as a regulatory cleavage in the country. Then again, the origins of this group are located in the turbulent context of São Paulo in the early 1980s, where a faction of young business executives and entrepreneurs, connected with small and medium-sized firms, started to meet informally to coordinate an alternative position to that of official industry federations. The group gained relative publicity in 1987, when in light of the Constitutional Assembly to be held a year later, they organized a separate meeting with the Minister of Finance to discuss potential reforms to the system of business representation. Taking place without its consent, FIESP reacted strongly to what it considered a challenge to its authority, and expelled from its ranks those who had coordinated the event. The leaders of this faction included personalities such as Oded Grajew, owner

of the toy company *Grow Jogos*, Emerson Kapaz, from *Elka Plastics*, Sergio Mindlin, from *Metal Leve*, then the largest Brazilian manufacturer of automobile engine parts, Helio Mattar, from the home appliances firm *Dako Fogões*, Guilherme Leal, from the personal care firm *Natura*, and Ricardo Young, from *Yázigi Internexus*, a language school franchise, among others (Hallewell and Bianchi 2006; Bianchi 2001, p. 131; Kingstone 1999).

It is fundamental to understand that this group not only sought a more democratic re-organization of Brazilian industrial relations, but rather to reset the relationship existing between business, state, and labor in a manner that could reconcile state intervention, free market practices, and labor interests. Moreover, their vision carried a strong criticism regarding the existing role of the business class in Latin America and its positioning regarding historical and contemporary political developments. Thus, in 1989, Emerson Kapaz published an article in *Gazeta Mercantil*—the most influential business journal in Brazil—criticizing the lack of ethical values among the political and business elites in Latin America, the absence of democratic control over political decision-making, the elevated social exclusion and inequality through the region, and the unchecked advance of financial capital (Bianchi 2001, p. 137). Moreover, against the antagonism shown by Brazilian industrial elites for the new labor movement and other progressive actors,¹⁰ this group of businessmen considered that if Brazil's political system was to be reformed and its economy to become more competitive, this would require not only a new social pact between capital and labor, but wider collaboration with civil society organizations and the new political groups involved in the democratic transition (Schneider 1997, p. 107). Consequently, already by 1984, Oded Grajew became the first businessman to have set foot in the premises of the CUT in São Paulo and to have personally established personal contacts with Lula da Silva (Grajew 2005). In 1987, the PNBE coordinated a joint mission taking ten of its members, the chairman of the CUT-SP, and the leader of a competing trade union, to Israel, in order to study social pacts as an inflation control strategy (Brazil's inflation at this time averaged around 80 % a year). These collaborative initiatives were rather unprecedented, considering that on the eve of the 1989 presidential elections—the first of the four times Lula da Silva would run for the presidency—the chairman of FIESP publicly stated that 'if Lula wins, 800,000 businessmen will leave the country' (Costa 2002). In 1990, this group became formally organized under the PNBE, with Grajew and Kapaz being its first executive directors.

The importance of the PNBE in the national evolution of private governance follows from two main components of its agenda. First, during the first part of the 1990s, the PNBE founders will actively promote a movemental strategy aimed at the ‘deep cultural and political transformation’ of the country (PNBE quoted in Bianchi 2001, p. 138), reflecting what authors such as Alvaro Bianchi considered a ‘global hegemonic vocation’ aimed at the permanent mobilization of society and the enlargement of Brazilian state-society relations. Second, to implement their vision, the PNBE actively sought to participate in political debates, and influence agenda-setting and policy-making, driving forward both the organization of Brazilian civil society and the new cross-sectoral initiatives of private governance. Through these activities, this group facilitated the articulation of business ethics and civil society cleavages in Brazil, both discursively and institutionally.

MODERNIZATION AND GOVERNANCE IN THE 1990s

New democratic administrations were in a difficult bind, as deteriorating economic conditions through the region—growth levels in Latin America through the 1990s would be half of the ones during the 1960s—forced governments to implement unpopular reforms and stabilization programs that deepened market de-regulation, lowered salaries, and eroded labor protections (Cook 2002). This resulted in a paradoxical situation where Latin American countries coming out of repressive periods were among the more active countries ratifying ILO conventions—as Parliaments subscribed to international labor conventions to signal their commitment to political rights and freedoms—and responsible for 52 % of the global number of complaints regarding freedom of association and collective bargaining (ILO 2002).

With the arrival of Fernando Henrique Cardoso (FHC) to the presidency in 1994, pushing forward an agenda of economic liberalization and political modernization, Brazil will witness a rapid retreat of the state from its central role of coordinator of economic activity and political interaction. However, this process will not dissolve the traditional closeness existing between economic and political elites. Even after a massive privatization process—the largest in the world at the time according to the revenues of the firms involved—linkages between authorities and business proved robust, as neither the strong nationalist orientation of the business class nor its tolerance for state involvement in the economy was

radically altered. Contrary to the Argentine case, privatization in Brazil was gradual, regulated by the Brazilian Development Bank (BNDES) on the basis of a widespread consensus across the political spectrum against the ‘de-nationalization’ of the economy, resulting in one of the few cases of Latin American privatization where foreign capital played a minor role (Pinheiro 2002; Iazzetta 1996). Moreover, the Brazilian government not only retained control over strategic industries, as it was the case of energy, oil, banks, and airports, but many of the large state-created firms stayed in the hands of Brazilian families. The abandonment of import-substituting industrialization (ISI) policies contributed to the outward expansion of Brazilian corporations, which enjoyed significant economies of scale over its smaller competitors in the region. Hence, with the creation of MERCOSUR in 1991, the presence of Brazilian firms in neighboring countries augmented dramatically: by 1996 Brazil had 900 companies operating abroad, the only developing country with such an amount behind South Korea (Gouvea Neto 1998, p. 591). This expansion allowed organized business to augment its political weight, and in May 1995, the CNI organized the first joint seminar between business leaders and politicians under democratic rule to discuss matters of economic competitiveness (Mancuso 2007).

Liberalization also brought major changes in the social positioning of civil society actors. On the one hand, the Cardoso administration promoted a liberal model of state-society relations, where a professional civil society, NGOs, and modern US-style think tanks would operate as denouncers of the gaps left by state ineffectiveness, propose solutions and policies, and participate in policy implementation (Vernengo 2007; Avritzer 2006; Pearce 1997). The transitional context was accompanied as well by the entry of international donors that saw this new generation of independent NGOs as the honest and transparent brokers needed to roll out democratic stabilization programs. Expectedly, the third sector mushroomed though the 1990s, with only 16 % of the NGOs in operation by 2002 being active before 1980 (Koslinski and Reis 2009, p. 717), and in 1991 an umbrella association for civil society was established, the Association of Brazilian NGOs ABONG (ABONG 2013). However, it is worth noting that ample foreign funding—which compensated the scarce resources provided by domestic agencies¹¹—will favor a dependent model of civil society organization, different from the professionalized bureaucratic model in advanced economies, where NGOs generate an important proportion of their resources. Instead, Brazilian civil society will be more

of a case of ‘grassroots associativism’, characterized by the dominant presence of small and medium-sized community-level associations, with poor communication with each other. With limited exceptions, such as IBASE, large NGOs would remain rare.

On the other hand, it would be during this decade that the PT will experience the moderation of its radical agenda, a transition amply examined in the literature (Hunter 2007; Samuels 2004; Ribeiro 2008). As the party accumulated administrative and electoral experience—obtaining seats in Congress and the governorships of key states—it started to abandon its revolutionary vision and embrace more ‘pragmatic’ objectives (Goncalves Couto 1994; Macaulay 1996). In the new post-Cold War context, PT leaders came to the realization that large proportions of the Brazilian electorate did not champion socialist ideals, and actually considered market deregulation, foreign investment, and the arrival of foreign firms as beneficial for national development. Simultaneously, the need to stabilize the economy limited the appeal of radical visions of societal change. This moderation would accentuate even further after a new electoral defeat suffered by Lula in the 1998 presidential elections, the third in a row, which catalyzed an internal revision of the party’s strategy—one aimed at gaining office rather than seeking the transformation of society, but still highlighting social and developmental aims regarding poverty reduction, hunger eradication, the protection of national industry and employment, and the tacking of inequality (Mollo and Saad-Filho 2006; Samuels 2004).

This shift in the role and orientation of political and civil society actors contributed as well to the ideological moderation and fragmentation of the labor movement, which in a context of economic crisis and job insecurity became more willing to bargain with business. Already in 1991, a new trade federation *Força Sindical* (FS)—mentioned in Chap. 4 as being involved in the GRI—was created by trade unions that rejected the statist and socialist inclinations of the CUT and favored a more pragmatic ‘unionism of results’, more similar to the approach of Anglo-American trade unions. Because of these factors, the number of strikes decreased from around 800 in 1990 to below a 100 in 1997 (Alves 2000, p. 120). Interestingly, growing opposition to market opening and foreign competition generated temporal alliances between local industry and labor, as big business, represented by the CNI, FIESP, and IEDI, started to be of the opinion that a policy change was needed in the direction of promoting exports and the competitive substitution of imports (Diniz and Boschi 2007). In 1996, the CNI and FIESP held a large national demonstration

in Brasilia opposing the government's aggressive free market policies, and FIESP unanimously approved a general strike against unemployment organized by the CUT and FS (Boito 2007). This convergence on relative protectionist interests did not imply any form of lasting collaboration—FIESP kept lobbying for reducing labor protections and wages—but it facilitated the gradual alignment of disaffected sectors of business and the middle classes behind the more statist developmental agenda advanced by the PT.

The 1990s were thus characterized by a more independent positioning of the main social actors and the emergence of tentative instances of cross-sectoral relations, differing from the hierarchical corporativism prevailing until the 1980s (Schneider and Soskice 2009). Civil society will become more organized and institutionalized, as reforms forced actors to operate in an environment where economic rationality and pragmatism had displaced corporatist and collectivist ideologies. As explained ahead, this changing context affected the evolution of the incipient private governance agenda in the country.

Corporate Ethics, Civil Responsibility, and Party Politics

Engaging with a counterintuitive aspect of the trajectory of private governance in Brazil, this section explains that the centrality enjoyed by some of actors highlighted in Chap. 4 responds to the association of the corporate responsibility cleavage with progressive civil and political projects, mainly (but not only) in association with the PT. To understand this association, it is necessary to follow the evolution of the group of businesspersons behind the PNBE in other domains beyond business politics.

In the first part of the 1990s, the PNBE organization expanded—counting with 300 fee-paying members by 1993, mostly based in the São Paulo region (Schneider 1997, p. 106)—and accentuated its presence in economic and political policy debates. For instance, the PNBE leadership promoted initiatives to stabilize the turmoil of the Brazilian economy after the failure of the *Plan Cruzado*, as average inflation reached 1,300 % between 1987 and 1992 (E. Cardoso 1991), and convened the first meeting between the country's business federations and the new labor movement to try to establish a national pact (a plan later boycotted by the government) (PNBE 2013). It also actively supported the fight against corruption, and in 1992 it was the first business association to join the movement calling for the impeachment of President Collor de Mello, who resigned later on (Quintão 2011).

With the arrival of FHC, some PNBE leaders, such as Grajew, Young, and Kapaz, expressed concern for the renowned sociologist's pragmatism and (unexpected) pro-market inclinations, which they saw as being more focused on streamlining the state rather than on widening political participation. However, these perceptions were not shared by all PNBE members, over half of which saw in the new president the modernizer they were expecting to drive their objectives forward (Hallewell and Bianchi 2006; Payne 1995). The PNBE thus approached the Presidency with a number of proposals, such as the creation of permanent multi-sectoral forums between government, business, and labor, a project that was not adopted but that will resurface under the Da Silva presidency a decade later (Gomes and Guimaraes 2004, p. 189). Some leading members even accepted to participate in federal and state administrations, with Kapaz becoming the Secretary of Science, Technology, and Economic Development of the state of São Paulo under the PSDB,¹² and Helio Mattar assuming as Vice Minister of National Production. These dual roles were not considered to pose a conflict of interest for the PNBE, with a member indicating that this was 'an association of businesspeople formed to fight for the political adoption of certain ideas', not a partisan opposition group (quote in Hallewell and Bianchi 2006, p. 61). Hence, while some of the PNBE leaders inclined toward the liberal PSDB government, a second group led by Oded Grajew and Jorge Luiz Numa Abrahão, a businessman heading a local engineering firm (*Sociotec*), approached the PT and its (still) socialist project: by 1994, Grajew was occupying a leading role in Lula's presidential candidacy business committee, in charge of rallying corporate support for the party (Pomar 1995). A year later, Grajew, Abrahão, and others deepened their engagement with the PT by creating another civil business association to mobilize *petista* businesspersons, under the name of CIVES (Brazilian Association of Businesspeople for Citizenship), and prior to the 1998 presidential elections, as Director of CIVES, Grajew published an open editorial in *Folha de São Paulo* titled 'The Candidate of Business', outlining the reasons why Lula's project represented the best option for the corporate sector (Grajew 1998).

In this manner, the PNBE leadership stood on both sides of Brazilian party politics. The pro-Cardoso majority, however, tilted the programmatic orientation of the organization, which moved from supporting social pacts and multi-sectoral bargaining to endorse many of the liberalizing reforms proposed by the government. This aligned the PNBE with the position of big business, which by that point was still supportive of Cardoso's

market-friendly project.¹³ As a result, the PNBE's leadership fragmented and the organization lost relevance in the public domain, in the process also fading from the attention of scholars. This sidelining, however, overlooks a major element in the institutional evolution of private governance in the country over the next two decades, as even when the PNBE role in business politics decreased, many of its founding members will remain very active in civil society, strengthening collaborative instances between business, civil society, and the political sector. This rather unusual hybrid militancy will contribute to extend private governance beyond traditional corporate philanthropy and general ideas of CSR, proving fundamental in the integration of the domestic private responsibility cleavage with the objectives advanced by influential political and civil actors.

In the late 1980s, Grajew and some of his PNBE colleagues promoted within ABRINQ, the chamber of Brazilian toy manufacturers, the creation of a Directorship for the Defense of Children's Rights, which alongside other civil organizations successfully lobbied the Brazilian Congress to pass the Statute of Children and Teenagers of 1990. On that same year, with support from UNICEF, Grajew co-founded a separate civil society entity called the ABRINQ Foundation, with the objective of '[ensuring] respect for the rights of children in compliance with national and international standards' (Raufflet and Gurgel do Amaral 2007, p. 123). The Board of the ABRINQ Foundation was populated by leading PNBE figures, including Emerson Kapaz, Sergio Mindlin, and Guilherme Leal, with Grajew as its first Chairman (in 1993, Grajew sold his stake at *Grow Jogos* and dedicated full time to this role). Within a few years, the ABRINQ Foundation, adopting UNICEF's model of capacity-building and articulation, had become the leading private actor dealing with children rights in the country, organizing numerous fundraising campaigns, publishing books and reports, creating a Child-Friendly Company certification program, and participating in ILO and UNICEF meetings.

Through the combined action of the PNBE and the ABRINQ Foundation, this group of businesspersons co-sponsored the creation of a generation of civil society organizations that relied on corporate support to engage with aspects of social governance and public policy.¹⁴ In 1994, the PNBE joined the 'Institute for the Development of Health', an NGO focused on elaborating and promoting health policies, and in 1995 it collaborated in the creation of 'Group of Institutes, Foundations and Companies' (GIFE), a civil society initiative run by business foundations and philanthropic funds with the mission of coordinating private social

investment at the national level (Jaime 2006).¹⁵ In 1997, the PNBE and a few industry federations and universities supported the creation of the ‘São Paulo Institute against Violence’, a multi-sectoral NGO focused on crime and urban violence and whose first President was Eduardo Capobianco, at the time the PNBE’s General Secretary (Capobianco 1998). In 2000, a group of individual academics, lawyers, journalists, and businessmen, together with CIVES, the PNBE, ABONG, and the Federation of Construction Companies of São Paulo (led by Capobianco) created the NGO *Transparência Brasil*, a think tank aimed at increasing transparency and accountability regarding electoral funding (TBrasil 2013).

However, the most important development for the purpose of this book would be the role of this group in the creation of the Ethos Institute of Enterprise Responsibility in 1998. This NGO was devised by Grajew, Mattar, Guilherme Leal, Sergio Mindlin, and Eduardo Capobianco with the exclusive aim of promoting ideas of CSR among Brazilian firms (Aguilar-Platas and Raufflet 2010; Sartore 2012). In this sense, it continued with the PNBE hegemonic vocation, but with a greater focus on corporate practices, seeking to exploit the financial resources of firms and their ‘influence over the media and the government’ to promote business ethics, corporate self-regulation, and environmental sustainability (Sartore 2012, p. 27). Ethos’ Charter stated as its fundamental aim the construction of a ‘just’ society, on the basis of inclusion of high ethical standards in corporate practices, the development of partnerships with community actors, and the active promotion of social development (Ethos 2013a). Ethos maintained the articulation strategy used by the ABRINQ Foundation and the PNBE, with core activities revolving around the organization of seminars and conferences (its annual conference became the main CSR event in the country), the development and financing of related studies, and the creation of governance and diagnostic tools, including a variety of CSR indicators and standards (Grajew 2010, p. 184). As it is examined in the next section, the expansion of Ethos will be superlative during the next few years, justifying its centrality in the Brazilian participation network presented in Chap. 4.

At the same time, engagement with private governance would not be exclusive to this group of ‘socially conscious’ executives. A think tank such as IBASE, which during the 1980s had advocated rural and political reforms, also started to be concerned with the relationship between corporations, citizenship, and ethical social and environmental practices. In 1993, IBASE co-organized a national campaign against hunger alongside

the PNBE and the ABRINQ Foundation, which explicitly called for a greater involvement by Brazilian firms—and in particular, of the large state-controlled firms—in pressing social matters such as health and education (Torres and Mansur 2008). A few years later, IBASE's founder Herbert da Souza personally supported the launch of a social reporting model and the voluntary publication of social audits by local firms: under the name of *Balanço Social*, it included a certification process and the granting of a IBASE label. When launched, this initiative was endorsed by a variety of actors, including industry chambers, the Christian business association FIDES, universities, the business journal *Gazeta Mercantil*, and the Association of Capital Markets and Investment Professionals, and was subscribed by several dozen firms. In 2001, IBASE started co-organizing joint workshops with international standard-setters such as SAI and the industrial federation of the state of Rio de Janeiro FIRJAN, on the certification of working conditions, workers' rights, and on the application of the SA 8000 in Brazil (Capellin and Giuliani 2004). Similarly, on the same year that IBASE launched its social reporting guidelines, DIESSE—a labor think tank created in 1955 to generate statistics for the labor movement, with strong links with the PT and the CUT—also started to address private governance issues, setting up a sister organization, the Social Observatory Institute (IOS), with the mission of generating research regarding 'labor action, social dialogue and sustainable development' (IOS 2013). These and other initiatives gradually institutionalized the basic architecture of private governance in the country, increasing the legitimacy of CSR and private regulation discourses, expanding institutional mechanisms, and linking a variety of local actors.

In this manner, the private governance cleavage emerging in Brazil came to reflect more explicit politicized features than its global counterpart, on the basis of particular political cultural references—to social equality, development, and democratic participation—and a shared history of activism and militancy by some of its central promoters. On the one hand, these semantic commonalities facilitated communication and collaboration across sectoral and organizational divides. On the other, the vocabulary of private governance in Brazil acquired more politically 'loaded' features than conventional notions of corporate citizenship coming from 'abroad'. However, it would be in the following decade that this endogenous cleavage of private governance would expand and intertwine with the political agenda emanating from the government. To understand this articulation, and its impact over the politics of resonance of the

sustainability program in Brazil, it is necessary to explain major political, cultural, and economic transformations produced by the arrival of the PT to the presidency.

SUSTAINABILITY AND ITS DISCOURSES IN THE LULA YEARS (AND BEYOND)¹⁶

The consolidation of the global sustainability program in the 2000s coincided with a major transition in Brazilian politics, as it would be against the background of the Lula da Silva administrations that central actors in the Brazilian network, such as Ethos and Petrobras, will not only engage with the global initiatives, but that the overall salience of the sustainability frame will accentuate. This was possible, I claim, due to the sustainability program positively reverberating with the ‘third way’ political project advanced by the PT since 2003, and its efforts to amalgamate an open-market and industrialist economic policies with welfarist positions.¹⁷ Fundamentally, I argue that the discursive field enabling this salience was supported first, by a national, political culture that accepted corporate cleavages of regulation as valid in a number of social domains, and second, by an inclusive and overlapping model of state-society relations under the PT that favored formal and informal linkages across business, civil society, and the state.

For clarity purposes, in this section I invert the narrative structure followed until this point, where the domestic political context was presented prior to examining developments concerning private governance. Instead, this section returns first to some important features of the network plot shown in Chap. 4, performing a second reading of key features in light of the evidence examined so far, to then situate them against national, political, cultural, and economic developments since 2003.

Norm Entrepreneurs and Industrial Champions

Just as the PNBE provided a reference point to trace domestic governance cleavages in the 1980s and early 1990s, the Ethos Institute will play this role through the 2000s. Particularly, the development of Ethos provides important clues to understand the pattern of participation observed by the early 2010s, as well as some recent developments in Brazilian politics. The previous section indicated that the creation of Ethos and other local sustainability projects, such as IBASE’s reporting guidelines, anteceded the

‘arrival’ of the global initiatives, both institutionally and programmatically (the GRI was created a year earlier than Ethos but only acquired internationally recognition after 2002). The preexistent recognition in Brazil of diverse private governance cleavages, as well as the presence of an established network of actors and brokers with significant experience and ample material and symbolic resources, will prove fundamental for the diffusion of the transnational sustainability program.

As indicated in Chap. 4, Ethos is the most central organization in the Brazilian participation network, one of the two organizations with direct involvement with the three global case initiatives, and densely connected with an impressive array of local and international organizations. When quantified in greater detail, Ethos’ centrality is striking: by 2012, 18 out of the 22 Brazilian firms involved in the UNGC Brazilian network were members of Ethos, and 1 out of the 3 participant business associations. The situation among GRI participants is similar, 11 out of 15 firms, 5 out of 16 consultancies, and 1 out of 2 business federations, while it will be shown that most of the Brazilian delegates to ISO SR had important first and second level connections with the Institute. These numbers are likely a reflection of the spectacular expansion Ethos’ membership experienced during the 2000 decade: from 11 companies when it was created in 1998 (many of which, their founders’), to around 1,500 by 2013, including many of the largest firms in the country and (very) large state-controlled firms such as Petrobras, Electrobras, Itaipú, Banco do Brasil, and others.¹⁸ Due to this, Ethos’ president could state in 2004 that its membership represented a third of the country’s GDP, while covering approximately 2 million employees (Young 2004).

Ethos and its partner organizations were also first movers in terms of framing sustainability notions as compatible with local socio-political agendas. When global initiatives such as the UNGC and GRI gained visibility, Ethos rapidly mobilized to make contact, as it was considered they presented an opportunity for the CSR movement to transcend the corporate domain (Ethos 2004), as well as the international validation of their vision of bridging business ethics with democracy, social justice, and development (Ethos Institute, 2011, pers. comm., 11 November). The Institute organized the first meetings in 2000 and 2001 to introduce Brazilian corporations to the UNGC project, and was behind the launch of the local UNGC network in 2003, in collaboration with USAID and some local industry federations (Pacto 2013). Not surprisingly, among the first members of the UNGC Brazilian network were those associated

with the founding members of the PNBE, the ABRINQ Foundation, and CIVES—such as Suzano Pulp & Paper (whose Executive Director sits at Ethos’s Board), Natura, and the Itaú Bank—but also state-controlled companies and FIESP, the main representative of Brazilian industry (the organizations constituting the second ring around Ethos displayed in Fig. 4.6).

Similarly, Ethos and other local actors started to actively support international social reporting guidelines and sustainability standards, establishing contacts with the GRI and other private standard setters. Ethos had indeed launched its own social reporting indicators in 2000, which by 2005 were applied by 600 companies in Brazil and in the region (Louette 2007). Nonetheless, around 2005 and 2006, coinciding with the launch of the GRI’s G3 guidelines (that Ethos and the FGV business school translated into Portuguese), Ethos publicly acknowledged the convenience of integrating its own standards with the global norms and identified commonalities with other private standards such as SAI’s SA 8000 and Account Ability’s AA 1000 (Ethos 2006). It is interesting that a similar strategy was followed by IBASE, which in 2008 also began to discontinue its certification program, considering that other organizations were better equipped to advance this scheme of private governance (Torres and Mansur 2008). These two developments serve to explain the jump in the number of GRI reports displayed in Fig. 4.3, as two major local standard-setters recommended Brazilian firms to engage with GRI’s guidelines. Ethos also collaborated with the launch of the Corporate Sustainability Index (ISE) of BOVESPA in 2005, the first financial index of its kind in Latin America, covering around three dozen companies considered to have high sustainability standards. ISE was developed (and is currently monitored) by a conglomerate of local actors across the social spectrum, including the Brazilian Ministry of Environment, the IBGC, a few local financial organizations, academic institutions such as FGV, and international organizations such as UNEP and the International Finance Corporation (IFC) (BOVESPA 2011). Again, ISE was created a year in advance to the UNGC’s Principles for Responsible Investment (PRI); however, once the latter were launched, BOVESPA subscribed to the UNGC and the ISE Committee stated its intention to align with the PRI (UNGC 2006).

The resonance of the global initiatives in the Brazilian context, and the high level of local organizational experience regarding private regulation, was also the motive that led ISO to accept the ABNT’s candidacy to co-chair the ISO SR process. Since the early 2000s, both the Ethos Institute

and Petrobras had lobbied both the ABNT and the metrology institute INMETRO, which would attend ISO SR as the government delegate to develop a national social responsibility norm—this norm, denominated NBR 16001, was published in 2004, and it is the only one of its kind in the region and one of the few worldwide (Inmetro 2013). Ethos was also actively involved in the promotion of the ISO SR agenda in Brazil, coordinating parallel working groups at the national level, while other roles in the Brazilian delegation to ISO SR were occupied by organizations and individuals involved in the Ethos network and the local CSR movement. For instance, the chairman of the ISO SR, Jorge Cajazeira, himself an expert in environmental ISO standards, was by 2012 a high manager of Suzano Pulp & Paper, whose chairman is an Ethos board member.¹⁹ The business experts in the Brazilian ISO SR delegation were also executives of companies connected with Ethos: one belonging to Natura until 2007, and one from Petrobras until 2010.

Through these activities, Ethos, Grajew, and other Brazilian social businessmen became recognized in the international sustainability community, consolidating as *de facto* brokers for any governance initiative aiming to set foot in the country. Acknowledging this centrality, in 2006 the UN Secretary General selected Grajew and the CEO of Petrobras to sit in the new 22-person Board of Directors of the UNGC, correspondingly as representatives for the civil society and business constituencies. Ethos' International Advisory Group also included many leading personalities in the transnational sustainability field, including Alice Tepper White, President of SAI; John Elkington, Director of SustainAbility; Allen White, from the Tellus Institute and co-founder of GRI; Ernst Ligteringen, Chairman of GRI; George Kell, Executive Director of the UNGC; and other representatives of global governance bodies, such as the UNDP and the World Bank.²⁰ The Institute was also selected to host the first local GRI office—it did so between 2007 and 2012, when this moved to the premises of the IBGC—and in 2010 it signed a MoU with GRI formalizing its involvement in the revision of the G4 version of global guidelines (published in 2013). Furthermore, by the mid-2010s there were also two Brazilian businessmen linked with the Ethos Institute within the 16-member Board of Directors of GRI: Ricardo Young, former Executive President of Ethos and co-founder of the PNBE, and Roberto Waack, founder and CEO of AMATA, the Brazilian forestry company running one of the largest certified tropical forest management projects in the

world.²¹ Similarly, two directors of Ethos sat at the time in the Board of SAI, while another was co-Chairman of the WBCSD (Ethos 2013b).

As the cleavage of private governance in Brazil institutionally converged around the Ethos Institute, other social actors became engaged with sustainability governance and transnational regulatory initiatives. Hence, many non-corporate organizations were mentioned to integrate the network mapped in Chap. 4. For example, two Brazilian governmental actors and four NGOs were part of GRI's structure by the early 2010s. On the government side, these were the Environmental Agency of the State of Minas Gerais, and Ricardo Henriques, an economist linked with Secretary of Human Rights. Civil society participants included the Peabiru Institute; an environmental NGO operating in the Amazonian region, the Tide Setubal Foundation, run by the founding family of the Itaú Bank, Comunitas; a civil society organization created by Ruth Cardoso, the wife of former President FHC, and SAGE-COPPETEC; and a university-based institute oriented to the integration of technical, social, and environmental solutions. Also indicative of this wider involvement is that the civil society expert in the Brazilian ISO SR delegation, Aron Belinky, did so as head of an Articulation Group of Brazilian NGOs—named GAO ISO 26000—purposely created in 2006 to coordinate a nation-wide civil society position in relation to the new ISO norm.²² As was mentioned, even Brazilian labor enjoyed some direct involvement with the global initiatives: between 2002 and 2012 the National Secretary of Human Rights for *Força Sindical*, one of the largest trade union federations in the country, was part of GRI's Stakeholder council as representative for the Latin American region, and the trade union think tanks DIEESE and IOS, participated in some ISO SR meetings as observers. DIEESE also assumed a proactive role to define a labor stance in relation new international private standards, coordinating in 2009 a series of workshops at the regional level on the advances of the ISO 26000 project.²³ The minutes of these workshops indicate that at least some Brazilian trade unions maintained a rather open and collaborative stance in relation to the ISO SR project—contrary to the outright rejection shown by Argentine labor, as will be mentioned in the next chapter—and were interested in debating the role labor could play in global private governance projects. The minutes also mention that at this point the CUT decided to create specific departments to deal with CSR (CSA 2011).

Moreover, diverse local NGOs became directly involved with Ethos and its initiatives. Ethos' governance committees includes civil society

representatives, which in the early 2010s comprised organizations such as the Socio-Environmental Institute (ISA), the Avina Foundation, the University Network for Human Rights, the Afro-Brazilian Women Institute, the Brazilian Institute of Competition Ethics, and the Brazilian Institute of Employment and Labor Relations, alongside the President of FIESP, the Chairman of the Union of Brazilian Banks, and the attorney of the State of São Paulo (Ethos 2013b). Simultaneously, the group of businesspeople behind Ethos continued developing new civil society initiatives, in line with their dual agenda of corporate ethics and civil activism. In 2000, Helio Matter became the first president of the Akatu Institute of Sustainable Consumption, a spin-off of Ethos dealing with promoting socially responsible practices among consumers and the wider public in areas such as resource and energy preservation, waste disposal, and climate change (Akatu 2013). In 2007, Grajew, Leal, and others launched the *Nossa São Paulo* Movement (NSP), an urban-based organization focusing on improving civil control over city public policies on issues of sustainable development, participatory democracy, and civil ethic. By 2013, the NSP had a membership of over 700 organizations belonging to all sectors and levels of *Paulista* society, including firms such as Google and Nike, the industry federation FIESP, diverse Ethos-member organizations, the local branch of the CUT, and a vast myriad of foundations, community groups, and small NGOs (NSP 2011).

The positive engagement of Brazilian civil society with sustainability issues could also be observed during the two-day Conference commemorating the 20 years of ABONG in 2011.²⁴ Thus, not only was the Ethos Institute a participant—presenting a collaborative corporate-civil society project, *Jogos Limpos*, to monitor transparency and public tenders in relation to mega-events such as the 2014 Football World Cup and the 2016 Rio Olympics—but other attendants showed ample awareness of sustainability themes, with the entire second day of the conference devoted to sustainability matters around the (then) upcoming Rio+20 United Nations Conference on Sustainable Development. Moreover, during interviews, attending NGOs admitted that the group of ‘green businessmen’ behind Ethos, Akatu, and the (original) PNBE had contributed to open new areas of debate and introduced new themes in Brazilian public debates, even if they embodied a rather ‘liberal and individualistic approach to the treatment of social problems’ (ISER, 2011, pers. comm., 19 September).²⁵

Albeit these details shed some light over the nature of the dense and centralized participation pattern observed in Brazil, a fundamental question

remains regarding the ideational and institutional factors enabling such level of activity and influence on the part of the actors behind and around Ethos, allowing them to exercise significant convening power and draw the collaboration of diverse and influential local players. To answer this question, the next section engages with the broader cultural-political context and the complex institutionalized and semi-institutionalized linkages across actors in the Brazilian network.

Strange Bedfellows: Neocorporatism, Lulismo, and Sustainability

In this section, I connect the dramatic expansion of the central actors in the Brazilian network with major political, cultural, and economic developments during the two Da Silva's presidencies. I argue that the model of state-society relations, political discourse, and political economic agenda advanced and strengthened the salience of private responsibility issues in the country. This change in the state's political project thus facilitated the semantic intertwining of the ethical-political agenda advanced by the corporate group around Ethos (and the 'green' businessmen behind it) with the social-developmental project of '*Lulismo*', supporting the institutional expansion of initiatives promoted by the former group.

The politics of the PT once in government has been the object of substantial academic study. A central aspect of this attention has been Lula's success in balancing the interests of sectors historically in conflict, simultaneously implementing an industrialist, financialized, export-oriented economic program, supported by large business and international capital, and redistributive and participatory policies, aimed at addressing the needs of the poorest sectors of society and widening political participation.²⁶ It is worth keeping in mind that only between 2003 and 2006, the income gap between the richest and the poorest strata diminished by almost 10 % and the number of people below the poverty line decreased by 20 %, while household per capita income in the 2003–2009 period rose 7 % per year (having grown only 1.3 % per year between 1995 and 2003) (Ferreira da Souza 2012). These notable achievements cemented one of the most successful political careers of the decade, with Lula leaving office with a record 84 % of approval, and US President Obama referring to him as 'the most popular politician on Earth' (AP 2009).

The Lula model was sustained on a dual identity that enabled the PT government to simultaneously behave as a 'social movement-friendly' administration as well as 'business-friendly' one.²⁷ This was possible by

a combined strategy that involved the expansion of some of the inclusive participatory mechanisms the PT had promoted during the 1990s (C. Souza 2001; Friedman and Hochstetler 2002), the use of neocorporatist and co-optational practices, and an ambivalent positioning of state agencies in relation to sectors in conflict. The ‘inclusive’ and malleable character of Brazilian political culture was not something brought about by the new government, as Brazilian democracy had been noted to display non-conventional, hybrid spaces of communication between public and private actors.²⁸ However, the form this inclusivity would take under the PT is of major relevance to understand the trajectory of private governance in the country and constitutes a key difference with the Argentine situation examined in Chap. 6.

On the more institutionalized side, the PT government formalized a number of participatory institutions, such as national consultation forums around pluri-annual plans, which gathered over 2000 entities and 4700 actors through the country (Hochstetler 2008), and a series of national public policy conferences—36 in its first term alone, made mandatory for policy-related ministries during Lula’s second term (Avritzer 2010, p. 182).²⁹ A second initiative was the creation of a range of multi-sectoral public policy councils (a proposal the PNBE had presented to FHC), aimed at granting greater voice to social actors in public policy (Doctor 2007; Hochstetler 2008). The most visible and prestigious of these new councils was the Council of Economic and Social Development (CDES), where political economic affairs are discussed among the office of the Presidency, 11 ministers, 41 business representatives, 14 trade union representatives, 11 representatives from social movements, 10 prestigious personalities, and a few other members of religious, cultural, and minority groups (Diniz 2010, p. 122).

At the same time, the government managed to obtain the acquiescence of key sectors by incorporating many of their leaders and representatives into the administration, in the process deactivating some of the most combative actors in labor and civil society. The PT-associated CUT—an active critic of previous governments—was one of the main beneficiaries of this tactic: at a given point the CUT had members leading nine ministries, 53 secretariats, and thousands of militants in second and third tier positions, while leaders of the labor movement received top positions in public-owned companies (such as Petrobras, where the government appoints the CEO and the Chairman of the Board), pension funds, and state-run banks (De Oliveira 2006; Ribeiro 2008).³⁰ Marina Silva, a prominent rural

and environmental activist of Catholic and indigenous extraction,³¹ was appointed Minister of Environment, many long-term activists of the urban reform movement joined the new Ministry of Cities, and the MST started to collaborate more closely with the Ministry of Health and various governmental commissions, in particular during Lula's first term (Alonso and Maciel 2010; Avritzer 2010; Carter 2010).

This approach also extended to business and industry. The involvement of industrial elites in Brazilian politics is far from an unusual phenomenon, historically facilitated by the extent of state corporatism and the resilience of family ownership structures among many of the main economic groups (Lazzarini 2011; Schneider and Soskice 2009; Schneider 2009).³² Nonetheless, the PT administration reinforced the links between the state and the main industrial and financial groups. It was mentioned that by the early 2000s, big business had started to move away from orthodox free market policies in favor of policies aimed at the competitive substitution of imports (Diniz and Boschi 2007).³³ Upon arrival, the PT government actively started to support the consolidation and internationalization of national industrial champions, providing cheap financing through the BNDES, particularly to the larger and more competitive groups in infrastructure and extractive sectors (Schneider 2009; Sola 2008). Through these actions, the government was able to position the state as the principal long-term financier of national industry, and to obtain minority stakes in many of the major companies in the country, configuring what Lazzarini (2011) denominated a 'capitalism of ties'. At the same time, similarly to labor and civil society, the government included business leaders in the political machinery, appointing more businesspersons to ministerial positions than the previous Cardoso administration (Schneider 2009). Hence, Lula's Vice-President during both terms was José Alencar, the owner of Coteminas, the biggest textile group in Brazil, and the Ministry of Agriculture went to the president of the agribusiness association, and the Ministry of Development, Industry, and Foreign Trade to the chairman of the large food processing group Sadia.³⁴ By the end of the decade, the relationship with the traditionally conservative industrial sector experienced such a dramatic change that FIESP, a historical opponent of the PT and Lula, was hosting a permanent exposition about the president's life in its headquarters in Paulista Avenue.

It is fundamental to understand that this close intertwinement between business elites and the government covered some of the leading figures in the CSR movement described in previous sections, considering the

historical proximity of some of its members with the new ruling party. Oded Grajew, who had become one of the main brokers of Lula's PT with business, was appointed in 2003 as Special Advisor to the Presidency, in charge of the anti-hunger program *Fome Zero* and of promoting corporate engagement with public policy.³⁵ Other people linked with Ethos were selected to participate in national public policy councils, both as business and civil representatives. For instance, of the 14 Board Directors of the Ethos Institute at 2012, four had participated in the Presidential Council of Economic and Social Development (CDES) (Grajew, Young, Leal, and Numa Abrahão, the president of Ethos by the time this book goes to press), and two were members of the Presidential Council for Alimentary Security CONSEA (Antoninho Trevisan, leader of a major accountancy firm, and Daniel Feffer, owner of Suzano Pulp & Paper) (Ethos 2013b). Other Ethos and former PNBE leaders, such as Capobianco and Leal, came to occupy high positions in major business associations, with the former becoming Vice-President of FIESP since 2004, and the latter occupying advisory roles in both FIESP and IEDI (it is worth considering that by then, Natura had become one of the major personal care firms in the world).

Moreover, going further than these institutional links, I argue that the growing centrality of some of the leading actors in the CSR movement was rooted in the alignment between the sustainability/business ethics discourse advocated by the group around Ethos and the hybrid social liberal vision advanced by the Lula government. Thus, on the one side, the left neoliberalism of the PT framed local industry as a pillar of a new national developmental project with a modern outward and global orientation, distinguishing it from protectionist models of the past (Becker 2010). This discourse differentiated itself from the neoliberalism of the 1990s by treating business as part of the construction of a more inclusive and progressive democratic order, where the state acted as both partner and controller of the private sector. Already by 2002, the PT's program of government did not mention to the word 'socialist' or 'socialism' a single time, with Samuels (2004, p. 1004) observing that it relied on the term 'radical' for political rather than economic uses, such as 'radicalizing Brazilian democracy' or the 'radical defense of public welfare'. On this basis, Lula's famous 'Letter to the Brazilian People', published in June 2002, could openly claim that the PT had come to represent a 'broad alliance between popular and industrial sectors' opposed to neoliberalism, but not to the market.

This resonated with the local framing of business ethics advanced by the CSR movement, connecting not only with the agenda of Ethos but with the earlier views advanced by the PNBE, as explained in previous sections. This is clear from the comments of Guido Mantega—one Lula’s principal aides, later appointed Minister of Planning and future head of the BNDES and Petrobras—who summarized the PT’s new political economic vision in terms that could have come out of the mouth of any private governance advocate: ‘I would put it [the PT] on this list of parties that aspire to and long for a capitalist society because socialism is totally undefined today; it no longer exists. We do not seek a more efficient capitalism, rather one made more human’ (quoted from Bianchi and Braga (2005, p. 1753)). Grajew not only openly endorsed this political vision—voicing his belief that the PT agenda would comprise a ‘permanent dialogue over a new social encounter’, and that the PT government would operate as a giant ‘sectoral chamber’ (Rossi 2002)—but he was one of its designers: the only businessperson (in addition to José Alencar, Lula’s running mate) participating in the commission of politicians and scholars tasked with putting together the 2002 PT’s political program ‘*Um Brasil para Todos*’ (PT 2002). Again, on eve of the 2003 elections he wrote another article in *Folha de São Paulo*—with the same title as before but now signing as president of Ethos—rallying the business class behind what he claimed was the only program committed to economic growth, employment, and income re-distribution, a re-distribution that would ‘*place more consumers, with greater income, in the market*’ (Grajew 2002).

This dual discursive and institutional alignment explains the centrality that an organization like Ethos enjoyed in the Brazilian sustainability network, as rapidly after 2003, both the government and the main industrial bodies and firms sponsored and joined many of the initiatives promoted by Ethos (including the UNGC and GRI). It is only by the adhesion of the main state-controlled firms and some of the largest industrial, extractive, and retail conglomerates in the country that the staggering proportion of the Brazilian GDP claimed to be represented by Ethos’ members by 2004 can be justified. These were also the type of firms constituting the second ring of actors around Ethos in Fig. 4.6: firms like Petrobras, Banco do Brasil, Bradesco and Itaú Bank, the energy companies Furnas and Itaipú, Suzano, Natura, Pão de Açúcar, Bovespa and Vale, plus the industries federations of the São Paulo and Rio de Janeiro. During this period, many of these firms became the main private social investors in the country, financing the activities of Ethos, Akatu, and the

NSP, and many other organizations involved in private governance, e.g. the FGV Sustainability Studies Centre and IBASE, among others (GIFE, 2011, pers. comm., 28 September; Suzano Paper, 2011, pers. comm., 23 September).³⁶ Petrobras in particular emerged as a quasi-official governmental representative endorsing any major sustainability initiative in Brazil. The company was among the first five Brazilian firms to adopt GRI guidelines by 2002 (the first was Natura, Guilherme Leal's firm), it joined the UNGC when it was launched in the country in 2003 (and later had its CEO sitting in the UNGC board), it participated in the governance structure of the GRI, and represented Brazilian business in the ISO SR. Furthermore, from 2006 onward, it was included in Bovespa's ISE as well as in the NYSE sustainability index, and was ranked top Oil and Gas Company for sustainability in the world in 2008.³⁷

While it remains difficult to measure the extent to which Grajew and his collaborators contributed to influence the PT's position on sustainability matters, it is hard to deny the degree of semantic alignment between the agendas and discourses of these two groups, and the level of financial and institutional support. The extent and implications of this semantic alignment was noted by local scholars such as Roberto Grün (2005, p. 81), who spoke of a 'cognitive inflection' in Brazil around the notion of social responsibility, which allowed elevating it as a durable civic norm. In his view, this inflection is supported by the widespread acceptance of the social role of business in the polity (something missing in the case of Argentina, as it will be shown in Chap. 6), with both business and civil society actors being acknowledged as potential and legitimate solvers of historical deficits attributed to political authorities. Thus, for Grün, this positioning of the sustainability program in national political culture granted legitimacy to the 'dual militancy' observed in characters such as Grajew, and his capacity to exercise convening power across different sectors, groups, and audiences. This same duality, it can be thought, enabled Lula to be cheered by 100,000 people at the 2003 WSF (alongside Hugo Chávez), be embraced by big business, bankers, and financial institutions at the WEF, and give the opening speech at the 2004 Global Compact Leaders Summit (Da Silva 2004).

Prior to moving to some later developments, a final comment has to be made to clarify the positioning of other civil society actors in relation to sustainability and private governance initiatives during this period. As was shown, a number of important NGOs, such as IBASE, promoted private governance since the 1990s, and as the sustainability agenda gained

salience during the 2000s, diverse civil society and private organizations engaged with CSR and sustainability. More radical elements of civil society, however, framed sustainability in a different way to how it was used by Ethos-related organizations and individuals, referring to a green anti-capitalist stance that rejected the current pattern of accumulation and the governance model centered around private initiatives. Nonetheless, the resonance of this alternative framing will be impacted both by the centrality acquired by Ethos as well as by the financial crisis the non-profit sector experienced by the late 2000s. The latter deserves a brief commentary.

The mass withdrawal of international funding due to the combined effect of the 2008 global financial crisis, which seriously affected key donor countries in Europe, and by the de-prioritization of Brazil as a destination for aid, had put the Brazilian third sector in a difficult position (Vergara and Ferreira 2010; Pinto 2006).³⁸ Hence, an ABONG director revealed to me that the majority of its member organizations were either cutting staff or risking to close doors (ISER, 2011, pers. comm., 19 September). In this context, Brazilian NGOs were rapidly turning to the two remaining sources of financial support: the government and business. The new funding opportunities, however, affected the programmatic orientation of the sector. On the one hand, interviewees admitted that it forced further professionalization, as civil groups had to cope with a more competitive environment. Second, and more importantly from this book's perspective, it generated more interest to participate in privately funded projects, including those dealing with CSR and private governance (NSP 2011, pers. comm., 22 September; GIFE, 2011, pers. comm., 28 September).³⁹ Hence, even an organization such as IBASE—which historically rejected any form of state or corporate funding—by 2011 mentioned as donors state-run firms such as Petrobras, Caixa, and the energy firm Furnas, as well as American Express. It is worth noting that corporate-funded civil organizations such as Ethos, Akatu, and NSP stated that they have been relatively unscathed by this crisis, and saw the noughties as a rather 'prosperous' decade, as the growth of the economy meant companies has more budget to invest in social projects (Ethos Institute, 2011, pers. comm., 11 November; NSP 2011, pers. comm., 22 September). For this reason, the growing role of both the state and businesses as funders of local civil society had two positive consequences for the legitimization of private governance in Brazilian civil society. First, it incentivized the establishment of new relations and collaborations between civil society, business, and the state.⁴⁰ Second, it cemented the centrality of the Ethos-related

organizations as central brokers in relation to sustainability projects, given their ample contacts with both the local business community and with international agencies.

The last two subsections ahead further examine and illustrate the complex manner in which the sustainability frame continued to intertwine with central domestic civil and political cleavages. The first example concerns with the origins of the WSF, providing a striking case of the programmatic flexibility of the sustainability agenda in Brazil and its capacity to frame developments beyond the corporate domain. The second examines a number of developments in the early 2010s, whereby some of the businesspeople behind Ethos moved away from the PT and realigned behind a different political project, Marina Silva's 'Sustainability Party'.

*The Dual Origins of the World Social Forum*⁴¹

It may be somewhat surprising to find a section dealing with the origins of the WSF, an initiative widely referenced as a flagship institution of counter-hegemonic globalization (Falk 2004; Halliday 2010; Chesters 2004), in a book dealing with private governance. However, not only this initiative emerged at the same time than many of the occurrences previously analyzed, but its origins hold direct relation with the very actors, discourses, and processes at play in private regulation and governance.

The most straightforward aspect of this common origin is that the conception of the WSF and its early promotion is attributed directly to Oded Grajew, co-founder of Ethos and the PNBE, in collaboration with his friend Francisco Whitaker, a PT politician and activist who was at the time Executive Secretary of the Brazilian Commission of Justice and Peace (CBJP), an organ of the CNBB.⁴² Grajew publicly stated in diverse interviews that the idea for an 'independent global meeting for civil society' responded to his long advocacy for business ethics and the enhancement of civil forms of governance and collaboration. Notably, he confessed that the idea came to him in 2000, after he had 'tried for some time to introduce social responsibility in the WEF' (Paget-Clarke 2004).⁴³ Subsequently, the idea for a separate forum for global civil society was presented to Bernard Cassen, of ATTAC (*Association for the Taxation of financial Transactions and Citizen's Action*) and *Le Monde Diplomatique*, in order to gain allies in Europe (Leite 2005, p. 78).

More importantly, Grajew's recollection of the initial coordination steps to put the WSF project in motion is revealing in terms of the convening power he and his allies were able to exercise, and highlights as well

the strong ideological and institutional ties existing among certain elite members of Brazilian society:

In Brazil, I called Sérgio Haddad [President of ABONG], whom I already knew from ABONG. I called Cândido [Grzybowski, IBASE's Director] from IBASE and others and Maria Luiza [Mendonça, Director of Brazil Programme] from Global Exchange, Chico [Francisco Whitaker]. I also called the mayor of Porto Alegre, whom I knew through the PT [...]. Everyone agreed and we went together again to the Ethos Institute and decided to invite MST and CUT. (Grajew 2005)

These organizations will all become part of the organizing committee of the WSFs in Brazil, formally consisting of CIVES, the business association grouping pro-PT business, two major civil society organizations, IBASE, and ABONG, three political entities directly linked with the PT, the MST, the CUT, in addition to the Catholic entity CBJP, and two foreign actors, ATTAC and the Center for Global Justice.

Moreover, just as it happened with many of the private governance initiatives promoted by Grajew and his group, relations with political actors proved fundamental to drive the initiative forward. Thus, the first WSF coordination meetings included representatives of the PT, and the selection of Porto Alegre as the host city for the WSF followed clear political considerations. Not only was it considered particularly

appropriate ... because the city had been governed by the Workers' Party since 1988 and is celebrated for its innovative participatory budget process, grounded in a radical reform of the relationship between the public, government and business (Karides and Ponniah 2008, p. 9)

but Grajew and Whitaker had personal links with both city and state authorities, as at the time Porto Alegre and the state of Rio Grande do Sul were under control of the PT.⁴⁴ The involvement of the PT was not merely symbolic, and city and state authorities provided much of the funding and logistical support to roll out the first two events, an involvement that President Cardoso (in power until 2002) considered to be inappropriate (Santos Elias 2013). Hence, official figures by IBASE and ABONG, the two NGOs that acted as financial controllers for the events in Brazil, estimated that state contributions for the 2001 and 2002 Forums represented almost half the total income, granted indirectly through the provision of venues, communication, and transport infrastructure (López et al.

2006).⁴⁵ With the arrival of Lula to the presidency in 2003, which coincided with the switch of the governorship to the opposition, the degree of support for the WSF initiative acquired national proportions, and the federal government moved to allocate extra funds to replace those lost from the state level. In similarity to what happened with private governance initiatives, the government relied on state-owned firms to channel resources to support the WSF, and by 2005 Petrobras, Banco do Brasil, Electrobras, in addition to other firms, had become official sponsors of the WSF taking place in the country (Diaz 2006; Teivainen 2002). The importance of this support was highlighted by Candido Grzybowski, IBASE's Director, who admitted in 2009 that '...no forum would exist in Brazil without help from the state' (Magalhaes and Flor 2009).

The active involvement of the PT exposed the WSF initiative to accusations of partisanship, and authors such as Santos Elias (2013) note that this participation was in line with the PT's electoral strategy to position itself as a social movement government. Even before the first Forum, the leader of the Democratic Labor Party PDT called for a public auditing of the PT's expenditures on the Forum's organization, stating that '... the objective can be very coherent, but the form in which it is being conducted in our country possesses a major deformity' (Folha 2001).⁴⁶ This also created tensions inside the PT itself: in 2002 during the campaign for the governorship of the state, Tarso Genro, prefect of the city, accused his competitor Olivio Dutra, outgoing governor, of a 'Stalinist' use of the event, considering that state television focused on Dutra and other party personalities but not on him (Gerchmann 2002). After 2003, President Da Silva became a regular attendant and speaker at the local forums, using it as a platform to promote his agenda both domestically and internationally.

In any case, this use of the WSF by Lula was possible because the founding principles of the WSF were compatible with the social liberal discourse advanced by Brazilian government. But they also shared important similarities with the agenda promoted by the Brazilian CSR movement and organizations such as the PNBE and Ethos, aimed at widening social debate, promoting public and private interest regarding equality and socio-economic rights, and advancing development, social justice, and environmental awareness (PNBE 2013; Ethos 2013a). Thus, the WSF's Charter conceived the forum as an open space for the democratic debate of ideas among groups that opposed neoliberalism and a 'world ruled by capital', and envisioned an alternative globalization driven by solidarity, the respect for human rights and the environment, and based on inclusive

institutions oriented to social justice, equality, and sovereignty (WSF 2001). Moreover, while anti-neoliberal, neither the WSF's charter nor Ethos or the contemporary PT were strictly anti-capitalist.

Interestingly, as the WSF developed and other forums were organized outside Brazil, the 'moderate' vision of the Brazilian founders started to be problematic for more radical groups. Thus, some participants complained about the open involvement of governmental agencies and large firms, even if controlled by a left-of-center pro-social movement party.⁴⁷ Eric Toussaint, the leader of CADTM (Committee for the Annulment of Third World Debt)—and a member of the WSF International Committee—voiced his discontent for seeing the 2010 'Ten years Later' Seminar conducted in Porto Alegre sponsored by Petrobras, Caixa, and other large Brazilian firms, and the event populated by banners of state agencies.⁴⁸ Toussaint also accused a sector of the Brazilian committee of being 'conservative', and intending to keep the forums as a neutral space of dialogue and debate, preventing its mutation into a platform from where to coordinate political action. This distinction was picked up by some analysts, who distinguished two factions within the WSF's leadership: the 'horizontalists' and the 'movementalists' (Prestes Rabelo 2006). The latter represented the more heterogeneous and radical group—involving organizations such as the World Network of Social Movements (created by initiative of the CUT and MST), CLACSO, ATTAC, and radical gender and unemployment groups, as well as elements linked with the Venezuelan government—that wanted the forum to be an instrument of action against neoliberalism, neo-imperialism, and capitalist globalization in general. The horizontalists, instead, comprising the founders and their allied organizations (CBJP, CIVES), as well as sectors linked with international NGOs and business, considered that the goal was also to move away from the 'vices' of the traditional twentieth century movements, including the verticalism of international communism (Whitaker 2004).

In this manner, it is possible to argue that the early evolution of the WSF project was reflective of the dual orientation of the Brazilian CSR movement and the PT under Lula: a vision of a moderate capitalism balanced by enhanced societal participation and inter-sectoral exchange, but one that avoided radical political action. In this manner, the WSF can be considered as yet another multi-sectoral initiative enabled by the compatibility between the PT government's political discourse and the particular civic orientation of the domestic private governance cleavage, and by the organizational capacity this compatibility enabled.

*Sustainability as a Party Cleavage?*⁴⁹

A number of events around and after the 2010 presidential elections provide the final illustration of the politics of resonance of sustainability in Brazil. Conceptually, these events reveal the inherent openness of sustainability as a political mobilizing frame, and exemplify how this can be (re)articulated to sustain alternative political positions and projects. The events triggering this re-articulation can be traced back to the first Lula government, when the institutional and discursive alignment between the Ethos/Grajew group and the PT government experienced a number of shocks, given disagreements, and revelations in relation to two issues at the core of the local business ethics agenda: corruption and environmental policy.

The issue of governmental corruption raised to the public spotlight in 2005 with the *Mensalão* ('monthly payments') scandal an arrangement through which some aides to the president were accused of using illegal side payments to win congressional votes (Pereira et al. 2011). It is important to highlight the impact these revelations had over local public opinion, as it shattered the historical reputation of the PT as the 'honest' party of Brazilian politics; the party of free unions, the intelligentsia, and social movements (Samuels 2001; Goncalves Couto 1994). As this scandal unraveled over the next few years, Lula closely escaped impeachment but Jose Dirceu, one of the co-founders of the party and then Lula's Chief of Staff, had to resign from his position and was banned from public office for 8 years (and would be eventually imprisoned a few years later). As a result, the scandal disaffected a sector of the middle-classes, traditional supporters of the PT, as well as some of the party's founding members, and initiated a cycle of social discontent that would have repercussions a decade later, severely impacting on the presidency of Dilma Rousseff (A. De Souza 2013; Zucco 2008).

The corruption revelations shocked the members of the Ethos group more aligned with the PT. Grajew commented then that 'he was perplexed and disappointed with the party' and decided not to participate in Lula's 2006 re-election campaign (Scinocca 2006).⁵⁰ More importantly, these revelations appear to have triggered a re-orientation in their organizations' objectives, as both Ethos and NSP started to shift their focus from corporate practices and CSR toward public policy, putting greater focus on issues of public corruption, transparency, and accountability. An Ethos executive thus stated that by 2008 'the phase of raising awareness among companies is over. The next phase is changing the legal framework where

private and public activities take place' (Interview Ethos, Anonymous, November 2010, São Paulo). In 2010, Jorge Numa Abrahão, then president of Ethos, wrote an article in *Le Monde Diplomatique Brasil* titled 'Social Control, Transparency and Social Integrity', describing the new anti-corruption initiatives Ethos promoted, such as the 'Business Pact against Corruption', launched in 2005 in collaboration with the Office of the Inspector-General of the Union (the main transparency agency in Brazil), the UNDP, the UN Office on Drugs and Crime, and the WEF, and the *Jogos Limpos* initiative, to facilitate monitoring of public contracts prior to the 2014 Football World Cup and the 2016 Olympics (Abrahão 2011). Two years later, Ethos contributed to organize the first National Conference on Transparency and Social Control, which included as participants major governmental agencies, the CUT, and a myriad of anti-corruption NGOs (Ethos 2013c; CGU 2013).

This grievance will gradually combine with another line of programmatic misalignment, due to the government's ambivalent environmental policy, particularly as the pact that Lula had managed to concert between pro-environmental and rural groups, and big business and pro-industrial factions started to unravel (Bresser-Pereira 2015).⁵¹ Upon appointment, Marina Silva, in her role of Minister of Environment, had managed to reverse the rate of deforestation in the Amazon region for the first time in years, gaining the Lula administration substantial praise both in the local environmental community and in international carbon diplomacy circles (Viola 2013; Hochstetler and Viola 2012). However, these efforts eventually clashed with the government's promotion of extractive industries, intensive land use (partly to generate ethanol, which came to represent 19 % of the energy matrix by 2010), and growing energy requirements to sustain industrial expansion, the area of competence of Lula's Minister of Energy, Dilma Rousseff, who represented the industrialist wing of the party.⁵² By 2009, a new project to expand energy provisions via the construction of dams in the Amazon led to an internal power struggle between environmental and industrialist factions, resulting in Marina Silva quitting both her ministerial role and the party, of which she had been a member since its origins.

Simultaneously with these struggles, a conflict of environmental nature sparked in 2008 between the government and the local CSR movement, when Ethos, the Akatu Institute, the NSP, and Greenpeace Brasil launched a campaign against Petrobras accusing the firm of violating environmental standards in relation to the amount of sulfur in its

diesel fuel. The campaign resulted in Petrobras being suspended from the Sustainability Index of BOVESPA (Grajew 2008). The response by the company's management was to accuse Ethos and its allies of launching a 'political smearing campaign' not only against the firm but against the government. Grajew felt that such accusation was explicitly directed at him, he 'that always gave his full support to Lula, [he] that opened the doors of the business world for him' (Mercadoetico 2008).⁵³ The conflict continued through 2009, when Petrobras' CEO published an article in Harvard Business Review titled 'The Greening of Petrobras', which was rapidly challenged by a letter to the editors signed by Mattar and Young, head of Akatu and Ethos, respectively (Azevedo 2009; Mattar and Young 2009).⁵⁴ After this conflict, Petrobras withdrew its membership from Ethos, an action interpreted as intended to suffocate Ethos' operational capacity (Interview Ethos, Anonymous, November 2010, São Paulo).⁵⁵

As a result of this confluence, by 2010 the political pathways of Marina Silva and some members of the Ethos group had converged. After abandoning the PT, Marina joined the small Green Party (PV) and run for presidential candidate in the 2010 elections against Rousseff, when she obtained the third position with 19 % of the votes (the best results in the PV's history), emerging as a new leading figure in Brazilian politics (Hochstetler and Viola 2012; Alonso and Maciel 2010). But in a development holding strong similarities with the split generated in the PNBE with the arrival of FHC, some members of the Ethos/PNBE group re-aligned behind Marina Silva's environmentalist project: Silva's vice-presidential candidate was Guilherme Leal, who sold his stake in *Natura* in order to compete for political office,⁵⁶ while Ricardo Young, former Ethos' President, ran for a Senate position for the PV (albeit he was not elected).⁵⁷

After the 2010 elections, the activities of this new environmental faction accentuated their political character, relying on a more ambitious use of the sustainability frame. In 2011, Marina Silva spoke alongside Grajew, Young, Leal, and Alfredo Sirkis, former exiled and founder of the Green Party, in the launch of a new political initiative, named *Movimento por uma Nova Política* [Movement for a New Politics or MNP].⁵⁸ This movement was established to present a political alternative capable of overcoming the deficit of representation in Brazilian institutions, and promoting a more inclusive model combining 'development with sustainability'. Its Charter of Principles defined the movement to be 'free, open, autonomous and democratic, supra-party and without religious affiliation, pursuing the construction of environmental, social, economic, ethical, political,

cultural and aesthetical sustainability’, while enshrining ‘fraternity and cooperation as political categories in the construction of the common good’.⁵⁹ Aiming to compete in the 2014 elections, the MNP leaders decided to constitute a formal political party, under the rather awkward name of *Rede Sustentabilidade* (Sustainability Network), managing to recruit major figures associated with traditional parties such as Domingos Dutra and Walter Feldman, co-founders of the PT and the PSDB, respectively.⁶⁰ In this new party, the brokering role of the ‘green businessmen’ behind the PNBE and Ethos continued to be important to rally support and resourceful allies: for instance, Marie Alice Setubal, one of the owners of Itaú Bank and president of the Tide Setubal Foundation, acknowledged that she became part of the *Rede* through her acquaintances with Grajew, Leal, and Young, and their previous collaborations in the CSR movement (Campana 2014). Setubal reportedly financed over 80 % of the Marina Silva Foundation in 2013 and, along with Leal, was the main individual contributor to her second presidential campaign in 2014.

These activities, it must be mentioned, occurred in a markedly different context to the rather prosperous Lula years, with the first Rousseff administration facing the slowdown of the Brazilian economy (Ban 2013; Morais and Saad-Filho 2012). Moreover, the issue of corruption and political reform continued to undermine the legitimacy of the PT and led to the activation of public discontent, first manifested in 2011—when around 20,000 people marched in the streets of Brasilia, with smaller protests in São Paulo, Rio de Janeiro, and other cities calling for the end of secret voting in the Congress and the approval of anti-corruption and transparency laws (Clausen 2012)⁶¹—and peaking with the mass protests that spread through the country between June and July 2013.⁶² Subsequent developments continued damaging the popularity of the PT and the president, including a new corruption scandal,⁶³ prolonged economic stagnation, and calls for the impeachment of the president gaining ground in 2015.

In the context, Marina Silva and her allies intended to cast the new sustainability party as a participatory and movemental alternative to the ‘old politics’ embodied by the PT and the PSDB, actively campaigning for the reform of the political system. Again, though the influence of Ethos-related individuals in shaping this agenda cannot be specified, the *Rede*’s manifesto shows striking parallelism with the agenda of the group of businesspersons behind the Brazilian business ethics cleavage since the late 1980s. The document, ambitious and utopian, positions the notion of

sustainability as a broader political and ethical vocation, promoting networks and movemental arrangements over traditional political parties, and calling for a developmental project both socially inclusive and environmentally sustainable (Rede_Sustentabilidade 2013). In this sense, the manifesto relies on the sustainability notion to reframe themes previously covered under notions of social pacts, private responsibility, and social liberalism. At the same time, it retains the horizontal and collaborative approach to state-society relations reflected in the founding principles of the PNBE ('the possibility of participation of all segments of society'), Ethos ('cooperative actions are increasingly necessary for maintaining humanity's welfare'), and even in the WSF's original Charter (WSF 2001).

In this manner, by the mid-2010s, the sustainability program had gained yet another foothold in Brazilian party politics and public debate, clearly transcending conceptions of it as a mere private agenda. The overall reach and potentiality of this enhanced master frame is perhaps neatly synthesized in a comment by Oded Grajew published on Ethos' website, stating: 'Corruption is unsustainable. Ethics is sustainable. Inequality is unsustainable. Social justice is sustainable. Dictatorship and authoritarianism are unsustainable. Democracy is sustainable. Slave labor and unemployment are unsustainable. Decent work for everyone is sustainable. Solidarity is unsustainable. Individualism is unsustainable' (Grajew 2013).

CONCLUSION

This chapter examined the historical evolution of the relations underpinning the Brazilian network presented in Chap. 4 and the broader politics of resonance of transnational sustainability governance in the country. By engaging with a wide array of empirical material and evidence, the chapter demonstrated that the patterning of domestic engagement with the sustainability program is, on its most fundamental level, the outcome of a historical process by which certain cleavages and discourses of private governance expanded and connected with major civil society and political agendas. Thus, the origins of the business ethics cleavage in Brazil were shown to differ from how this agenda was conceived in the global North, as early projects aimed at providing alternatives for political participation and civil action in a context of post-authoritarian corporatism. This contributed to an unusual form of inclusive politicization within the local private governance cleavage where CSR initiatives were understood not so much as part of a global trend of corporate self-regulation, but as part

of the democratization of state–society relations and a greater involvement by civil society in the monitoring of business affairs, and later on, state ones. Interestingly, even when local private governance initiatives converged with international ones since the mid-2000s onward, the political character of the sustainability frame in Brazil was not completely altered, and actually, in light of the developments commented in the last section, it appears to have accentuated.

Accordingly, even when actors such as the Ethos Institute enjoyed from multiple connections with global sustainability initiatives, it was due to the preexisting institutional and ideological linkages that the sustainability program could successfully diffuse, and mobilize supporters, collaborators, and sponsors at the local level. These linkages, and in particular the ones connecting the core group of organizations around Ethos and Petrobras, were shown to rest on informal and semi-formal ties crossing the state, civil society, and business, supported by a favorable discursive field shaped by specific path-dependent political, cultural features. Among the more general ones, it is the role of Catholic thought in the organization of rural and labor movements (notably, also present behind the WSF), the acceptance of private firms as legitimate participants in civil society, the developmentalist orientation of local political and industrial elites, and the collaborative vision of certain business and civil society leaderships. On a more specific level, it can be said that the social neoliberal turn brought about by the PT, and the ethical-political vocation of the CSR movement in Brazil, were discourses and agendas that reinforced this discursive field during the noughties, and which enabled the public salience of the sustainability agenda in other domains. This salience not only benefited organizations such as Ethos, but the alignment between national political culture and the incoming governance program resulted in a win-win situation for incoming transnational initiatives. Thus, the positive discursive field of sustainability norms and framework in the country facilitated communication and relations between local and foreign actors, providing transnational actors with a legitimate semantic, normative, and institutional platform to promote their activities and consolidate their position. This in turn allowed Brazilian organizations of all sorts to engage with private regulatory initiatives without risking any sort of cultural-political dissonance. As a result, the norms and initiatives advanced under the transnational sustainability program were amplified by national, political, and cultural structures, and were perceived as the extension of legitimate concerns and projects in domestic civil society and politics.

To reinforce the importance of semantic compatibility as a crucial factor in transnational diffusion and regime adoption, the next chapter will examine the Argentina situation, as an instance where the mismatch between core components of the sustainability agenda, and certain historical and contemporary aspects of political culture, result in an adversarial discursive field conducive to low resonance and a shallow pattern of participation.

NOTES

1. By then Brazil had a population of approximately eighty million people.
2. Some authors saw in these traits not only the effect of authoritarian rule but also the lasting influence of the experience of slavery during the imperial period—the only monarchy among the Latin American republics, the Kingdom of Brazil lasted from 1822 to 1888, the same year when slavery was abolished.
3. IBASE is one of the first modern think tanks in Brazil, at the time focusing on issues such as promotion of democracy, agrarian reform, and training new civil actors in political and social analysis, counting with the support of Christian organization such as Caritas and the CNBB (Torres and Mansur 2008). Its founder was Herbert José de Souza—locally known as ‘Betinho’—a sociologist who returned to the country in 1979 after more than a decade in exile for opposing the 1964 military coup. Betinho was a militant of the Catholic left and after his arrival contributed to the creation of other confessional CSOs, such of the Institute for Religious Studies (ISER). For his role in the rural movement, Betinho received a UN Global 500 Award in 1991.
4. Named after the initial letter of its constituent cities—[Santo André](#) (A), [São Bernardo do Campo](#) (B), and [São Caetano do Sul](#) (C)—the ABC region is renowned for its concentration of foreign companies, mostly car-manufacturers, representing the core of Brazilian industry (Ribeiro 2008, p. 59).
5. The Brazilian labor system consists of multiple trade union federations competing for power and membership. By 2007, Brazil was estimated to possess 11,000 labor unions, over 280 federations, and 19 national confederations (A. Cardoso and Gindin 2009). This is a direct consequence of the ‘*unicidade*’ principle, set in the 1930s by the military regime to weaken labor organization, where

- only one union can exist per sector in a given territorial jurisdiction, and with the municipal level at its basis.
6. The PT was not the only political party created in these years: the Brazilian Labor Party (PDT) was founded in 1979 and the Brazilian Democratic Movement Party (PMDB) in 1981.
 7. The CUT will become the largest trade union federation in the country, with over 60 % of the affiliated workers, and the rural movement counted with 750,000 members by 1989 (A. Cardoso and Gindin 2009; Houtzager 2001).
 8. Two decades later, ADCE would push forward its agenda by creating a separate foundation named FIDES, with the mission of ‘humanising the firm and promoting its relationship with society’ (Capellin and Giuliani 2004, p. 3), promoting stronger links with organizations such as the CNBB and trade unions, and developing some intellectual tools to advance ethical principles in corporations.
 9. For reference on these dissident business associations, see Hallewell and Bianchi (2006), Kingstone (1998, 1999), Nylen (1993), Payne (1995), and Schneider (1997, 2009).
 10. A survey at the time indicated that an ample majority of *Paulista* businessmen still held positive opinion of the 1964 coup (Bianchi 2001, p. 125). Later on, the leadership FIESP also considered that the first sit-outs organized by Lula da Silva’s labor movement should have been repressed with force, though it later recommended moderation and bargaining to avoid confrontation.
 11. Only 15 % of the budget of local civil society came from the Brazilian state (and 19 % in Argentina), compared with a world average of 40 % (Friedman and Hochstetler 2002).
 12. Later, Kapaz abandoned this party and was elected as Congressman for the Popular Socialist Party PPS.
 13. This is evidenced in the ‘Business Manifesto’, a document signed in August 2000 by the leaders of the main Brazilian firms (Diniz and Boschi 2007). The companies of PNBE leaders also performed differently under the new economic conditions: *Metal Leve* (Mindlin) was sold to the German Mahle Group in 1996, while *Dako* (Mattar) merged with General Electric. Others, such as *Natura* (Leal) and the language school franchise *Yázigi Internexus* (Young) will expand dramatically in the next decade, both locally and internationally.

14. In 2010, it became the Brazilian branch of Save the Children International, on the largest child-oriented CSO worldwide, and counted with the support of organizations such as Microsoft and the European Union.
15. GIFE was initially integrated by 25 organizations, mostly large companies or foundations led by traditional industrialist families. By 2011, GIFE's membership expanded to 133 organizations investing around £700 million a year (GIFE 2013).
16. Some material covered in this section has been developed in different forms in Peña (2014a, b).
17. I remind the reader that this 'positive' attribution does not attach any normative judgement but indicates the degree of semantic fit between the incoming sustainability master frame and the national political culture which supports this program's credibility and visibility at the local level.
18. These numbers started to fall markedly after that, with Ethos' website registering over 500 members by December 2015. Though this book does not examine developments during this latter period, some of the causes of this drop are examined in the final parts of this chapter.
19. Suzano was the first Brazilian firm to have achieved ISO 14001 certification, and the first cellulose manufacturer in the world to certify SA 8000 (Suzano Paper, 2011, pers. comm., September 23).
20. In 2013, this group also included members from regional standard-setting and CSR networks such as the African Institute of Corporate Citizenship, the Latin American CSR network Forum Empresa, and IARSE, as well as representatives from academic powerhouses such as Harvard Business School (Ethos 2013d).
21. It is worth noting that Waack has a long involvement in the board of the FSC, the globally recognized timber and paper certification program.
22. Belinky also had a background in private regulation and links with Ethos and the Akatu Institute of Sustainability since 2003 (see comments ahead), having previously participated in important sustainability events such as the Montreal Protocol Working Group and the Rio'92 Earth Summit (notably, as representative of the Brazilian Air Conditioning industry) (Belinky 2009). Relevantly, GAO documents suggest an encompassing understanding of sustainability

in local civil society, referring to ideas such as ethical commitments to the environment and society, the promotion of global citizenship and democracy, the valorization of social cooperation and solidarity, the valorization of civil society autonomy, and the valorization of transparency (GAO 2007).

23. These workshops were attended by diverse trade union representatives from the region and were co-sponsored by the Trade Union Confederation of the Americas (CSA-TUCA) and by ITUC. More details of these workshops are discussed in Chap. 6.
24. I attended this conference as an observer.
25. The Director of the Institute for Defence of the Consumer (IDEC) synthesized their programmatic differences with the private governance agenda of Akatu in the following manner: ‘...while they [Ethos and Akatu] aim to raise consciousness among individuals, to teach them to consume better, we try to use existing legal channels to enforce respect for existing rights, inform and support collective campaigns, and alter public policy’ (IDEC, 2011, pers. comm., September 27). Interestingly, it could be said that implicit in this comment is the distinction noted in Chap. 3 between welfareist/legalistic governance models and the market-based logic of the B&T program.
26. Diverse Brazilian analysts thus have casted a number of denominations upon Lula’s political economic project, from overly negative notions such as Francisco De Oliveira’s (2006) ‘inverted hegemony’, claiming that under Lula, neoliberal policies were promoted by representatives of the working class, to critical ones such as Morais and Saad-Filho’s (2005) ‘left neoliberalism’, to André Singer’s (2009) rather supportive views of Lulismo as a pragmatic and modern third way.
27. By 2010, Francisco ‘Chico’ De Oliveira, a recognized Brazilian intellectual and one of the co-founders of the PT—though he abandoned the party—accused Lula of being more of a privateer than Cardoso, ‘a privateer in a scale that Brazil never knew’ (Machado 2010).
28. For Avritzer (2006) this is a direct consequence of the youth of Brazilian republican institutions and the country’s institutional development under military tutelage, resulting in the absence, for much of its modern history, of formal mediating channels between state and society.

29. A director of a local NGO stated during an interview: ‘... previously I could count with one hand the number of public meetings I was invited to, but since 2003 I have lost track’ (ISER, 2011, pers. comm., 19 September). This observation is backed by available statistics: between 1941 and 2006 a total of 141 National Conferences took place, with more than half of them occurring since 2003 (Polis-Inesc 2011).
30. Even DIEESE, previously an independent labor think tank, became the official source of statistical data for the Brazilian Ministry of Labor.
31. Silva, who gained further centrality in the political spotlight by 2010, was a recognized activist with a background in land and indigenous struggles, and the first rubber tapper to be elected to Brazil’s Senate in 1994 (Economist 2013).
32. Firms such as the Itaú Bank, Natura, the engineering giant Odebrecht, the steel producer Gerdau, and Suzano are still run by their founding families, with close links with political elites.
33. In 2004, FIESP elected a new leader belonging to the opposition, Paulo Skaf, of closer links with the PT government and its agenda (Diniz and Boschi 2004).
34. As put by De Oliveira (2006, p. 12): ‘notorious businessmen—in their capacity as “representatives of civil society”—were awarded ministries appropriate to their areas of interest and export ranking.’ A civil society interviewee noted that the Congress was increasingly populated by businesspersons, adding that ‘in the past Brazilian politicians became businessmen, today businessmen are becoming politicians’ (ISER, 2011, pers. comm., September 19). The last three heads of the CNI were also Congress members, two of them during Lula’s presidency and one during Cardoso’s (Mancuso 2007, p. 141).
35. He occupied this position for over a year, accusing restrictions by governmental bureaucracy, but affirming that he will remain a ‘special collaborator outside the government’ (ABR 2003).
36. In fact, until 2008 Petrobras was the main single contributor to the Ethos Institute (Suzano Paper, 2011, pers. comm., September 23).
37. In 2007, Petrobras and the federal government of Brazil, along the gas conglomerate Comgas, co-sponsored the first edition of a ‘Sustainability Compendium’, outlining the main social and

environmental responsibility management tools and organizations in America and Europe (Louette 2007). This publication was supported by the Brazilian Ministry of Culture, the Ethos Institute, Akatu, the Dom Cabral Foundation, and the FGV Centre for Sustainability Studies, among others.

38. As admitted by a local NGO representative, years of dependency from foreign donors had fostered a civil sector unprepared to generate its own resources (IDEC, 2011, pers. comm., September 27).
39. This meant also a move away from politically controversial areas. Statistics generated by GIFE confirm that themes such as education, youth, and culture constitute the preferred areas for private social investment, followed by environmental issues, traditionally more problematic. On the other end, themes like health, labor, and racial discrimination have a minimal presence in private initiatives (GIFE 2012).
40. The sectoral reaction to this crisis might accentuate contacts with the state even further. In 2010, leading civil society actors, including Ethos and GIFE, as well as ABONG, the MST, and Caritas Brasil, launched a joint platform calling for a new regulatory model for civil society, and the creation of a competitive system for bidding for public resources. In response, NGOs committed to upgrade their management and self-regulating practices (Plataformaosc 2011).
41. A more detailed examination of the content of this section has been developed in Peña and Davies (2014).
42. Whitaker, as many other left-wing Catholic militants, was exiled during the military dictatorship. In this regard, he shares a similar ideological extraction with Herbert da Souza, IBASE's founder. Whitaker is also one of the co-founders of the *Transparência Brasil*, together with Helio Mattar and Eduardo Capobianco.
43. This was not far-fetched, as Grajew enjoyed direct access to the WEF's leadership, given that his former company, *Grow Jogos*, was 25 % owned by a German firm whose representative was the brother of Klaus Schwabb, the WEF's Chairman (Grajew 2005).
44. These authorities involved figures such as Raul Pont, Olivio Dutra, and Tarso Genro, who within a few years later will all occupy senior roles in the party, the CUT, and the Lula government.

45. The other part of the funding came from international donors, particularly the Ford Foundation, NOVIB, and ICCO, facilitated partly by Grajew's experience as leader of the ABRINQ Foundation and Ethos, and well as by contacts from IBASE (Paget-Clarke 2004).
46. These accusations were not far off the mark, considering the corruption scandals that shook the PT from 2005 onward and other corruption developments under the Rousseff government a decade later (that will have Petrobras and other major firms at their center).
47. Petrobras had received virulent criticisms in Bolivia from environmental and indigenous organizations due to different violations, while the Bank of Brazil was accused of participating in financial speculation (Diaz 2006)
48. Furthermore, he considered that Brazil was using the Forum as part of a peripheral imperialist structure, raising and promoting the profile of its state corporations (Ojeda and Toussaint 2010).
49. Some aspects of this section have been published in an abridged form in Nunes and Peña (2015).
50. He is also reported to have been the only participant in a CDES meeting to voice criticism about the failure of governmental control agencies during the *Mensalão*, and to call for major reforms in order to recover society's confidence (Scolese 2005; Scinocca 2006).
51. This stance, described by an NGO observer as 'schizophrenic' (Interview ABONG Anonymous, September 2011, São Paulo), had some state agencies acting as virtual partners to corporate groups while others were allies of the grassroots organizations challenging them (Carter 2010; Navarro 2010; Kröger 2014).
52. Dilma Rousseff had previously been the Minister of Energy of the State of Rio Grande do Sul (where Porto Alegre is located) under Olivio Dutra's administration between 1999 and 2002. Under Lula, as Minister of Energy, she was also Chairwoman of the Board of Petrobras.
53. Interestingly, when I asked a well-informed observer about this conflict, he hinted that it had a political background, 'after all, they are all PT' (Interview Suzano Paper, Anonymous, September 2011, São Paulo).

54. Petrobras' CEO at the time was José Sergio Gabrielli de Azevedo, an academic economist who also was one of the PT founders. This provides further justification for the observation in the previous footnote.
55. After this episode, Ethos became actively involved in mobilizing the business sector in light of the coming 2009 Copenhagen Summit, coordinating *Forum Clima*, a business coalition calling for changes in Brazilian environmental policy (Viola and Franchini 2013, p. 53; Ethos 2009), and led a side-event prior to the 2012 Rio+20 Conference titled 'Platform for Inclusive, Green and Responsible Economy'. The resulting dossier was endorsed by over a hundred Brazilian firms and NGOs and was sent to the Rio+20 Secretariat, becoming a component of the Brazilian position in the Conference (Hochstetler and Viola 2011). The document outlined some general principles to which participating countries—not companies—should commit, considering that 'a responsible economy seeks to strengthen a set of humanistic and universal principles and values that sustain the democratic functioning of societies and markets [...]' (Ethos 2011).
56. According to Forbes Magazine, by 2010 Leal was the 463rd richest person in the world (Forbes 2010).
57. Young later abandoned the PV to join the small Popular Socialist Party and was elected counsellor in São Paulo's city council. Marina Silva's campaign manager, João Capobianco, was also a board member of the Akatu Institute and part of the advisory board of Ethos. Other sectors of civil society were critical of Silva's association with this corporate group. During the ABONG Conference, some attendants accused her of being 'naive' and possessing an ingenuous vision of capitalism, even if they acknowledged that her 'green' business partners were 'charismatic' and 'dialogical' (ABONG, 2011, pers. comm., September 19).
58. Having previously abandoned the Green Party due to disagreements with internal party democracy. Grajew did not join the PV, but supported the new movement.
59. MNP (2013)
60. Due to an electoral law dispute, the Sustainability Network was forced to compete in the 2014 elections in partnership with the Brazilian Socialist Party (PSB)—obtaining again around 20 % of

- the votes—and was only constituted as a separate party in September 2015.
61. In 2012, the Supreme Tribunal sentenced a number of PT leaders—among them Dirceu, the former PT’s President, and the party’s Treasurer, at the time occupying roles in the Rousseff administration—to ten years in prison on corruption charges.
 62. These were the largest mobilizations in over 30 years, with several million protesters challenging authorities on issues of corruption, poor transport, and social infrastructure, voicing discontent against the political class in general (Saad-Filho 2013).
 63. Known as the *Petrolão*, evidence emerged that high Petrobras executives, politicians, and a cartel of large construction firms (including Odebrecht, the largest construction company in Latin America) were involved in a massive corruption and fraud scheme (N/A 2014).

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Politics, Ideology, and Indifference in Argentina

The second case study explores the social circumstances affecting the participation pattern of Argentine actors in contemporary sustainability initiatives. The situation in Argentina provides an interesting complement to the conclusions reached in the previous case: while Brazil emerged as a rather exceptional case of positive resonance and a supportive discursive field, Argentina constitutes the opposite, outlining a scenario of shallow resonance and semantic misalignment between the normative project embedded in the sustainability program and certain resilient dimensions of national political culture. This chapter argues that this misalignment responds to three main features in the political culture interfering with fundamental cleavages in the sustainability program: (i) a historical indifference in public opinion for ecological concerns, a key pillar in the sustainability frame and the global initiatives, (ii) a resilient anti-corporate stance across certain political leaderships and sectors of civil society rejecting the involvement of business in public affairs, and (iii) the exclusive and politicized political ideology and rhetoric advanced by the Kirchnerist governments in the 2000s, in open opposition to liberal and market-led governance rationales and schemes. The chapter thus explores how these elements, some more recent, others firmly rooted in national political culture and institutions, contributed to shape an adversarial discursive field that negatively affected the validity and resonance of sustainability norms and frameworks, marginalizing local supporters and deterring potential participants

Period	Pre-1970s	1980s	1990s	2000/2010s
<i>Local Social Governance Agenda</i>	Welfarism	Industrial Quality	CSR	CSR
<i>Promoting Actors</i>	Trade Unions, Popular organisations	Business (limited)	Business (limited)	Business + Civil Society (limited)
<i>Regime Orientation</i>	Developmental Authoritarian	Democratization & Stabilization	Economic Liberalization	Market Nationalism
<i>State- Society Relations</i>	Corporatist / Authoritarian	Pluralist / Conflictive	Pluralist / Exclusive	Exclusive Neo-corporatism

Fig. 6.1 Local politics and global programs in Argentina

and allies. As with the previous chapter, the figure ahead provides a summary of the co-evolution of national cultural-political structures and private governance programs in Argentina (Fig. 6.1).

In the figure, it is possible to notice a series of differences with the trajectory of sustainability in the Brazilian case, in light of regime orientation, model of state-society relations, and the focus of the local private governance agenda. The most fundamental of these differences relates with the conflictive character of Argentine political culture, which, even if ameliorating at particular points in time, has remained a major feature of domestic politics. This character polarized a number of cleavages concerning private governance, making it difficult for global regulatory initiatives to resonate in society. The causes for this are multiple. Particularly, while in Brazil, both civil society and the political system experienced a major re-organization with the transition to democracy, enabling the emergence of new political players and new channels of state-society relations and interest representation, in Argentina little of this happened. Rather, the exclusive socio-political cleavages and discourses underlying political relations previous to the violent 1976–1983 military dictatorship resurfaced with the transition to democracy and the opening of the economy. The situation of recurrent economic turmoil during the 1980s and 1990s further disincentivized local actors to engage with ideas of private regulation, which remained associated with the CSR agenda of foreign TNCs.

Moreover, while in the 2000s the arrival of the PT to power contributed to amplify the resonance of private governance discourses, the polarizing traits of Argentine political culture will accentuate through this and the following decade. By 2015, when the candidate Daniel Scioli was surprisingly defeated by the center-right candidate Mauricio Macri, three successive Kirchnerist administrations successfully drew upon and strengthened a number of polarizing features in national political culture, configuring a hostile discursive and institutional environment for transnational sustainability initiatives to prosper. Consequently, even as the sustainability program consolidated at the global level and expanded in Brazil, in Argentina the salience of the sustainability agenda and its initiatives remained low, with a few marginal and fragmented local actors showing interest for these projects and facing substantial difficulties to extend this agenda beyond a narrow corporate domain.

In this manner, contrary to Chap. 5, whereby the politics of resonance in Brazil could be explored by tracing the evolution of some identifiable and important actors in the participation network such as the Ethos Institute, the entrepreneurial group of businesspersons behind it, the PT leadership, and the activities of Petrobras, the exploration of the Argentine situation follows quite a different argumentative logic and narrative style, considering that no major cleavage of private governance consolidated and no relevant central actor or coalition of actors emerged. In other words, while the Brazilian chapter was largely presented as a history of active ‘agencies’ within a supportive discursive field, the Argentine chapter will be more of a history of deterring ‘structures’, precluding the consolidation of relevant players and events. The chapter is then organized in two main sections. The first revises the main features of Argentina’s political culture and political economy during the second part of the twentieth century and until the milestone event of the 2001 economic crisis, mentioning the few relevant developments regarding private social governance occurring in this period. This section elaborates the point that neither political nor economic liberalization altered an exclusive pattern of state-society relations and the resonance of certain polarizing socio-political cleavages in Argentine political culture. The second and lengthier section, divided into three subsections, covers the period under the three Kirchnerist governments—from 2003 to 2007 by President Néstor Kirchner, and from then until 2015 by his wife Cristina Fernández.¹ In this second part, I explore in detail a number of specific features that deterred inter-sectoral collaboration and norm-innovation regarding private sustainability governance.

CRISES, DEMOCRACY, AND THE IMPOSSIBLE GAME

The modern development of the Argentine Republic followed a different institutional path to that of its Northern neighbor. Hence, while political institutions in Brazil were configured by a long period of military tutelage followed by a gradual phase of political, economic, and social liberalization, many of the political institutions of Argentina were in place by the early twentieth century and managed to survive a troubling number of political and economic crises. The Republic entered the 1900s as the most industrialized and richer country in Latin America, possessing a rapidly expanding middle class, and enjoying a high degree of political institutionalization.² The country also developed a relatively modern party system around conservative and liberal factions, counting with a Socialist Party (founded in 1896) with an important following, and a middle-class party *Unión Cívica Radical* (UCR) (created in 1881) that won the first mandatory presidential elections of 1912 (Romero 2002). Moreover, after WWI, local trade unions had become growingly organized and militant, gaining substantial experience in confronting conservative authorities and negotiating with economic interests. The General Labor Confederation (CGT), the national trade union federation, was founded in 1930 and a decade later it aggregated 75 % of the total unionized population (Cheresky 1984). Argentina also counted with independent industrial organizations, with the two most iconic corporate groups, the Argentine Rural Society (SRA)—representing the interests of the traditional land-owning elite and large rural producers—and the Argentine Industrial Union (UIA) founded in 1866 and 1887, respectively.³ During the first part of the century, relations between business, labor, and the state were far from amicable, as industrial and rural groups and the liberal conservative governments of the time maintained an antagonist and highly repressive stance toward the increasing mobilization of labor and popular sectors (Godio 2000; Horowitz and Seibert 1984).⁴

This conflictive political landscape will experience where a sudden change in 1945, with the arrival to the presidency of Juan Domingo Perón, a military officer who previously occupied the Secretary of Labor under the de facto government ruling the country since 1943. The ‘Peronist’ experience will last (only) a decade but constitutes one of the most important events in twentieth century Argentine political history and a central factor in the country’s national political culture, permanently re-shaping state-society relations, political ideology, and public life.⁵ Contrary to the

conservative developmentalism of Brazilian military and semi-authoritarian governments, which had little interest or need to include the popular sectors in the political system, Peronism represented an exceptional ‘Bonapartist’ political project that relied on the political mobilization of popular and working sectors: in the words of Alejandro Horowicz (2015, p. 116) ‘a sort of popular front government under the shape of a mass party with military backing’. Drawing on the significant currency reserves accumulated during the war years, Perón rolled out a developmental political economic agenda pursuing both the strengthening of national economic autonomy—by erecting trade barriers, stimulating light industry and the creation of state companies, and promoting the nationalization of key economic sectors (Collier and Collier 2002)—and the redistribution of national income to the popular sectors, consolidating labor organization and expanding social, economic, and political rights (including granting women the right to vote in 1947). Supported by a discourse that highlighted ideals of social justice, political inclusion, and economic equality, the Perón government actively stimulated the mobilization and organization of popular groups, promoting the creation of communal, neighborhood, and women associations throughout the country (the latter commanded by his wife Eva). These organizations, alongside organized labor, will come to integrate the backbone of the Peronist movement and its political party, the *Partido Justicialista* (PJ), formally created in 1947.⁶ On this basis, diverse authors agree that the Peronist experience represented, among many other things, the peak of the Argentine welfare state and constitutes the forging moment of a particularly resilient form of association between labor militancy, popular mobilization, and economic sovereignty in Argentine political culture (Novaro 2006).⁷

The darker side of this project was the implementation of authoritarian and corporatist practices, supported by an adversarial populist and class-based ideology that distinguished the movement and its supporters, the People, and the PJ as its legitimate representative, from elites, other parties, and foreign interests. This discourse rapidly alienated conservative, progressive, and liberal sectors that did not align with the regime’s ideology, including conservative elements of the military, the Church, economic elites, and other social groups that the government rapidly moved to discipline. Thus, Perón nationalized a number of foreign companies, syndicalized industrial sectors, and intervened independent peak associations, with the UIA being under direct state intervention during the entire Peronist period (Schvarzer 1996). At the same time, while the

government successfully incorporated left-of-center agendas under its overarching developmental ideology—consolidating the long-lasting alliance of the PJ with the CGT and organized labor; an alliance that, with its oscillations, will resist for the next 60 years⁸—it actively repressed political opponents and dissidents, and imprisoned socialist and communist activists, anarcho-syndicalist groups, and non-aligned labor leaders.

This polarized situation is important to understand the evolution of Argentine politics (and its impact over private governance ideas), as in the words of Viola and Mainwaring (1984, p. 17) ‘one of the particularities of Argentine politics is the high level of polarization which occurred during the Peron presidency (1946–1955), and which continued to mark the political system in subsequent decades’. In the following 20 years following the military coup that deposed Perón and sent him into exile (notably, to Franco’s Spain), the country will transit through an unstable cycle of weak civilian and military governments, incapable of stabilizing a very mobilized and polarized society. The roots of this instability responded to what Guillermo O’Donnell (1972) called ‘the impossible game’: the ban on the PJ party—which still enjoyed the favor of the majority of the available votes, and the loyalty of organized labor and social sectors—generated an incentive for the available political parties to try to capture the votes of popular classes. This led them to either offer concessions to labor, risking the veto of the military, or to try forming anti-Peronist coalitions, and suffer a backlash in the form of social turmoil and mass industrial action. This situation will take a turn to the worst after Perón’s brief return and sudden death in 1974, when a new military coup in 1976 brought to power a military Junta with an agenda directly aimed at eradicating what it considered the source of this instability, in particular the link between trade unions, popular sectors, and the Peronist movement.⁹

As mentioned, the last authoritarian phase in Argentine politics was of much shorter duration than Brazil’s, but it was considerably more aggressive on both the economic and political fronts. More similar in this sense to the Pinochet regime, the Junta abruptly reversed the dominant ISI model more or less supported by all Argentine governments until that point and implemented orthodox ‘Chicago-style’ monetarist policies (Belini and Rougier 2008).¹⁰ However, and giving origing to a major cultural trope that will recurrently appear in political discourse through the following decades, the economic performance of the Junta’s neoliberal project soon proved to be ‘an unqualified disaster’ (Viola and Mainwaring 1984, p. 53), with the economy contracting, standards of living falling,

and foreign debt rising to unprecedented levels. As a result, contrary to Brazil, where the more conservative economic policy of military authorities enjoyed a greater degree of success and public support, in Argentina the process of economic modernization would be delegitimized in the eyes of important sectors of the population, supporting a lasting perception that pro-market policies were not only ineffective in developmental terms, but associated with social inequality and repression. By 1983, poor economic performance, rising popular discontent, and the fiasco of the Malvinas War had exhausted the legitimacy of the Junta's political project, which swiftly called for elections.

In this sense, differing from the controlled transitional processes experienced by countries such as Chile, Brazil, and Spain, the Argentine return to democracy falls into what the literature calls transition 'by breakdown or collapse': where a sudden loss of legitimacy by the ruling regime means that it is unable to negotiate a favorable transitional order, with no subsequent political party representing its interests and no member of high-level elites managing to retain influence, resulting in preexistent political actors rapidly re-populating the public space (Vasconi 1986; Viola and Mainwaring 1984). As a consequence of this sudden transition, in Argentina there was little room for the re-accommodation of political cleavages and roles, and the transitional experience did not trigger the formation of new democratic fronts and/or wider popular alliances, as was shown to have occurred in Brazil. Rather, the political system returned (absent the military factor) to a bi-partisan scheme around a more liberal and middle-class UCR, and a workerist and popular sector represented by the PJ (with UCR candidate Raúl Alfonsín winning the first post-dictatorship Presidency). This meant that sooner rather than later, previous conflictive cleavages were bound to surface. Hence, the new democratic administration advanced a strong constitutionalist agenda, trying to rebuild the country's democratic foundations, address crimes committed during the dictatorship (a debate absent in the Brazilian transition), and weaken military and labor corporatism (Crawford 1990; Novaro 2006). The government was relatively successful in dealing with the military situation, albeit it suffered numerous military uprisings. However, labor corporatism proved more difficult to resolve and fueled a new cycle of contention, as attempts to decentralize trade union structures were seen as a '...frontal assault against the Peronist trade union leadership' (Romero 2002, p. 265), contributing to the unification of the Peronist movement against the new democratic government. Cornered by hyperinflation and

rising social discontent, the Alfonsín government called for early elections in 1989, resulting in the triumph of Carlos Menem, the first democratically elected Peronist president since 1955.

The unexpected situation under Menem was that his government did not alter the process of economic opening activated by the Junta. Rather, in the spirit of post-Cold War liberalism and Washington Consensus policies, the Menem administration (1989–1999) implemented an aggressive modernizing agenda that combined progressive Peronist rhetoric with neoliberal policies aimed at macroeconomic stability and market opening (Bonnet 2007). The government lowered average tariffs from 26 % to 10 %, pegged the Argentine Peso to the US Dollar—a policy known as the Convertibility Plan—and stimulated the mass entry of foreign investment through an aggressive privatization program, exposing unprepared local industries to foreign competition and modern business practices (Gaggero 2012; López 2006; Schvarzer 1996). Paradoxically, the robust ideological link between the Peronist government and labor leadership allowed a deeper advance of the privatization agenda with significantly less resistance (Cook 2002). Second, while in Brazil key sectors of the economy remained in local hands, the Argentine privatization process was mainly led by foreign capital from countries such as the USA, France, Spain, and Chile, resulting in a rapid withdrawal of the state from industrial sectors that it historically commanded (Iazzetta 1996; Gouvea Neto 1998). This process of liberalization will have a detrimental effect in the positioning of the business class in national political culture. As local industrial elites were decimated through mass bankruptcies, acquisition by foreign firms, and the disappearance of the (remaining) national industrial champions,¹¹ a lasting and widespread perception will be established ‘in the social imaginary, [whereby] local industry became a scapegoat for Argentine problems’, a producer of low quality products, lacking national identity, and only capable of thriving under rentier practices (Schvarzer 1998, p. 154). This derogatory view of the domestic business class will be a resilient feature of Argentine political culture, one that will repeatedly affect the salience of private governance initiatives ever since.

A second relevant dimension of this transitional experience, allowing to understand exclusive ideational structures affecting the salience of private governance, is that even when market liberalization weakened both local industry and labor, and eventually led to the deterioration of socio-economic conditions, it did not lead to the apparition of anti-neoliberal coalitions, or augmented the appeal of alternative political agendas. Again,

while in Brazil, economic opening under Cardoso favored the emergence of new cleavages of governance such as business ethics and civil accountability—represented by organizations such as the PNBE and IBASE—and to the alignment of sectors of business with the PT's developmental project, none of this happened in Argentina. To explain this, it is necessary to further examine the pattern of state-society relations under the Menem governments, particularly concerning business and labor.

Peronism established a semi-corporatist relation with organized labor, based on arm-lengths and personalized relations between the PJ and the CGT, and with the state guaranteeing the position of the latter as the sole entity representing workers' interests at the national level.¹² This robust government-labor alliance confronted fragmented peak associations with historically troublesome relations with the state, little bargaining power and institutional capacity, and incapable of acting as unified representatives of the business class (Cook 2007).¹³ Moreover, because of its sidelining from decision-making spheres, business organizations never developed sophisticated and independent technical-bureaucratic structures. Hence, their priorities were rarely the outcome of coordinated strategies and more a consequence of agreements made by influential businesspeople according to sectoral interests (Gaggero and Wainer 2004; Acuña 1992). Nor did the new democratic governments support national industrial champions, as they did in Brazil, where even during the Cardoso years, local elites remained united in the importance of preserving strategic industries under state control. On the contrary, the Menem administration explicitly excluded local holdings from taking a relevant role in the privatizations (López 2006).¹⁴ In this environment, political elites did not need to pay much attention to business representatives, and government officials during the 1990s (and afterward) preferred to act unilaterally and without consultation, negotiating with specific business leaders, or in the case of labor, directly with the government (Schneider 2004, p. 196).¹⁵ For this reason, Argentina lacked the close association between political and business elites found in Brazilian industrial relations, and the country still has the weakest and most fragmented business representation in the region.

The second aspect that in comparison appears to have deterred the emergence of supportive governance cleavages, is the capacity of Peronism to maintain the loyalty of both labor and popular bases. This was quite explicit under the Menem administrations, where the erosion of labor protections following liberalization led to substantial job destruction (Gibson 1997; Weyland 1996). For Maria Lorena Cook (2007), the robustness of

this alliance is explained by two political logics at play during the 1990s: a limited room for effective mobilization in a context of rising economic insecurity, and the willingness of labor leaders to sacrifice employment to maintain access to the government. On this basis, the Menem government managed to pass market reforms packages without suffering major labor opposition, and the CGT retained its central position in collective bargaining even as its membership shrank (Murillo and Schrank 2005). Some dissident labor factions rejected this alignment, but this did not result in any enhanced collaboration or lasting contacts with opposition groups or the corporate sector (which also, for most of the nineties remained supportive of the government's pro-market agenda). By 1992, neoliberal policies led to the fracture of the CGT leadership and the creation of a dissident trade union federation, the Confederation of Argentine Workers or (CTA).¹⁶ However, Peronism's historical preference for verticalism prevailed, and the government avoided granting the CTA with collective representations rights (this would continue during the Kirchner years).¹⁷ In the case of business, only toward the end of the decade, as social and economic conditions aggravated, groups such as the UIA, the Argentine Construction Chamber, and the Argentine Rural Confederation organized a forum called the 'Productive Group', proposing a developmental agenda favoring industrialization and rejecting indiscriminate trade opening and free financial flows. However, this group relied mostly on the questionings of the government's economic line by influential personalities and failed to mobilize the rest of the industrial class (Lissin 2008).

Peronism not only integrated 'labor' and 'national' discursive cleavages in Argentine political culture—defining itself as a 'national-popular movement' (Acha 2004)—but also commanded a well-oiled system of machine politics, involving extensive patronage networks deeply integrated into Peronist identity and constituting effective channels of electoral mobilization (Auyero 2007; Levitsky 2001). This simultaneously allowed the PJ (and the Menem administration) to exercise influence at the grassroots level, touching unions, clubs, NGOs, and community associations, and manage discontent against the contradictions of the official ideology, sustaining '...the support of many voters who were hurt by the neoliberal shift' (Brusco et al. 2004, p. 83). Other parties, namely, the UCR, failed for most of the decade to present a convincing political alternative,¹⁸ and the 'the PJ's continued dominance among the working- and lower-class electorate limited the space available for new parties' (Levitsky 2003, p. 226).¹⁹ In this sense, the neoliberal Menem government enjoyed the

benefits of functioning as a hybrid of the agendas of FHC and Lula; a popular labor-based party with a strong social base and a legitimized national-popular rhetoric (and legacy), capable of advancing the most aggressive package of pro-market reforms in the country's history while maintaining the loyalty of labor and popular groups.

In this sense, a major difference with the Brazilian situation is that neither a progressive anti-neoliberal front nor a business ethics cleavage, as the next section explains, took root in the country during the 1990s. These dimensions, in the case of Brazil, were shown to be conducive to new instances of communication and collaboration between business, civil society, and political actors. However, in the Argentine situation, even in a context of deteriorating social standards, economic turmoil, and state withdrawal, programmatic innovation did not take place and no alternative channels of cross-sectoral communication and private action were established, with Peronism maintaining its position as the principal welfarist ideology in the country (Horowicz 2015). Moreover, during the 1990s local business lost substantial ground as an independent social actor, with the main political parties, labor groups, and civil society actors having little incentives to establish cooperative links with firms or business associations. In the words of a local observer, by the start of the 2000s 'there was no common language between civil society, companies and the government' (CEDHA, 2011, pers. comm., September 14), and no endogenous cleavage of private governance had acquired any salience.

The next section shows that even when some initial ideas and initiatives of private governance entered the country in this more recent period, mostly along the lines of the B&T agenda brought by TNCs arriving with the privatizing wave, these initiatives were of very limited reach and remained disconnected from broader political economic and social developments.

Born in Adversity: Private Regulation Under Neoliberalism

Agendas of private governance, such as CSR and corporate citizenship, entered Argentina in tandem with liberalization, and with greater engagement of local business executives with 'modern' managerial ideas. However, even by the end of the 1990s, private governance remained primarily connected with the CSR agenda, with no inroad made in any other direction. But for one exception, none of the Argentine interviewees could evoke a relevant development regarding private governance or point to any significant player or organization. The only relevant insights

regarding the development of local private governance initiatives was thus provided by the head of FAM/CECAM, Mario Font Guido (who participated as government expert in the Argentine ISO SR delegation), who situated the first efforts to introduce more modern business ethics practices to the country in the late 1980s (FAM/CECAM, 2011, pers. comm., 16 September). Fort Guido recalled that it was then that some executives (including himself) working for European and North American firms, started to entertain a wider view of the notion of ‘total quality’, an industrial paradigm developed in post-war Japan popular in management thinking at the time and associated with quality process standards such as ISO 9000. The idea of this group, which at no point became organized as a formal entity, was not very different to the one driving the early PNBE, considering that a democratic society was not sustainable without competitive firms adopting higher social and environmental practices. However, rather than turning toward politics and civil society, this group remained focused on the activities of the business sector. Mainly, inspired on a model adopted in the USA, the group’s sole success was to lobby the Argentine Congress to sponsor a bill, passed in 1992, whereby the Argentine President would grant an annual ‘National Quality Award’, recognizing the voluntary improvement of products, processes, and service standards by local firms.²⁰ After this first step, similar initiatives were adopted by other business organizations: e.g. the local Christian Association of Business Managers (ACDE) launched an award recognizing those companies that displayed commitment to social values, the UIA started to grant a corporate community investment prize in 1995, and the American Chamber of Commerce of Argentina established in 1998 a Corporate Citizenship award to businesses whose activities ‘transcended the economic horizon’ (Paladino and Mohan 2002). At the same time, local firms started to adopt international quality standards: by 1995, 36 local firms had certified ISO 9000, driven by incentives to export to more sophisticated markets, or responding to corporate guidelines coming from headquarters abroad (Ramos 1995).

Civil society showed a very timid engagement with projects of private regulation, and no civil society initiative really reverberated in the public domain. Just as with FHC, the Menem government embraced the modernization of civil society (though patron–client relations remained common), but the context in which Argentine NGOs operated in the 1990s was more restricted than for its Brazilian counterparts, as they faced a more challenging environment in terms of obtaining financial

resources: not only local business lacked a culture of civil society funding, but foreign donors had a more limited presence in Argentina than in Brazil (Thompson 1995; Friedman and Hochstetler 2002).²¹ Few civil organizations at this point engaged with private governance, as opportunities to engage with leading firms were very limited. Among the first NGOs to specialize in this area was the Tucumán Foundation (*Fundación Del Tucumán*), an NGO set by academics and businesspersons interested in developing alternative proposals and public-private cooperation projects to promote the development of the country's North West, one of the poorest regions (Tucuman 2013). Albeit created in 1985, there is no indication that this organization achieved any impact beyond its provincial surroundings.²² Interest for the topic was also sporadic and rather fragmented. In 1994, a prestigious local think tank, CEDES, launched the first research program focusing on the topic of corporate citizenship,²³ and in 1996 there was the first attempt to institutionalize civil society-business collaboration regarding corporate governance, through the *Foro del Sector Social* (Social Sector Forum) (FORO 2011).²⁴ As part of this, 40 business leaders signed a collaboration agreement accepting a number of 'socially responsible principles' and compromising to promote stronger relations with civil society (Paladino and Mohan 2002). Again, no evidence of subsequent developments was found. The only advance in this regard would be the creation of some specialized civil society organizations, following the global drive behind the rising sustainability agenda, particularly after the Rio Earth Summit. Thus, in 1992 the local charter of the WBCSD, CEADS, was created, and the Avina Foundation, supporting initiatives in the region aimed at 'sustainable development through the medium of business', opened a local office (Avina 1999, p. 11).²⁵

While not intending to overextend its conclusions, a report by CEDES written at the end of the decade sheds some light on how the issue of private governance was understood in the country at this point (Roitter 1999). Interestingly, the author approaches the question from the perspective of 'convergence' with global norms, arguing that the opening of the Argentine economy and 'the hegemonic presence of foreign firms'—mainly from the USA—constituted a favorable environment for the introduction of higher standards and practices in the country's business culture, in line with those existing in advanced economies. Moreover, the promotion of private governance was posed as a convenient strategy for foreign firms seeking to settle in the country, in order to 'elaborate a discourse that emphasized their commitment with the country and its people, in the

search for higher levels of legitimacy' (Roitter 1999, p. 7). This reasoning suggests a vision where private governance is associated with a process of liberal modernization and globalization, involving the 'levelling up' of local practices and norms. But the report makes no reference to business ethics and private governance connecting with local, social, or political concerns, e.g. questions of corruption, human rights, ecology, democracy, or development: in all regards, CSR and private standards is conceived as an issue concerning firms.

It is also relevant to mention that Roitter (1999) saw regulatory convergence as prevented by cultural and socio-economic differences existing between Argentina, the USA, and other developed economies, and by the absence of a competitive civil society environment with strong advocacy organizations capable of pressuring business. The next section poses that these observations were not entirely unjustified. First, in the context of aggravated economic crisis that Argentina experienced from 1998 onward, any progress previously made in the direction of the institutionalization of private governance regressed: as Friedman and Hochstetler (2002, p. 36) observed, as 'faith' in free market policies declined in the years preceding the 2001 debt default crisis, interest in private collaboration started to wane and local actors turned to the state for solutions. Second, the new political environment that will consolidate following the crisis, will do so around a political rhetoric that accentuated exclusive and anti-business traits in Argentine political culture. These developments will deteriorate even further the chances of any alignment and lasting engagement between local actors and new transnational governance, even as the new wave of sustainability projects gained visibility.

POLITICAL CONFLICT AND ANTAGONISM DURING THE KIRCHNER YEARS

Coinciding with other countries in the region, the political environment of Argentina during the noughties was reshaped by the arrival of a left-of-center government of statist and welfarist orientation, (Castañeda 2006; Levitsky and Roberts 2011; Philip and Panizza 2011; Grugel and Riggirozzi 2009; Arditì 2008). This political economic transition will be deeply shaped by the consequences of one of the most severe economic and political crisis in the country's history, which precipitated the fall of the short-lived De la Rúa administration in December 2001.²⁶ The dramatic deterioration of social conditions that ensued—in 2002 the national GDP

fell 10.2 % while average wages dropped 30 %, with poverty levels rising to cover 53 % of the population in the second half of that year (Becker 2010)—significantly altered the social and political landscape. First, the crisis undermined the legitimacy of pro-market discourses and its supporters. Second, it invigorated demands for a more interventionist role of the state in society. Third, it sent the party system into disarray, further polarizing local political culture. Specifically, the popularity of the UCR—one of the oldest political parties and the party in government when the crisis unraveled—collapsed, leaving the PJ and its allies in a hegemonic position for the rest of the decade, with Peronist candidates winning the next three presidential elections.

The political system started to stabilize in May 2003 with the election of Peronist candidate Néstor Kirchner to the presidency. Continuing policies implemented during the transitional (also Peronist) Duhalde administration, the Kirchner government capitalized from the rapid recovery of the economy and a substantial reduction of poverty and unemployment levels, gaining tremendous popularity and political capital. During these first years, the government's economic strategy consisted on maintaining a depreciated exchange rate and running trade and balance account surpluses while taxing agricultural exports, in a period of high commodity prices. This allowed it to accumulate important currency reserves and expand public investment and social programs:²⁷ the government implemented pro-labor policies and wage increases in the formal economy while expanding targeted subsidies on wage-level products, energy, and transportation services (Etchemendy and Collier 2007; Wylde 2012; Grugel and Riggirozzi 2012). On this basis, the Kirchner government managed to reverse the pattern of depressed salaries and fiscal austerity imposed by orthodox economic agenda through the 1980s and 1990s, while augmenting social safeguards. As a result, Néstor Kirchner left office in 2007 as the most popular president in modern Argentina and was smoothly replaced by his wife and Senator, Cristina Fernández (Levitsky and Murillo 2008).²⁸

Albeit at first sight the political project brought by Kirchnerism may appear to be similar to that of Lulismo in Brazil, the two regimes had important differences. First, while Lula adopted a more moderate hybrid approach, maintaining relatively orthodox macroeconomic policies, the Kirchner government adopted a stronger protectionist line. Moreover, due to the debt default and the unilateral restructuring process that ensued, Argentina was not only excluded from financial

markets, but the government embraced a strategy of ‘de-borrowing’ and financial autonomy.²⁹ The government promoted the (mild) ‘Argentinization’ of the economy, advancing with the re-nationalization of industries in sectors such as energy and transport, as well as pension funds.³⁰ By 2008, the state had acquired participation in around 30 private companies, including trains, steel, the national airline, and water supplies, and appointed state directors in multiple firms where it held minority participation.³¹ In this sense, the Kirchnerist political economic project possessed a more nationalist orientation than Lula’s, who actively promoted the image of Brazil as a benevolent emerging power fully integrated into the global economy. Because of this, this model received denominations that emphasized its inward orientation, such as ‘protectionist neo-developmentalism’ (O’Connor 2012) and ‘open-economy nationalism’ (Riggiozzi 2009).³²

Second, on the political front, Kirchnerism supported a state-centric pattern of state-society relations based on the reconstitution and consolidation of governmental power and its centralization around the presidential office. President Kirchner rapidly moved to concentrate power, disciplining provincial governments through the control of fiscal resources, subordinating the Congress (when the ruling party did not control both houses), and co-opting members of both opposition parties and social movements into his political camp (Cavarozzi 2012; Etchemendy and Garay 2011; Novaro 2011). In this regard, Kirchnerism, again differing from *Lulismo*, was a more exclusive political ideology: while Lula incorporated and coopted representatives of other sectors into the administration, and established (necessary) alliances with other parties, Néstor Kirchner relied more on family connections and former acquaintances (many from his years as governor of Santa Cruz province) to populate his cabinet, maintaining labor, civil society, and business representatives outside the administration (Levitsky and Roberts 2011; Etchemendy and Garay 2011).

Third, at the public level, the administration exacerbated nationalist and classist dimensions in the Peronist popular-movemental discourse and identity, advancing a ‘new nationalist rhetoric that recalled the welfare state and the import substitution era of the 1940s yet remains committed in important respects to open markets and export-led growth’ (Riggiozzi 2009, p. 89). This discourse emphasized a divide between the government and its supporters and those that opposed it, which were casted as anti-Peronist, anti-Argentine, conservative, and neoliberals, and as opponents of social inclusion, national development, and progressive values

(Svampa 2011; Muñoz and Retamozo 2008; Philip and Panizza 2011). In this regard, Carlos Pagni, senior political correspondent of the influential *La Nación* newspaper, described the political strategy of Kirchnerist administrations as ‘blowing up the center’, and presenting domestic politics divided along antagonistic lines (Genoud et al. 2013).³³

This populist vision was successful and intensified the adversarial pattern of state-society relations characterizing Argentine political culture. Arguably, this vision and rhetoric will have a detrimental effect on the discursive field surrounding private governance, making collaboration across sectors difficult, delegitimizing business-friendly projects, and narrowing the validity of private frameworks in relation to issues concerning industrial relations, human rights, and environmental matters. The next section returns then to the Argentine participation network presented in Fig 4.7 to revise the type of actors involved with the transnational sustainability initiatives by the early 2010s. Following this, the last section singles out three components of Argentine political culture that explain the limited resonance of transnational regulatory projects in the country.

Proxies, Minions, and Their Opponents

The framework developed in Chap. 2 connected the positioning of local actors in relation to the governance initiatives and, in particular, mobilization to support the implementation of a given initiative or framework, with the manner in which local audiences decode incoming normative and programmatic frames in light of existing political cultural references. In Chap. 4, this reception in Argentina was considered to be poor, as suggested by certain features of the pattern of participation of local actors in the three global initiatives. This section returns and expands some of these preliminary observations prior to interpreting them in light of three specific dimensions of national political culture, namely: a segmented pattern of neo-corporatism and ideological alignment under Kirchnerism, the low visibility of environmental issues in local political culture, and the endurance of anti-business sentiment in both the government and public opinion.

Among the key indicators of low resonance was a fragmented participation profile, the absence of relevant organizations, and the presence of small proxy actors in relatively central positions in the local network. As was indicated in Chap. 4, a few large firms occupied the rather disjointed group of actors with greater centrality. Moreover, this involvement was

noted to concentrate around the UNGC initiative, with 12 of the 18 UNGC participants being members of the Directive Committee of the local network, and no firm consistently involved in either GRI or ISO SR. In 2014, this committee included the state-controlled oil firm YPF, the large Italian–Argentine industrial holding Techint, the confectionery producer Arcor, the large agro company Los Grobo Group, and a variety of TNC subsidiaries such as Telefonica, Petrobras, Unilever, and Carrefour, plus a few SMEs. However, none of them occupied any form of stable coordination role, as it happened in Brazil with the Ethos Institute, Petrobras, and the second ring of ‘allied’ national champions (Natura, Suzano, and so on). Rather, in the three initiatives, this sort of task appears to have been delegated to small organizations of limited public visibility and scarce organizational capacity. Thus, the representation of the Argentine UNGC network—by 2014 recognized as one of the largest in the world in terms of members (PNUD 2014)—was shared between an executive of the Argentine Institute of Oil and Gas (IAPG), a small think tank supported by the leading oil companies in the country, and the country officer of the UNDP. Notably, the IAPG executive occupying this position explained that there was no ‘agenda’ per se in the local UNGC network, beyond compliance with the initiative’s guidelines, and that contacts among participants were minimal (IAPG, 2011, pers. comm., 6 September). Similarly, the business expert attending the Argentine ISO SR delegation was the Director of CEADS, a body supported by a small group of large firms of both local and foreign capital. CEADS’ member organizations are among the firms with more active participation in the global initiatives: of the 13 members in CEADS’ directorship by 2012, 5 were part of the governing body of the local UNGC network while 3 of them were among the dozen firms in Argentina that were using GRI guidelines by 2010. However, CEADS lacks the organizational capacity and visibility enjoyed by the PNBE or Ethos³⁴: during an interview it was indicated that their activities were circumscribed to systematize and communicate the experiences of member companies regarding environmental and community-oriented projects, to report on some global trends on sustainability and CSR, and to ‘represent’ their members on sustainability matters (CEADS, 2011, pers. comm., 7 September).³⁵ Even more secondary is the position of IARSE, the Argentine Institute of CSR, another Ethos-like NGO that is an Organizational stakeholder in the GRI, whose director, Luis Ulla, sat in Ethos’ International Board. IARSE’s range of activities is quite

narrow, consisting mostly in the organization of training courses, seminars and conferences, and publishing case studies. Just as with CEADS and the IAPG, IARSE lacks competence beyond its immediate field of action, lacking influence in the business community and civil society, and material resources to participate actively in international initiatives (IARSE, 2011, pers. comm., 13 September).

Another indicator of the low salience of private governance is the limited development of sustainability-related consulting and education. By 2011, there were no higher education programs in the country focusing on these issues, with the exception of some modules in MBA programs and short courses (while Chap. 5 mentioned active relevant research centers existing in Brazil, such as FGV and the Dom Cabral Foundation). Similarly, only four Argentine sustainability/CSR consultancies were involved with the 3 global initiatives—*AG Sustentable*, *Reporte Social*, *UnidadCom*, and *Dellacasa and Castillo Consultores*—compared to 19 in the Brazilian network. Interviews with one of these organizations pointed that the market for their sort of services remains underdeveloped (but growing), and reduced to the demands of the few large firms using schemes such as social reporting (*Reporte Social*, 2011, pers. comm., 16 September). Moreover, the four consultancies are small and relatively young organizations, created mostly in the early 2000s, with a staff displaying a similar background: previous corporate experience in CSR departments in TNCs, or in international environmental and sustainability NGOs, such as *Red Puentes* or *AVINA*.³⁶

The involvement of civil society, trade unions, and government agencies was indicated as even more peripheral and fragmented, supporting the idea expressed by a local scholar that ‘corporate governance is not an issue in the public eye’ (San Andrés, 2011, pers. comm., 14 September). As mentioned, neither the GRI nor the UNGC counted with the involvement of government or labor groups, though the Argentine Ministry of Finance joined GRI as an Organizational Stakeholder in 2014. The government expert attending ISO SR, mentioned previously, was a representative of a private consultancy FAM/CECAM, while trade union participation was minimal. As will be later discussed, Argentine labor explicitly opposed the private governance initiatives, in particular ISO SR. Similarly, no major civil society organization—with the exception of the national normalization institute IRAM, which can hardly be considered a representative of civil society—was actively engaged with the global initiatives. In similarity with the business situation, many of the

participant NGOs proved to be minor entities with little or no connection with broader civil society cleavages and very low public presence. This is evident in the case of the UNGC local network: until 2012, the two participant NGOs were the Institute of Ethics and Quality in Agriculture (EticAgro), and the Argentine Society for Equity in Health (SAES). The first is an organization created in 2005 focused on promoting ‘responsible’ agricultural practices by delivering seminars and training courses in collaboration with a number of universities. SAES is a small entity integrated by medical doctors concerned with health equity, part of a larger network, the International Society for Equity in Health (ISEQH 2011), and lacking an active website. In 2014, these organizations were replaced by two other marginal organizations: the Rotary Club of Boulogne Sur Mer (a Buenos Aires suburb) and the Economics Association of Buenos Aires City.

A peripheral profile also characterized the civil society expert attending the ISO SR. Thus, while in Brazil this expert attended as representative of broader network, Argentine representation was in the hands of a small NGO called *El Otro* Foundation. This organization has as objectives the promotion of citizenship programs and the diffusion, training, monitoring, and research of CSR issues, and claims links with related international networks, such as OECD Watch. However, when a local academic was inquired about them, he dismissed them as ‘nobody’, hinting the possibility that their engagement with ISO SR was possibly a strategy to access corporate funding (San Andrés, 2011, pers. comm., 14 September). As a matter of fact, the attendance of *El Otro* Foundation to ISO SR meetings was funded by Red Puentes (a Latin American network sponsored for some time by the Dutch Development Agency) (SOMO, 2011, pers. comm., 15 May), and their website has not been updated since 2010, when the ISO SR process concluded.

Finally, in the case of GRI, only two NGOs were directly involved in its governance structure by the early 2010s: the Center for Human Rights and Environment (CEHDA), and IARSE. CEHDA, an NGO co-founded by Romina Picolotti, former Argentine Minister of Environment between 2006 and 2008, has been the sole Argentine NGO with relatively active engagement with the global initiatives, involved both in GRI’s Technical Advisory Committee and its Stakeholder Council. However, in the following section it will be explained that CEHDA’s participation can be seen as a response to the negative context that sustainability governance faces in the country.

Governance Uncommunicated

What explains the scarce interest for and participation in transnational sustainability initiatives in Argentina? In this section, I argue that the diffusion of the sustainability frame, as well as the secondary uptake required to support regime implementation, has been hampered by three enduring traits of Argentine political culture impacting on the disposition, interest, and incentives of potential participants, allies, and observers. I consider that these traits respond to specific institutional and ideological legacies, including some of those reviewed in the first part of the chapter, but also to the manner in which some of these legacies were reframed and mobilized by the Kirchnerist political discourse. The outcome has been the consolidation of an antagonistic discursive field, which reduced the visibility and centrality of sustainability initiatives and norms, limited the appeal of foreign and domestic norm-entrepreneurs and brokers, and discouraged the formation of supportive coalitions.

Neo-Corporatism, Labor, and Human Rights

The vertical tradition ordering certain dimensions of state-society relations in Argentina underpins the indifferent and antagonistic positions assumed by the state, trade unions, and certain sectors of civil in relation to private regulation and governance. While in Brazil private governance co-evolved with reference to the processes of political (and economic) liberalization and civil society modernization, in Argentina the spread of private and corporate initiatives was perceived in competition with formal regulation and considered symptomatic of, if not complicit in, the deterioration of the state's regulatory capacities. At the same time, the polarized nature of social relations and the ideological framing of some issue-areas relevant to sustainability governance, particularly under the Kirchner governments, restricted the domain of application of sustainability governance in key areas such as industrial relations and human rights.

In Argentina, human rights were already a sensitive issue that reverberated first and foremost with the traumatic experience of the crimes committed during the 1976 military dictatorship (Jelin 1994). With the return to democracy, the successful campaign for the prosecution of those involved in state terrorism brought the Argentine human rights movement international recognition, but the issue remained problematic in light of pardon laws passed in the 1990s under the Menem government (Sikkink 2008; Peruzzotti 2001). This sensitivity was accentuated as the

Kirchner governments put human rights at the forefront of their political agenda,³⁷ pursuing an active ‘politics of memory’ that advanced transitional justice measures, repudiating unpopular pardon laws against top military commanders, declaring offenses committed during the military regime as ‘crimes against humanity’ (*lesa humanidad*), and thus not time-barred, and creating a Secretary of Human Rights, with former-exiled Eduardo Duhalde (no connection with the former president) as its head.³⁸ Combined with other progressive measures in areas of education, gender rights, pension benefits, and culture, this gained the government the backing of important sectors of civil society and the local intelligentsia, and facilitated the co-optation of many of leading figures into the Kirchnerist political project, as it happened with some leaders of the influential *Madres de Playa de Mayo* group, who had been fierce opponents of the Menem neoliberal government (Levitsky and Murillo 2008; Sikkink 2008).³⁹ In this process of ideological alignment and political co-optation, the discourse and agenda of human rights in the country became articulated with the Peronist-nationalist rhetoric emanating from the government, resulting in a situation where ‘the imprint of human rights discourse is not only present in public demonstrations and protests, politicians’ speeches, and cultural productions but [is] part of urban landscape’ (Sutton 2015, p. 83). This contributed to an endogamous framing of human rights matters, whereby the ‘the association of the vocabulary of human rights with military abuses of the past has often made it difficult to mobilize the human rights discourse around pressing contemporary challenges’ (Engstrom 2013, p. 136).

In relation to sustainability, the detrimental effect of this (re)politicization of human rights was clearly explained by Jorge Taillant, Director of CEHDA, the only Argentine NGO with a senior consultative role in one of the global initiatives. Since its foundation in 1999, CEHDA promoted legal reforms aimed at regulating the human rights responsibilities of firms and at complementing environmental and human rights law. By 2011 however, Taillant acknowledged that linking human rights with corporate governance had become ‘an impossible task’, due to the sacred-like position the topic occupies in society, and the blocking effect this generated among government officials, civil society, and academics to engage with the issue from any other perspective than the official line, particularly in association with business-related cleavages (CEHDA, 2011, pers. comm., 14 September). The resistance encountered led CEHDA to abandon its initial legalistic strategy, aimed at influencing the behavior of Argentine

actors and the content of local laws, and focus on shaping international regulatory frameworks that wield hard incentives for norm adoption, such as the conditionality of IFC loans.

This type of framing also reduced the application of human rights in private governance to matters of workplace rights and entitlements (Newell and Muro 2006, p. 62). However, this raised a second challenge, as it conflicted with the manner in which both the government and organized labor conceived industrial relations. As mentioned, a central dimension of the Kirchnerist project was (re)affirming the position of the state as a central regulator of economic activity and as an intermediary of collective relations. Etchemendy and Collier (2007, p. 366) claim that the government articulated a ‘segmented neo-corporatist’ model, where ‘monopolistic unions, business associations, and the government coordinate on inflation-targeted, sector-wide wage agreements and minimum wage floors, which apply to a substantial minority of the labor force’, namely, unionized workers in formal contracts, while informal workers, constituting about 40 % of the Argentine workforce, benefited by a varied array of subsidies and social assistance programs. President Kirchner strengthened labor power, rapidly reversing flexible labor laws sanctioned during the 1990s, pre-agreeing wage increases with union, siding with unions during industrial conflicts, and consolidating the authority of the CGT as the main national trade union body. As a result, labor conflict reactivated but the government managed to direct labor contention away from political matters and toward the private sector, with neither the CGT nor CTA mobilizing against the government prior to 2011.⁴⁰ The government also managed to co-opt some of the most belligerent social movements activated with the post-crisis turmoil, such as the unemployed *Piquetero* movements (Zibechi 2009; Norden 2011).⁴¹ By 2005, the main *piquetero* organizations had aligned with the project of the presidency, and some movement leaders occupied positions in governmental agencies in areas of education, human rights, housing, and employment (Pérez and Natalucci 2010; Escudé 2009).⁴²

Not surprisingly, a workerist conception of industrial relations continued to orient the treatment of labor and industrial relations matters. Indicative of this is that private governance was understood as an area of competence of the Ministry of Labor, Employment, and Social Security, which in 2006 opened a Coordinating Office on CSR and Decent Work.⁴³ A 2009 publication by this ministry, and in particular its prologue, written by former Minister Carlos Tomada, illuminates the government’s position regarding private governance. Relevantly, private regulation is referenced

exclusively in relation to international agreements such as the OECD's Directives for Multinational Corporations and the ILO's Declaration on Multinational Enterprises and Social Policy, with no mention of other regulatory frameworks.⁴⁴ Furthermore, the document questions the applicability of voluntary and private models of regulation to the Argentine context, considering that these issues are better covered by a labor rights perspective where the government, and not private regulators, retains a coordinating role (MdT 2009, pp. 106–107).⁴⁵ This corporatist position is stronger among Argentine trade unions, as it is revealed by the minutes of a regional trade union workshop on ISO 26000 developments taking in Brazil in 2009, mentioned in Chap. 5.⁴⁶ These documents evidence a skeptical and oppositional attitude by Argentine labor federations toward the development of a social responsibility standard, questioning directly the need for a norm that is voluntary and set by a body that did not reflect ILO tripartism. Moreover, in a following press release, the CGT denounced the entire ISO SR enterprise as invalid and extended its rejection to any other initiative intending to privatize and 'soften' labor legislation and the legal responsibilities of business. Additionally, it called for other labor organizations and governments to boycott future initiatives of this sort, considering that participation weakened tripartism and international industrial relations institutions.⁴⁷ In a later note sent to the ISO SR labor committee, Argentine labor expressed discontent with the advance made by the ISO process, ironically praising the 'triumph' of the business community in getting government and workers' representatives from diverse countries to participate in an initiative legitimizing a '[...] new space for the interpretation, shaping, and even the generation, of international social and labor norms' that would 'sterilize the ILO'. Then again, similarly to the government's position, the note also questioned the 'global' character of the norm and its applicability to the Latin American and Argentine context, as in labor's view, it failed to notice that business in the region historically suffered from major 'cultural deficits', having supported authoritarian regimes, lacking independence from the state, and displaying a tendency to be co-opted by foreign interests. Hence, private regulatory frameworks might work in Europe and the USA but were overly optimistic for Argentina.

Environmental Indifference

The second cultural-political trait affecting the salience of sustainability governance concerns the low regulatory and public concern with

environmental issues. This is an important distinction with the case of Brazil, and with other countries in the region, where environmental cleavages occupy a central position in political debates, ascribing to issues of ethnic politics, natural resources, and rural reform (Viola 2013; Reboratti 2012). Instead, in Argentina ‘the diffusion of environmental issues is so limited that there is scarce interest in the topic of the development of natural resources, or of the environmental impacts that this might entail’ (Reboratti 2012, p. 5).⁴⁸ The country lacks a Green Party of any significance, nor does it count with influential, environmental, social movements capable of turning environmental matters into an electoral platform or public opinion grievances, with the most active environmental groups being local community networks, often with limited institutionalization and scarce contacts with organized civil society, academia, or political parties (Reboratti 2012, p. 14). Expectedly, environmental issues have remained a low priority for national governments, and much of the burden of regulation is a competency of weaker and poorer provincial administrations (see comments ahead). National environmental regulatory institutions are scarcely developed, and federal competencies have contributed to a dysfunctional regulatory system—described by Amengual (2013) as ‘chaotic’—characterized by the lack of clear institutional responsibilities, enforcement capabilities, and plagued by corruption.⁴⁹ As a result ‘Argentine environmental institutions have never functioned in the way that any major group would support’ (Amengual 2013, p. 532).

This dysfunctionality is also coupled with a hegemonic discourse whereby extractive industries and technologies that contribute to expand agricultural production, such as genetically modified (GM) crops, are considered ‘economically significant, socially beneficial, safe, and environmentally benign’ (Newell 2009, p. 275). In a country where one of the main sources of trade revenue, and thus a major variable in any developmental program, are agricultural and primary exports, the countryside (*‘el campo’*) is still widely considered as the main productive endowment of the nation and occupies a central role in the national identity, enjoying significant cultural resonance and discursive power. This strong association between natural resources and developmental visions is found across influential players in diverse sectors and levels—from small agricultural producers and landowners, to rural communities and urban elites, to officials of different political extraction, and the national media.

This is a feature that experienced few changes in the 2000s, despite some new conflicts bringing intensive agriculture and mining to the spotlight.⁵⁰ The Kirchner administrations, as many of its regional counterparts over the last decade, supported a neo-extractivist model where agribusiness, oil, biofuel production, forestry, and mining represented priority industries (Svampa and Sola Alvarez 2010).⁵¹ Thus, in spite of its inward anti-business rhetoric, the government maintained an ambivalent position in relation to the activities of agribusiness and large mining firms, stalling or not implementing legislation that could jeopardize much needed investment in extractive projects, for instance, environmental impact assessment laws and laws for protection of glaciers and water supplies (Gutierrez and Isuani 2013). Reflecting this, all environmental-oriented NGOs interviewed expressed critical assessments of Kirchnerism's environmental agenda (Avina, 2011, pers. comm., 5 September; FARN, 2011, pers. comm., 12 September; CEDHA, 2011, pers. comm., 14 September).

The expansion of extractive projects did generate a new wave of contentious conflict between advocacy groups, TNCs, and provincial authorities, particularly in the poorer Northern and North-Western regions, where governments aspired to gain from private investment. In accordance with the interests at play, these conflicts were noted to share a profile where grassroots and civil society groups opposed the corporate projects, provincial governments accused civil society groups of irresponsibility and hampering investment, the national government remained mostly indifferent or silent, and companies roll out CSR and community development activities to garner public support and comply with organizational policies (García-López and Arizpe 2010, p. 202). As was shown in Chap. 4, it is in this very context that the use of sustainability reports surged in recent years, with agro firms, mining, and energy companies accounting for a large proportion of the bulk of new GRI reports filed since 2011 (GRI 2015).⁵² However, far from the perspective embraced by actors such as IBASE and Ethos in Brazil, where social reporting and other CSR instruments were to some extent considered mechanisms to improve public control over corporations, diverse studies coincide in that Argentine civil society continues to perceive CSR and sustainability initiatives as a 'greenwash', directed at foreign audiences and at buying good publicity, and that local civil society actors prefer to avoid cooperation with foreign firms over these matters (Mutti et al. 2012; Svampa and Sola Alvarez 2010; Reboratti 2012; García-López and Arizpe 2010).

Anti-business Sentiments

The third major cultural-political element shaping the discursive field in relation to transnational sustainability governance is a widespread and enduring suspicion about the involvement of business in social affairs. Reverberating with the previous two factors, this semantic structure interferes with the disposition of business actors to get actively involved in private governance projects, as well as with the willingness of local civil society actors to collaborate with firms. This stance constitutes a fundamental difference with the Brazilian situation, where private governance and CSR were advanced by a faction of the local business class collaborating with sectors of civil society, industrial elites, and political parties.

As examined in previous sections, the legitimacy of the Argentina business class had been deteriorating since the 1980s. With the arrival of the Kirchner governments, this marginalization accentuated, and business actors will be frequently antagonized by the discourse emanating from the government and allied social groups. On the one hand, the government reinforced the negative profile of local business elites in public opinion, adopting an explicit anti-corporate stance that framed important economic groups as subordinated to foreign interests, lacking national identity, and partially responsible for the 2001 crisis. This was clear from the start: shortly after his election President Kirchner voiced his intent to discriminate from politics those sectors he considered the ‘destroyers of the Nation’: the military, the Catholic Church, and business (Barbosa 2010: 29).⁵³ This framing was also deployed to delegitimize the more traditional interest groups, such as the UIA and the SRA, emphasizing their historical anti-Peronist and anti-labor positions, as well as links with the military regime (Santiso 2006; Riggiozzi 2009; Barbosa 2010). Moreover, at different points during the 2000s and 2010s, the government would tactically rely on this frame to challenge and shame particular firms, groups, and opponents.

On the other, and in spite of its developmental rhetoric, the government did little to actually revert the dependent status of local industry and alter its negative positioning in the collective imaginary.⁵⁴ With the exception of the YPF and a few other (re)nationalized firms, the main sectors remained dominated by foreign companies.⁵⁵ At the same time, through protectionist schemes, the government created a dependent intermediate industrial sector, drawing on its capacity to administrate rewards and punishments via controlled prices, subsidies, import and exports quotas, public contracts, and access to foreign currency (Novaro 2011).⁵⁶ Hence,

while state-business relations under Lula shaped a ‘capitalism of ties’, the case of Argentina in the post-convertibility period had been referred as a case of ‘selective capitalism’,⁵⁷ as governmental macro-economic and distributive policies would create temporary winners that prospered for as long as certain policies were maintained (Bonvecchi 2012).

However, a tipping point in the aggressiveness of the anti-business discourse in the 2000s will follow the rural conflict of 2008, triggered by a governmental attempt to raise taxes on key agricultural exports, mainly soy (Richardson 2009; Levitsky and Murillo 2008). This led to a prolonged conflict with rural representatives and spilled to the urban centers, with two rallies with over 200,000 protesters, and several weeks of lockout over Buenos Aires city, when rural groups blocked the entry of agricultural products to the capital. This episode contributed to further polarize society into pro- and anti-government camps; between those aligned with ‘popular’ welfare and those supporting the interests of ‘concentrated economic sectors’ (Fair Rzezak 2008; De Luca and Malamud 2010). As a result, certain business sectors, such as firms acting in wage-good areas and agribusinesses, became subject to a re-energized round of public criticism and scrutiny by the government, trade unions, and aligned social movements and sectors of civil society (Etchemendy and Garay 2011). Also since 2007, the government started to antagonize with some of the main media holdings, namely, Clarín and La Nación, and these will get entangled in a long and publicly salient legal battle around new media laws. Anti-business rhetoric will accentuate under the Fernández administrations: the more assertive interventionist approach adopted by the president, coupled with a context marked by the acceleration of inflation, served as a background to launch multiple smearing campaigns against large firms such as Shell and Techint, but also against some of the main retailers in the country, accusing them of being responsible for rising prices (Montero and Vincent 2013).⁵⁸ The persistence of these anti-business sentiments in Argentina was confirmed during an interview with a top UIA official, who stated that in the country ‘being a businessman is almost a sin, a worst one if you are a successful’ (UIA, 2011, pers. comm., 8 September).

Not surprisingly, this negative framing pervades the positioning of civil society and external actors in relation to private governance initiatives. This was perfectly clear in the concerns raised by both the government and organized labor mentioned in the previous section, using the ideological flaws of the national business class to justify the lack of validity of voluntary regulation and corporate initiatives in the country. Similarly, the NGOs

interviewed working on sustainability matters also reported resistance and prejudices when involved in corporate-oriented initiatives, mentioning that partnerships with firms were not considered ‘serious work’ and were treated suspiciously by other NGOs and state officials (CEDHA, 2011, pers. comm., 14 September; IARSE, 2011, pers. comm., 13 September; Avina, 2011, pers. comm., 5 September).⁵⁹ It is not surprising that in this context private initiatives seeking to articulate business and civil society collaboration have had limited success and life, as it was the case with the Social Sector Forum in the 1990s, or with the ‘Argentine Platform of Civil Society Organizations for CSR’, launched in 2004 to coordinate a civil society-wide position on CSR and sustainability matters and dissolved in 2007 (UdeSA 2007).⁶⁰ This can also explain why the NGOs participating in the three global initiatives, excluding business-backed organizations, are relatively marginal organizations operating on the community level but lacking national presence—possibly more open to, and needed of, collaboration with business.

Expectedly, this discursive field favored conservative stances in the business community. As revealed by examining the Argentine network, with the exception of a few TNCs and their subsidiaries, local firms appeared to show very limited interest in engaging directly with sustainability and private governance programs. In the words of a local commentator, this behavior was quite logical, as firms have few incentives to innovate in relation to many dimensions covered by private regulation (environment, human rights, industrial affairs, and so on) as they consider that the risk of greater public exposure is ‘just not worth it’ (Avina, 2011, pers. comm., 5 September). Moreover, a study on corporate lobby in Argentina noted that many Argentine companies maintain a clear demarcation between departments dealing with government and institutional relations, and those dealing with CSR, with the latter dealing with ‘low intensity’ projects associated with corporate communications and community affairs.⁶¹ The resulting de-prioritization of private governance supports a gendered division of labor, where CSR is seen as a role to be performed by women, something evident when conducting interviews in the country.⁶² This was colorfully indicated by a local interviewee, who accepted that CSR and sustainability issues were still largely seen in the local managerial community as a task for ‘upper-middle class thirty-year-old women who think they are saving the world’ (IAE, 2011, pers. comm., 8 September).

In summary, these semantic-political features outline a strong adversarial environment for private governance programs, affecting the capacity of

local champions to recruit new participants and to gain allies across business actors and the wider civil and political community. The three factors revised above impact directly on the salience of the global sustainability initiatives in terms of validity (government and labor) and relevance (civil society and business), and in the organizational capacity private regulatory projects can be expected to mobilize. The outcome is that private governance fails to be perceived as a relevant concern for any major private or public actor, nor is of importance for public opinion. The overall contrast with the situation in the Northern neighbor was synthesized in a comment by a local academic, who claimed that ‘In Brazil, when there is a conference on these matters [CSR, Sustainability] you have in the same table the president of the NGO, the chairman of a large company, and a government minister or high secretary. In Argentina, with some luck, you would have the president of the NGO, a third rank state official if any, and a mid-level *girl* from the CSR department’ (IAE, 2011, pers. comm., 8 September).

Sustainability and Its Local Uses

So far, the chapter examined important discursive and institutional misfits between transnational governance programs and frames, and the effect of some resilient ideational structures in Argentine political culture and discourse and local actors’ dispositions. Because of this, it is claimed, the cultural resonance of private governance regimes was by the early 2010s very limited, and the prospects of this improving in the medium term appear unlikely. The politics of resonance in Argentina stems from an exclusive discursive field that diminishes sustainability governance’s objectives and appropriateness, the viability of its agenda, the practicality of its model, and the intentions of participants. The previous sections indicated that the local salience of private regulatory initiatives is conditioned by both the structural constraints imposed by pre-existing ideological and political legacies and narratives cannot be readily modified, and by the success of recent governments in mobilizing counter frames and competing visions of regulation and governance over social and environmental affairs.

This was possible because for much of the last decade, Argentine governments managed to strategically mobilize exclusive discursive and associational elements in national political culture that resonated with large sectors of the polity. As SM scholars reckon, periods of political stability are precisely those when a ‘certain consensus exists around a commonsensical

language of politics' (Jenson 1995, p. 116; Swidler 1995). On the other hand, periods of political, economic, and cultural turbulence are propitious for cultural change, as these are situations when routine symbolic and institutional references fail to stabilize meanings and order expectations (Goldstone 2001). In relation to transnational governance, this link between crisis situations, political change, and normative and organizational innovation was noted in the Brazilian case, as it was during the period of democratic transition and economic opening that the odd multi-sectoral coalitions that connected the business ethics cleavage with the popular political agenda were formed.

In the case of Argentina, some interviewees suggested that private governance ideas actually did experience a brief 'spring' following the 2001 economic collapse (Avina, 2011, pers. comm., 5 September; UIA, 2011, pers. comm., 14 September; IAE, 2011, pers. comm., 8 September). With poverty levels increasing dramatically, firms with significant presence in local communities—ranging from supermarket chains and retailers, to industrial firms and major agricultural enterprises—were noted to become more receptive to socially oriented agendas and concerns (IAE, 2011, pers. comm., 8 September). In the words of a local commentator, 'they [firms] were forced to accept that if they didn't do something they would go down with all the rest' (FAM/CECAM, 2011, pers. comm., 16 September), implying that they had to adopt a more proactive stance in relation to social and community welfare if they wanted to retain their capacity to operate: either to prevent discontent spilling in their direction (there were many instances of looting, e.g.), or to forestall the deterioration of conditions in the operational locations.⁶³ Hence, interest for CSR agendas briefly spiked, with executives approaching private initiatives and vocabularies as pragmatic ready-made solutions to deal with the exceptional circumstances in the country.

But this semantic opportunity was short lived and did not lead to substantial programmatic changes. The rapid political and economic stabilization brought about by Néstor Kirchner's government by 2005 narrowed the chance for lasting innovation in terms of new agendas and alliances to consolidate, trumped by the more robust and interventionist discourse emanating from the new administration. Thus, while in Brazil during the 1990s and 2000s, actors advancing business ethics ideas managed to link with major civil society and political actors and bridge this agenda with issues concerning industrial relations, corruption, and environmental policy, in Argentina the crisis did not enable this to take place. Additionally,

the emergency context locked many social initiatives, including private governance, at the sub-local level. The crisis scenario shifted governmental priorities downward, toward the community level, with municipalities becoming primary interlocutors between the government and grassroots groups (FAM/CECAM, 2011, pers. comm., 16 September). In this process, as was observed by a NGO director, ‘the ceiling of an NGO became the floor of the state’ (Avina, 2011, pers. comm., 5 September), limiting the salience of socially oriented initiatives, and blocking alliances with actors of higher social or political centrality.

Interestingly, some limited semantic innovation around sustainability did take place, but under the adversarial environment consolidated by of the previously examined developments: some local actors would resort to sustainability initiatives and vocabularies in a defensive manner, to oppose the negative framing advanced by the government and perceptions in public opinion. Two experiences are worth mentioning as final examples. The first connects with a new wave of small business networks appearing after 2008, aimed at shifting the framing of private governance in the country away from the welfarist/statist matrix used by labor and the government, and from the narrow B&T agenda preferred by firms, toward a wider vision more aligned with the one found in Brazil. At the forefront of these small initiatives was a network called *Nuevos Aires*, created in 2009 by small and medium-sized businesspersons from the Buenos Aires metropolitan area, seeking to form a new space to discuss and promote sustainability initiatives in the private sector, and develop collaboration with academia and civil society (NuevosAires 2013). Similar networks emerged in other provinces, such as VALOS in Mendoza, the Business Council of Entre Rios, and the Patagonian Business Forum.⁶⁴ In certain terms, these informal business associations display a number of features resembling the project of the Ethos Institute and the early PNBE. *Nuevos Aires* advocates a vision of business–society relations based on liberal and cosmopolitan ideals, underlining environmental protection, sustainability, and human development (Urdinez 2009), and its website makes direct references to global initiatives such as the UNGC, GRI, and ISO 26000, and organizations like Ethos and the AVINA Foundation. Moreover, its founder, a former business executive and entrepreneur called Alan Gegendatz,⁶⁵ has challenged the local business community, criticizing its ‘petty mentality’ and the prevalence of clouded corporatist and clientelist interests. However, differing from the situation of Ethos in Brazil, these initiatives stand in opposition to the discourse stemming from authorities, explicitly

rejecting the exclusive and antagonistic understanding of politics and society advanced by Kirchnerism. This may be a factor explaining their limited visibility and appeal by 2015: the membership to *Nuevos Aires* network consists of only about a dozen companies, mostly small and medium-sized, in addition to some sustainability and CSR consultancies, and local think tanks. With the exception of Natura, a Brazilian firm directly connected with the Ethos cluster, no large firm is involved. Expectedly no government representative attended any of the four ‘National CSR and Sustainability Forums’ that *Nuevos Aires* co-organized since 2010 (possibly imitating the annual conferences of Ethos), albeit some members of opposition parties did participate as speakers.⁶⁶

The second use of the sustainability program involves firms that rely on transnational regimes to fend off governmental attention and control. The case here mentioned involves the soy sector, a sector that was heavily targeted by the government and its allies following the 2008 rural protests. In 2009, Los Grobo and some of the main soy producers in the country (previously mentioned to be one of the main producers in the world), such as *Grupo Lucci* and AAPRESID, decided to join the Roundtable on Responsible Soy (RTRS), a transnational regulatory initiative created in Switzerland in 2006 by some players involved in the soy commodity chain, such the Brazilian Grupo Maggi, Unilever, the Dutch government, the Swiss supermarket chain COOP, and the WWF, among others. The RTRS shares many of the main features of the contemporary sustainability program, as outlined in Chap. 3, having as a mission ‘[...] the use and growth of responsible production of soy, through the commitment of the main stakeholders of the soy value chain and through a global standard for responsible production’, while facilitating ‘[...] global dialogue on soy production that is economically viable, socially equitable and environmentally sound’ (RTRS 2013).

The engagement of Argentine actors with this initiative was particularly active and rapid. When the RTRS launched its own certification in 2011, five firms from Argentina—four from Brazil, and one from Paraguay—were among the first ten certified producers (RTRS 2014). Moreover, Los Grobo not only was in this group, but shortly later hosted the Executive Secretariat of the organization, which is permanently based in Argentina, and Los Grobo’s CSR manager, Alex Ehrenhaus, was elected RTRS Chairman in 2013 (RTRS 2013). The motivations for this active behavior appear to be dual, combining both California Effect dynamics, particularly stemming from the pressure exercised by major Dutch

and Swiss intermediaries in the soy value chain, as well as from the more local need to block the antagonistic discourses by national authorities. Ehrenhaus indicated that their participation in RTRS very much considered the importance of enhancing their legitimacy given the negative public exposure to which both his firm and the industry as a whole were subjected since 2008, and countering accusations that intensive soy agriculture was detrimental for the environment and for rural communities (Los Grobo, 2011, pers. comm., 13 September).

These two examples simultaneously reflect the resilience of the exclusive character of Argentine political culture, as well as the discursive flexibility that ‘master frames’ such as sustainability can adopt in different conditions. In both chapters, local actors were repeatedly shown to try to re-interpret the meaning of particular ideas, norms, and initiatives in light of the conditions existing in their local political-cultural environment. While in Brazil, norm-entrepreneurs such as Grajew and his group successfully bridged their proposals with both the global initiatives and with the goals of other domestic actors, in Argentina the resulting discursive field seems to have restricted the diffusion and resonance of these ideas. Initiatives such as *Nuevos Aires* remain embryonic almost a decade after their creation and have not awakened much interest beyond a minimal circle of actors. A similar negative environment is found surrounding a rather ‘effective’ initiative such as the RTRS (as it managed to mobilize most of the main players in the soy sector). This is because, beyond the narrow circle of stakeholders and interest groups, the initiative continues to be perceived by most actors in the country under a negative light, reproducing the pattern evidenced around initiatives such as the GRI: opposed by environmental civil society groups as a green-washing attempt, largely ignored by the government, and timidly supported by the authorities of soy-producing provinces (García-López and Arizpe 2010; Muñoz and Hilbert 2012). Moreover, the involvement of non-corporate actors appears to respond to organizational alignment rather than any wider form of civil society or public interest. Thus, the only two local NGOs participating in the RTRS are direct dependents of international organizations with stakes in the initiative: the *Fundación Humedales* is the local office of Wetlands International, and the *Fundación Vida Silvestre* (FVS) is the Argentine representative of the World Wide Fund (WWF). The WWF is one of the initiators of the RTRS, and one of the main funders of FVS, while Wetlands is an NGO supported by the Dutch Ministry of Economy

Affairs, Agriculture, and Innovation, a leading sponsor of the roundtable model (Driessen et al. 2012; Schouten et al. 2012).

CONCLUSION

In this chapter, I have explored the ideational and institutional fundamentals of the Argentine participation pattern in transnational sustainability governance. The chapter developed the historical trajectory of Argentine engagement with agendas of CSR and sustainability, detailing the manner in which political-cultural elements, such as political ideologies, models of state-society relations, political economic agendas, discourses, and generalized public perceptions have configured the type of resonance of transnational regulatory norms and initiatives dealing with environmental, labor, human rights, and other social dimensions.

The chapter revealed that certain elements of national-political culture appear misaligned with core cleavages in the sustainability program. Hence, over the last decade, both the government and trade unions have continued to approach private governance from the perspective of the welfarist program, opposing contemporary schemes on the basis of neo-corporatist and statist models of industrial and economic relations, while significantly influenced by the strong association of labor organization, popular mobilization, and nationalism characterizing Peronist ideology. At the same time, the negative neoliberal experience of the 1990s, and the subsequent 2001 crisis, contributed to further delegitimize already feeble liberal discourses capable of articulating private authority, civil action, and social governance. Lastly, the Kirchner leadership relied on certain elements of this politicized semantic-institutional tradition, to deploy an exclusive nationalist rhetoric and interventionist political economic program that further interfered with cleavages of private governance. As a consequence, sustainability initiatives and supportive actors have low salience and centrality at the national level, as the existing discursive field amplifies adversarial positions that further deter interest and participation. Due to this, private governance in the country is largely interpreted from a rather narrow perspective, associated with corporate agendas of foreign origin and of scarce relevance for society. This sustains a commonsensical notion that involvement with sustainability norms and frameworks is of little utility, a concern for a niche and peripheral group of actors, such as the CSR departments of large TNCs, a handful of small consultancies, and a few small NGOs.

NOTES

1. Former President Kirchner died suddenly in 2011.
2. By the 1910s, Argentina had a per capita domestic product higher than France and eight times that of Brazil (Bulmer-Thomas 2003; Maddison 1983). By 1914, the population of Buenos Aires, around 1.5 million inhabitants, tripled the one of São Paulo. A decade later, the share of population living in urban centers was 37 % in Argentina, with 8.3 % of the Economically Active Population in factory employment, in contrast to 13 % and 3.7 % correspondingly in Brazil (Collier and Collier 2002).
3. The country has also its own ICC Committee, created in 1900 (Keppel 1922)
4. Specially, the aristocratic SRA, which openly welcomed the (first) military coup of 1930, rejecting the increasing accommodation of labor demands by the government (Schvarzer 1996).
5. The study of Peronism constitutes a separate field of scholarly inquiry, both in Argentina and abroad, and the bibliography on the matter is immense. As a primer see Peña (2012), Levitsky (2003), Torre (1989), Luna (1984) and Murmis and Portantiero (1972).
6. Through the following decades different political grouping and parties will consider themselves ‘Peronist’, even if holding different denominations and even competing with the official PJ. This will be the case of the party created by the Kirchners, the *Frente para la Victoria* (FPV).
7. By the mid-1950s, over 70 % of the Argentine workforce was covered by social security and the labor movement was almost entirely Peronist, counting with 2.5 million members in a country that at the time had a population of approximately 16 million.
8. A famous line in the Peronist March, to this day sang in Peronist party meetings and public gatherings, refers to Perón as ‘the first worker’.
9. Rather appropriately, the Junta’s denominated its governmental project as the ‘*Proceso de Reorganización Nacional*’, and this dictatorial period is known in Argentina as ‘*El Proceso*’ (Novaro and Palermo 2003).
10. This was accompanied by the murderous repression of tens of thousands of labor, left-wing, and Peronist militants (Drake 1996; Roniger and Sznajder 2003).

11. Argentine industrial output experienced a steady decline since the mid-1970s, with the industrial product of 1994 similar to that of 1974 (Schvarzer 1996, p. 326). This trend will continue through the 1990s.
12. In the Argentine industrial relations system, this recognition is called 'union personship' (Personería gremial), and is granted by the Ministry of Labor. Union personship entitles labor bodies to take part in collective bargaining.
13. As explained in Chap. 5, the opposite happened in Brazil: industrial chambers were historically part of the state's corporatist structure, and the military government maintained the fragmentation of the labor movement via multiple national federations competing with each other.
14. This was a process that started prior to the last military dictatorship. Already in the 1970s, one of the major industrialists of the time stated '...[local] industrial society was left as a headless puppet, as nobody, nor the classic Argentine establishment nor the military one, managed to identify themselves with the great economic revolution' (Schvarzer 1996, p. 337).
15. Diverse businesspersons were nonetheless involved in party politics and occupied top cabinet roles in both the Alfonsín and Menem administrations (Schneider 2004; Acuña 1992). However, this did not reflect consistent concessions to industry, but favored rentier practices and advantages to certain sectors.
16. The CTA promoted a different type of unionism to the centralized CGT model, more akin to the social movement unionism represented by the (early) Brazilian CUT. The CTA also showed a broader international awareness than the CGT, of a more marked nationalist orientation, endorsing campaigns in other countries and even participating in the WSF international committee, and would be the only relevant Argentine labor actor showing any interest for engaging with one of the global case study initiatives, ISO SR.
17. Lacking union personship, the CTA cannot negotiate collective agreements and its leadership does not enjoy of the same protections as its CGT counterparts. The CTA has raised multiple complaints to the ILO and other international bodies on this regard, to no avail.
18. The main opposition parties supported a similar macroeconomic approach, and this remained so when a UCR-led coalition president Fernando de la Rúa came to power in 1999.

19. For Levitsky (2003, pp. 226–227) the stability of the party system under Menem contributed to democratic governance by preventing the rise of neo-populist authoritarian outsiders, as it happened in Peru and Venezuela, and governability crises due to party fragmentation, as it happened in Brazil previous to Cardoso.
20. In relation to this, a multi-sectoral foundation was created with the mission of ‘promoting the improvement of quality management among firms in a sustainable manner’, and selecting candidates that demonstrate ‘social responsibility and respect for the environment’ (FPNC 2009).
21. Only a few NGOs generated their own resources, mainly by offering training and consulting services, or by collaborating with governmental agencies in areas of poverty alleviation, skills training, and crime prevention. Others, supported by foreign donors or specific parliamentarians, focused on issues of governmental accountability and enhancing public transparency (Campetella and Bombal 2000; Peruzzotti 2004).
22. A potential contributing factor to this is its remote location, in a small province 1,300 kilometers away from the economic and political center of Buenos Aires.
23. CEDES is the acronym of the ‘Center for State and Society Studies’, created in 1975 by a group of social scientists. Foreign donors such as the Ford Foundation and the Inter-American Foundation have been active funders for most of its history.
24. The Forum was created to enhance civil society-wide representation in relation to the government and the private sector, and included six large firms in its Advisory Council. This Forum, currently grouping about 200 organizations, is the closest equivalent Argentina has to an encompassing civil society association such as ABONG, but by the mid-2010s it remained underdeveloped, with virtually no organizational capacity and little institutional weight.
25. The Avina Foundation is an initiative launched in 1994 by the initiator of the WBCSD, Stephan Schmidheiny. Interestingly, its 1999 Annual Report stated a USD 25,000 contribution to the Ethos Institute, but none to an Argentine organization under the category of ‘Business Leadership’ (Avina 1999, p. 13).
26. Until the 2012 Greek debt crisis, the Argentine default had been the largest national debt default in the world.

27. As Richardson (2009) explains, the administration managed to do this by incentivizing the replacement of beef and wheat by soybeans as the country's leading export. Soybean was then a booming agricultural commodity due to growing purchases by fast developing countries, mainly China, where it is used for livestock feeding and in processed foods. As soybeans are not part of the domestic consumption of Argentines—contrary to beef and wheat—this allowed the government to simultaneously promote the export of these foodstuff and tax them, generating large fiscal revenues while not hampering the food basket of the popular classes.
28. This trend will continue: when Cristina Fernández was re-elected for a second term in 2011, she did so with 54 % of the votes, the highest number of votes achieved by any candidate since the return of democracy.
29. This involved renegotiating debts without further indebtedment, reducing the influence of international financial actors, interfering in monetary policy, and imposing restrictive conditions over capital flows. Consequently, Argentina went from being the second receiver of FDI in Latin America in 1999, below Brazil and above Mexico, to fall behind countries such as Chile, Colombia, and Peru a decade later (Morales 2011). By 2013, São Paulo's BOVESPA had become the eighth largest stock exchange in the world, with a volume of operations 1,700 bigger than that of its counterpart in Buenos Aires, the BCBA.
30. This strategy will have important shortcomings, due to the incomplete level of industrialization of the country. The expansion of the domestic production of capital goods would not only be insufficient to cover demand, producing a number of shortages and price increases, but sectors of industry depended on the supply of foreign components, which could not be substituted (Schorr and Wainer 2014).
31. In 2012, the Fernández administration made headlines by (re)nationalizing the largest company in the country, the oil firm Repsol-YPF, a state-created company which had been privatized in the 1990s and acquired by a Spanish conglomerate.
32. For Mazzuca (2013), just as Hugo Chávez in Venezuela and Rafael Correa in Ecuador, the Kirchner's project represented a case of 'rentier populism', where the state drew from windfall gains in the most

- productive sectors to finance economically unsustainable but politically effective projects.
33. This polarization will accentuate during both Fernández administrations—in particular after the rural protests of 2008, a point to be further discussed ahead. By 2013, the social divide between government supporters and opponents had become so profound that journalist Jorge Lanata named it '*la grieta*' (the crack) (Lanata 2013).
 34. While Ethos enjoys a membership of over several hundred firms and a governance structure populated by leading industrial executives and influential members of civil society and academia, CEADS' membership is composed by around 60 firms, including the subsidiaries of Petrobras and Natura, and has a very small permanent staff. As an example of this, an online search for 'CEADS' references in *La Nación* resulted in only 22 mentions between 2000 to 2011, mostly related to tertiary activities (such as sponsoring events and training courses), while an equivalent search for 'Instituto Ethos' in Brazil's *O Globo* resulted in ten times this number, plus frequent and significant references to the activities of its leaders, in particular Oded Grajew.
 35. Surprisingly, the last CEADS progress report—covering the 1998–2007 period—did not make a single reference to any of the three case sustainability initiatives, referring exclusively to the general 'sustainable development' position held by the WBCSD (CEADS 2008).
 36. One of the founders of *Dellacasa and Castillo* was a former member of CEADS's CSR committee, those of *AG Sustentable* worked in Deloitte, while *Reporte Social* was set by a former executive of one of the first companies to have had a CSR department in the country.
 37. It has to be noted that Kirchnerism considers itself a successor of the radical wing of 'revolutionary' Peronism, represented in the 1980s by groups such as 'Montoneros' and the JP (the Peronist Youth wing). Members of these groups were active in guerrilla and insurgent struggles against the military regime and were murdered, tortured, and disappeared by the Junta (Horowicz 2015).
 38. As a result, Argentina remains the country with the largest number of judicial processes dealing with crimes against humanity, and several Argentine judges have asked for jurisdiction to investigate crimes committed beyond its borders, particularly under the Franco regime (Montoya 2010).

39. This alignment was not merely ideological: some leading figure of Madres, such as Hebe de Bonafini, became de facto spokespersons of the government, and the *Madres* Foundation was put in charge of massive public housing projects. By 2011, the Madres Foundation was the second largest employer in the construction industry in the country and faced serious accusations of corruption and public funds mismanagement (Engstrom 2013).
40. In 2011, when economic growth started to slow down and inflation accelerated, the union movement split again into supportive and opposing factions to the Fernández administration.
41. The ‘*piquetero*’ identity, which corresponds to a marginal social positioning, explicitly rejects the inaction of the unemployed category, instead seeking for empowerment against vulnerability (Cheresky 2006).
42. These organizations include a variety of groups, such as the FTV, the Evita Unemployed Workers Movement (MTD), the youth-oriented *Barrios de Pie* Movement (which eventually had a member elected for Congress), gender organizations such as *Red de Mujeres Solidarias*, left-wing Catholic groups such as *Padre Mujica* Social Organization, radical left-wing and nationalist organizations such as *Quebracho*, teachers associations, and youth groups (Pérez and Natalucci 2010, p. 101).
43. It is worth noticing that there is also a Sub-secretary of Promotion of Sustainable Development under the Secretary of Environment. However, its main program, titled ‘Labor and Sustainable Development’, has the CGT as a central partner and is sponsored by the labor ministry and the ILO (SADS 2012).
44. The text states that the institutionalization of the CSR and Decent Work agenda in Argentina was officially consolidated by entry of the Argentine government as a permanent member in the ILO’s sub-commission on Multinational Companies, and by the partnership of local CSR and Decent Office with ECLAC, the ILO, and UNDP.
45. Expectedly, there are no national norms concerning issues of corporate responsibility in the country, as the only official initiative in this direction that could be found was a failed legislative project for making social reporting mandatory in the City of Buenos Aires for companies with over 200 employees.
46. Documents available in CSA (2011).

47. The CTA, contrary to the CGT, considered that labor should participate in the debates taking place in these forums.
48. This evaluation was also observed by Espach (2006, 2009) during his studies of forestry governance frameworks, such as the FSC, in Argentina and Brazil, mentioning the marked ‘societal indifference’ toward environmental management in the former case.
49. Former Minister Romina Picolotti, co-founder of CEDHA, has been found guilty of malversation of public funds.
50. The conflict with Uruguay about the pulp mills over the Uruguay River bank (2005–2010) constitutes perhaps the main exception of an environmental question acquiring political salience, though this conflict was also framed along the nationalist lines of the governmental discourse, and the issue was de-activated later on (Waisbord and Peruzzotti 2009).
51. It is worth noting that the mining industry is still largely undeveloped in Argentina, in contrast with other countries in the region such as Bolivia, Peru, and Chile, but its potential is very high as the country reportedly possesses the sixth largest mineral reserves in the world. The government also allowed for the rapid expansion of intensive agriculture, with Argentina becoming the second largest producer and exporter of GM soy after the USA.
52. This was confirmed during an interview with *Reporte Social*, a local social reporting consultancy, which admitted that they have seen their business gradually expand, but only in relation to large firms, which use sustainability reports as part of their brand construction or following corporate policies (Reporte Social, 2011, pers. comm., 16 September).
53. The antagonistic relation with the Church moderated substantially after the Bishop of Buenos Aires, Jorge Bergoglio, was elected Pope in 2013.
54. In 2002, with the value of the Peso at its lowest point following a major post-default devaluation, 23 major local firms were acquired by foreign groups, increasing the participation of TNCs in local production by +6 % (to a total of 75 %) (Schorr and Wainer 2014, p. 122). This proportion was not altered in the following decade.
55. Furthermore, as was mentioned, the government maintained pragmatic relations with multinational groups operating in the energy sector, mining, and agribusiness, and allowed for the aggressive expansion of a soy-based agriculture.

56. The latter, this after the currency restrictions were imposed in 2011.
57. Differing from both preceding administrations and the Lula's government, none of the Kirchner governments appointed a single businessperson to cabinet (Ross Schneider 2009).
58. These activities were partly under the jurisdiction of the Secretary of Internal Trade, Guillermo Moreno, which adopted threatening and borderline violent tactics in his relations with business representatives.
59. A similar stance was perceived among local academics, with one local interviewee seriously doubting that topics of private governance, global standards, or corporate social responsibility were worthy of doctoral studies, 'perhaps in a master', he reflected (San Andrés, 2011, pers. comm., 14 September).
60. The Platform was integrated by over a dozen NGOs, including El Otro Foundation, the Environment and Natural Resources Foundation (FARN), the AVINA Foundation, plus a number of consumer and environmental organizations (and even two labor representatives).
61. Another indication of the low priority of these issues, the top executive of institutional affairs in the Techint Group—one of the largest industrial groups in the region—could not explain what their participation in the UNGC entailed (UIA, 2011, pers. comm., 8 September).
62. For example, in the consultancy *Reporte Social*, out of seven employees, six were women.
63. This was not only a concern for large firms. This was the period when the 'social economy' surged, in the form of barter associations, neighborhood assemblies, cooperatives, and worker-recovered enterprises, phenomena that received significant academic attention (North and Huber 2004; Pearson 2003).
64. All these organizations, along with organizations such as IARSE, integrate since 2007 the Argentine CSR Network.
65. Gengschatz displays a similar background to the Brazilian businessmen behind the PNBE and Ethos: he founded the first Sustainable Trust in Argentina and has been President of the Board of FUNDES, a Christian-origin CSO supporting SMEs in Latin America (created by the founder of the WBCSD and the Avina Foundation) (Ecopreneurs 2013). Gengschatz is also co-founder of the 'Nuestra Buenos Aires' Network, a sister organization to the Brazilian NSP, whose local inauguration was attended by Oded Grajew.

66. How the arrival of the new center-right government of Mauricio Macri, who assumed as president on December 2015, will affect the visibility of this network, remains to be seen, though no major changes are expected.

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Final Thoughts

This book proposes a novel approach to study the interface between global private regulation and norms, and domestic political structures and institutions. It has done so by exploring the national participation pattern of actors of two South American countries in contemporary initiatives of transnational sustainability governance, arguing that these patterns cannot be explained by solely focusing on supply-side factors centered on the ‘global’ side of governance, but by paying greater attention to domestic demand-side conditions, variables, and occurrences. In this sense, the conceptual proposal at the center of this book is that domestic participation and regime uptake is heavily conditioned by the trajectory programs of private regulation and governance assume at the national level, affected by a number of institutionalized and non-institutionalized features of national-political culture in relation to models of state-society relations, historical pathways of development, ideological legacies, political alliances and identities, and political discourses. By focusing on these localized historical dimensions, the book makes a relevant contribution to the global governance literature, extending conventional approaches to the operation of transnational norm diffusion and regime uptake, and illuminating these processes from the perspective of domestic politics in South America. Combining different analytical techniques, the book shed new light upon the distinct participation patterns these two South American countries present around contemporary sustainability initiatives, more active, dense, and centralized in the case of Brazil, more fragmented,

diffuse, and peripheral in the case of Argentina, and upon the broader ‘politics of resonance’ supporting these patterns. This concluding chapter reflects over the main findings of the book, in relation to the diverse pathways assumed by transnational sustainability governance, the conceptual implications (and limitations) of the proposed approach, and the final responses given to the guiding research questions.

THE MULTIPLE PATHS OF SUSTAINABILITY GOVERNANCE

The methodology adopted in this book has served to develop a three-sided comparative analysis regarding the transnational diffusion of private governance and its conditions of uptake: (i) one temporal, focused on understanding sustainability governance as the latest phase in the discursive-institutional trajectory of the governance of the social, (ii) a second contrasting the global trajectory of sustainability governance with different national pathways, and a (iii) third dealing with similarities and differences between the Brazil and Argentina cases.

The first side of this triangular comparison proceeds on the basis of conceiving governance as a discursive-institutional ‘program’, as a master frame that during a certain period of time orders and circumscribes the behaviors and expectations of actors in different locations. The global-centered analysis thus allowed, first, to unpack both the institutional and ideational features *historically* at play in the transnational regulation of social affairs, in this case pointing to the emergence and articulation of different cleavages of governance, sub-discourses of regulation associated with specific functional and societal features. Second, the global analysis provided a basis to critically engage with the process by which particular governance rationales, in principle stemming from Europe, the USA, and the developed world and shaped by specific developments and historical circumstances in these locations, came to be ‘inserted’ in distinct national, political, cultural, and political-economic environments, with their own historical pathways and temporalities.

In this manner, in Chap. 3 I tracked the progressive detachment of a number of cleavages of regulation from the traditional Westphalian basis configuring the international order until the mid-nineteenth century, when private actors occupied a secondary role in inter-state regulatory affairs and where the level of institutionalization of the governance of the social was relatively low. It was shown that, due to a number of circumstances—including clearly, the global distribution of power—some

of these cleavages gained further institutionalization in certain countries and regions, and became major normative and organizational rationales guiding regulatory efforts over certain issue-areas. This, e.g., was the case of labor cleavages and related workerist institutions in Europe after WWI, North American corporate cleavages in the post-war period, and environmental and human rights cleavages since the 1980s onward.

At the same time, the chapter indicated that efforts of transnational-social regulation reflected a tension between two logics of global regulation: one based on cosmopolitan ethical-normative principles and aims, another oriented toward technical-economic considerations. Thus, the ethical dimension was strong in early discussions over slave labor and fair trade prior to the nineteenth century, in Christian-based ideas of corporate philanthropy, in the ‘fundamental rights’ agendas launched by the UN and the ILO, and in the brief social clause debate within the WTO in the 1990s. At the same time, the technical dimension pervaded liberal arguments for free trade (and free labor), the enlightenment-inspired link between science, standardization, and progress supported by bodies such as the ISO and technical communities, the ‘business case’ for CSR, and the pragmatic approach to social reporting.

My claim is that the governance program that (gradually) managed to accommodate—though not to necessarily resolve—these two dimensions at tension was the sustainability one, on the basis of the legitimacy and semantic inclusiveness acquired by an enhanced human rights cleavage (that will increasingly engulf labor and environmental concerns, among others) intertwining with the global authority of economic and technical rationales in a context of economic globalization. As the autonomy of this new program became progressively stabilized, it became possible to question the validity and applicability of previous regulatory schemes and rationales, both in relation to welfarist institutions, such as the ILO and labor corporatism, and to self-regulatory initiatives and minimalist regimes reflecting a B&T logic. The three global initiatives, the United Nations Global Compact (UNGC), the Global Reporting Initiative (GRI), and the ISO Working Group on Social Responsibility (ISO SR), were thus used to characterize the final phase of the evolution of the governance of the social, by which the sustainability agenda became increasingly accepted as a primary master frame in global regulation, leading to changes in the normative and regulatory aims of transnational governance institutions, mechanisms, and vocabularies.

The consolidation of the sustainability program generated new pressures to expand existing institutional arrangements and enhance cross-sectoral

and geographical participation, even if governance institutions were still dominated by Northern organizations and individuals. This included alternative methods for obtaining consensus through non-bureaucratic policy-making procedures aimed at avoiding the political deadlocks, interest group conflicts, and North/South divide-type of polarizations characteristic of welfarist and legalistic schemes, as well as to narrow the legitimacy and democratic deficits of unilateral corporate initiatives and international declarations. As part of this movement, on the one hand, there was a turn toward enhancing the transnational reach of private governance schemes, by relying on increasingly general principles as the ultimate repositories of normative legitimacy. On the other, the notion of sustainability reinforced the widespread belief among governance actors and (certain) states that decentralized market and civil society mechanisms were appropriate channels to diffuse governance and regulation, to incentivize compliance, and to avoid clashes with domestic legislation and 'hard' regimes. By the mid-2000s, the sustainability master frame was rapidly spreading to other issue-areas previously not covered under conventional definitions and concerns, and the three case study initiatives were part of a late trend to reduce regulatory and institutional fragmentation, including the emergence of initiatives aiming for normative convergence and meta-governance.

This expanded participation in transnational standard-setting enabled me to move to the second side of the comparison. In Chap. 4, I began the examination of the type of engagement of Brazilian and Argentine actors with recent initiatives of sustainability governance, outlining the main features of their participation pattern by the early and mid-2010s. As an outcome of this analysis, and of the detailed examination performed in Chaps. 5 and 6, two markedly different national trajectories of transnational sustainability governance were revealed, representing two contrasting discursive and institutional environments affecting the salience of private regulatory norms and projects. Hence, in the case of Argentina, it was concluded that labor actors and the government approach social regulation from a perspective reminiscent of a welfarist agenda, while firms and other civil actors assume, at best, approaches closer to the B&T program. This meant that the more encompassing sustainability-oriented initiatives arriving to the country by the early part of the noughties, and trying to mobilize local subscribers and supporters, clashed with a discursive field shaped by conflicting visions, polarized between a group of actors that saw the supposed application of sustainability governance to issues of industrial

relations, human rights, and environmental regulation as invalid and illegitimate, and a private sector where these wider normative and political ambitions were seen largely as unnecessary, or even as troublesome. In Brazil, on the other hand, the trajectory of sustainability governance was shown to be quite different, with more open and stable communications between social sectors regarding different issues related to private regulation, facilitating more active engagement by a diversity of actors with the sustainability program. Even more, the discursive field not only favored engagement with global initiatives but enabled the extension of the sustainability master frame to broader civil society concerns and even party politics. Accordingly, in both cases, domestic trajectories were shown to be far from mimicking global trends and isomorphic pressures and rather crossed by contextual occurrences conditioned by particular ideological identities and localized structural features, in a favorable manner in the case of Brazil and in a deterring manner in the case of Argentina. Hence, while in the former location, the sustainability program can be said to have developed over the last 15 years as a quasi-official agenda, often with explicit endorsement by the authorities, in the latter transnational regulation is positioned as a competing foreign discourse of marginal relevance for domestic audiences.

The longer timeframe applied to the domestic analyses—engaging with political, cultural, and economic developments since the 1950s and 1970s—resulted in a more detailed understanding of what Mattli and Woods (2009, 9) refer as the ‘conditions of capture’ of governance agendas by local political systems; the conditions that make a global agenda susceptible of being politicized along domestic political cleavages as well as the events shaping the direction of such politicization. In this regard, Chaps. 5 and 6 raise the idea that the involvement of participants in the global initiatives, the non-involvement of potential participants, the positioning of observers and adversaries, and the general salience of the regulatory and governance discourses in public opinion are heavily conditioned by the manner in which domestic politics and legacies—in both its historical and more contemporary dimensions—embed with meaning new norms and initiatives. In Chap. 2, I proposed that these conditions of capture followed the degree of semantic commensurability of certain mobilizing and regulatory frames with specific dimensions of national-political culture, on the one side, and the capacity of certain influential local actors, both private and public, to articulate the available symbolic and material capital to support alternative discourses and frameworks.

In this sense, the book has argued that transnational diffusion is affected by historical features characteristic of (certain) developing countries, at least in the South American region, leading to the third side of the comparative analysis. Among the common historical features between the two countries is a traditionally more direct form of involvement of the state in societal organization, incomplete and crises-prone trajectories of industrialization and liberalization, legacies from authoritarian rule, populist and neo-corporatist models of state-society relations, and relatively widespread opposition to neoliberalism in certain sectors of the polity. A particular dimension that in both cases was shown to affect the evolution of transnational governance at the domestic level, and a significant difference with the main features highlighted in the global narrative, follows from political identities and struggles developed during the democratic transition. Thus, in the case of Brazil, the emergence of private governance did not represent the erosion of strong welfarist institutions by market forces: on the contrary, it emerged as part of the process of consolidation of new civil liberties and the search for new mechanisms of political participation, as one among many efforts by which both corporate and civil society groups could assume greater political voice and responsibilities. In Argentina, a country with a longer republican history, the antagonism and indifference displayed by local actors for corporate-oriented initiatives and global regulatory agendas seems to be crossed by a long-standing struggle between national-developmental and open-market liberal stances, in turn affected by the influence of a very successful political discourse (i.e. Peronism) that for most of the last sixty years confronted liberal agendas 'from abroad' with more statist, movemental, and nationalist discourses of development and autonomy.

Thus, among the main findings of Chap. 5 is the extent to which the engagement of Brazilian actors with sustainability governance in particular, and the relatively high resonance of the sustainability program in general, advanced on the back of unusual multi-sectoral alliances emerging during the democratic transition period, later catalyzed with the rise of the PT to power. I have indicated that the visibility of the Brazilian CSR movement in the 1990s and 2000s, and the high centrality of key actors such as the Ethos institute, rested on relations established between an activist group of businessmen (they are indeed dominantly men), and political and civil society actors around Lula's PT. These contacts, initiated in the late 1970s and 1980s as part of the search for alternative political channels in a context of authoritarianism and corporatism, strengthened in the 1990s, converging

around the new ‘social liberal’ agenda adopted by the Workers’ Party while in power. This programmatic convergence enabled the confluence of different political visions, such as socialist agenda of the PT, the reformist civic vision of NGOs such as Instituto Brasileiro de Análises Sociais e Econômicas (IBASE), and the progressive liberalism of the founders of the Pensamento Nacional das Bases Empresariais (PNBE) and the Ethos Institute. These groups thus developed a common orientation in opposition to authoritarianism, in a first phase, and to neoliberal economic orthodoxy, in a second one, and recurrently collaborated in a number of civil society initiatives and private regulatory projects. These pre-existent linkages facilitated a more ‘natural’ encounter between the political economic agenda adopted by the PT once in power and the ‘human capitalism’ vision advanced by both the local CSR movement and by the transnational initiatives.

In this regard, I argue that in Brazil, a supportive discursive field consolidated around private regulation where not only sustainability and CSR projects were accepted as a valid form of ‘civic’ participation, but transnational initiatives could be readily framed as the extension of local cleavages and discourses. In my argument, this reflected both the constitutive relations existing between civil society, business, and political actors, as well as the flexibility of Brazilian civil and political institutions. This flexibility enabled the activities of organizations such as Ethos Institute (and the personalities behind it), Petrobras, and even the PT and its allies, to simultaneously enjoy domestic recognition as promoters of progressive social agendas, and to support pro-market global governance frameworks. Lula exploited this overlap to position his party as a third way alternative to both neoliberal orthodoxy and far-left models (as represented in the region by Chávez’ Venezuela). Marina Silva has relied on it to launch a new political party challenging traditional forms of representation and politics. But perhaps the most striking example about the eclectic alliances enabled by this programmatic overlap is the case of the World Social Forum (WSF), a ‘radical’ civil society initiative promoted by the business actors at the core of the Brazilian CSR movement, in close collaboration with the PT and the radical elements of civil society. In all cases, this semantic and institutional flexibility increased the capacity of certain actors to perform brokering roles across different elite groups in Brazilian society, as was the case of the social businessmen around Ethos, politicians such as Lula, and a variety of civil society actors and activists (including, more recently, Marina Silva and her Sustainability Network).

Chapter 6 examined the quite different situation found in Argentina. In this case, I argued that a fragmented pattern of participation followed the

exclusive conditions of capture existing in the country, given the semantic mismatch between certain national-political structures and discourses, and the values, goals, and methods of sustainability regulation. I posed that central cleavages of the sustainability program, in particular those aspiring to extent private governance schemes over issues concerning human rights, labor relations, and environment policy, as well as supporting the regulatory potential of firms and market-led regulatory mechanisms, are particularly problematic in Argentine political culture. Hence, the project represented by the global initiatives clashed with important semantic barriers, associated with robust political and social institutions and ideational legacies, which continue to delegitimize and minimize the relevance, validity, and applicability of the sustainability agenda. First, Argentine state-society relations lack to this day stable channels of cross-sectoral collaboration, particularly between the private sector and civil society. The local political system continues to be characterized by its capacity to politicize and polarize social relations, and historical lines of political contention have proven quite resilient to alter. Important in this regard has been the durability of the 'Peronist master frame', as a political ideology regulating societal association and political representation across society since the 1940s. This conflictive trait accentuated in the 2000s, as the Kirchnerist political discourse brought to the fore a markedly antagonistic vision of state-society relations, promoted a more assertive and centralized role of the state, and advanced a partisan treatment of labor, human rights, and economic policy. As a result, governance programs positing a model of social regulation and governance that questioned the regulatory centrality of the state and existing modes of political participation, for instance, by granting greater social responsibilities to private actors and firms, were resisted by authorities and important sectors of society and effectively blocked. In this manner, while the social liberalism of *Lulismo* favored the agenda of the local actors advancing sustainability and CSR projects in Brazil, and further tilted the discursive field in favor of the transnational sustainability agenda, in Argentina the economic nationalism of Kirchnerism reinforced antagonistic elements in the national discursive and institutional environment, in detriment of the actors supportive of private governance schemes, which found very limited opportunities to advance their goals and mobilize supporters.

As mentioned, while in Brazil the discursive field around sustainability was politicized but inclusive, allowing multiple actors to engage with the master frame even in a competing manner, a notable feature of the

Argentine case is the resilience of the exclusive and polarized character of its political culture, and its detrimental effect on the salience of sustainability. This in spite of multiple and quite traumatic experiences of crises: that could have led to a favorable semantic realignment: the collapse of the military Junta, the hyperinflation in the late 1980s, and the economic meltdown of 2001. This is relevant as authors such as Espach (2009) underlined periods of social crisis as ‘critical junctures’ facilitating the emergence of new political sensibilities and instances of collaboration that could support the grounding of private governance. However, in the Argentine case, crisis contexts led to the deployment of more aggressive political economic visions—the ultra-neoliberal Menem administration in the 1990s, the nationalist progressivism of the Kirchners in the 2000s—and to the reinforcement of partisan traits in political culture and public opinion. Because of this resilience, the chances of these and other initiatives of sustainability governance gaining a solid foothold in the near future seem to be low, though the arrival of a more pro-market administration in 2015 might (gradually) change this.

Thus, through these two analyses, I managed to examine the nature of the patterns of participation presented in Chap. 4 around the three case study initiatives, explaining the centralized and dense network noted in the Brazilian case, and the fragmented and scattered pattern of Argentina, as well as key features such as the central presence of Ethos and a variety of large Brazilian firms in the former, and of small proxy actors in the latter. The hypothesis supporting this conclusion, outlined in Chap. 2, posited that the structure of discursive fields and the politics of resonance impacts on national organizational capacity and supporting coalitions, by conditioning their appeal and convening power of brokers, norm champions, and initial participants. This hypothesis bridges with the more conceptual considerations to be discussed in the section ahead.

SOME CONCEPTUAL CONSIDERATIONS

In this section, I develop some reflections about the operation of transnational governance as a mechanism of global governance, in light on the inevitable presence and gravity of national structures of meaning. Let me begin from the broader more abstract level to then move to more empirically informed elaborations.

The novel conceptual proposition made in this book is to adopt a strong interpretivist and culturalist framework to analyze the diffusion process of

global norms and initiatives, instead of following more conventional models based on the effect of market, power, and/or normative forces and institutions. By adopting this approach, I managed to level the conceptual playing ground and have a more flexible framework to examine the complex process by which global regulatory messages are decoded and interpreted within specific national contexts. This does not imply that developments at the global level are irrelevant. As a matter of fact, a semantic/discursive approach to the evolution of transnational social governance, as the one developed in Chap. 3, examined private governance not as a succession of targeted regulatory attempts, but as a historical socio-political institution that transcended the interests, actions, and identities at different levels, shaped domestic and international institutional architectures, and configured particular vocabularies of motives, regulatory goals, and conditions of authority. This institution has mutated significantly over the years, but the notion of ‘cleavage of governance’ was used to indicate, among other things, that the ‘spirit’ of transnational regulation is not something that emerged with post-1990s regulatory initiatives, but was actually pervasive in earlier projects and movements advocating cosmopolitan values as diverse as human nature, religious ethics, class solidarity, civic morality, market rationality, and techno-scientific knowledge. It should not be surprising then that regulatory cleavages associated with these ‘transnational’ ideologies have served as the conceptual underpinnings of multiple regulatory projects and movements over the last century, and provided the supporting logic behind ‘master frames’ of international regulation: labor and corporatism first, corporate authority and market efficiency later. In this regard, I consider that two distinct ‘grammars’ of governance, possessing multiple sub-orientations, operate across global governance projects: a globalist grammar, premised on the increasing functional autonomy of the transnational governance field, and pulling local behaviors to converge with global norms, and a national/state one, premised on the structuring power the state continues to enjoy, and expressed in the resistance of domestic and state-centered institutions to regulatory convergence and global standardization (Peña 2015; Jessop 2012; Kerwer 2004).

In this regard, myself and others have observed that the normative references of global governance, as represented by the sustainability program, have become increasingly inclusive and general. As a consequence, if there is one principal feature of the sustainability program—contrary to previous global governance grammars and discourses—it is that, in principle, it leaves no area of social activity outside its semantic coverage,

and the evolution of transnational regulation over the last three decades has seen a multiplicity of issue-areas being engulfed under the sustainability discourse and organizational model: from human rights and corporate practices, to corruption, private consumption patterns, financial practices, and food production, to mention but a few. At the same time, the discursive and institutional configurations that embody the sustainability program are undoubtedly still reflective of a Northern ideational matrix and cast a very particular Western shadow: a shadow delineating the profile of the general evolution of regulatory cleavages in the advanced economies of North America and Western Europe. Not surprisingly then, the semantic incompatibilities and institutional challenges of implementing this program of governance are more explicitly revealed when this shadow is casted upon structures of meaning operating according to different principles and logics. In a separate publication, I have argued that to facilitate diffusion and avoid clashing with other functional and national-political rationales, transnational sustainability norms have sacrificed normative specificity—with global social standards becoming more ambitious but also more politically neutral, shedding any prospects of mutating into hard regimes—to then externalize actual application to other levels and actors (Peña 2015). This means that the enhanced global character of the sustainability program was achieved through a somewhat Pyrrhic victory, as generality and vagueness have made it even more necessary for complementary structures of meaning to provide global norms and frameworks with contextual relevance and application.

In other words, this movement toward elevating the global horizon of private governance in order to absorb a greater degree of behavioral and ideational variance has made the domestic level even more relevant for diffusion and uptake processes, not less. Consequently, sidelining the role and effects of domestic factors when examining how transnational regulation ‘travels’ becomes harder to justify, particularly in softer area-issues such as those covered by sustainability, where functional specialization remains low. Not surprisingly, the core sections of this book have indicated, in one way or another, that the state remains quite a central actor in private governance, even if not directly involved in particular initiatives, and when clearly it is not entirely up to governments to ‘decide’ the pattern of engagement of local actors with transnational regulation. The state matters because most social actors, including governments themselves, are still bounded by resilient territorially situated structures of meaning and institutional legacies. After all, as argued by critical scholars, the state,

understood as a social relation, not only reproduces the balance of forces existing in society but is the emergent effect and embodiment of both past struggles and contemporary efforts to transform society (Jessop 2009). Hence, even in an apparently low intensity political sphere such as the governance of sustainability, both national cases showed that state structures and discourses still exercised significant influence over the positioning of social actors, orienting claims and tensions produced by global pulls due to processes of organizational isomorphism, ideological subordination, and/or economic integration.

In this sense, engaging with transnational governance through the notion of framing and frame resonance, and understanding it as yet another form of collective mobilization, has emphasized the importance of communicational and interpretive processes and actions, and of the domestic struggles shaping the politics of resonance. The book indicated that the grounding of global norms was not based on the displacement and override of local, political, and social regulatory principles: rather, global messages and propositions were, in both Argentina and Brazil, filtered and re-signified against pre-existing semantic structures, with the state playing a central (but not the only) role in reproducing the actuality of some of these structures, including societal roles, institutional arrangements, political rhetoric, societal values, and (preferred) associational forms. These structures condition the boundaries and discursive possibilities of the discursive field that is activated when a new regulatory frame is proposed. Thus, swiftly borrowing from Bourdieu's notion of habitus, national discursive fields set the general rules of the game, the distribution and effectiveness of power endowments, and the relational disposition of players in the field (Bourdieu 1994). This was the assumption behind the second 'hinge' hypothesis postulated in Chap. 2, where I connected the first hypothesis concerning frame resonance and national political culture with discursive fields and social network centrality. Both national case studies seem to support this hinge hypothesis, as the national participation networks presented in Chap. 4 match quite closely the manner in which the resulting discursive fields condition the capacity of certain actors to exert influence and authority, augmenting or diminishing the value of their symbolic capital (even if possessing material resources), and thus their centrality and brokerage potential. In this manner, features of the discursive field translate directly to the level of organizational support a given governance project can be expected to mobilize nationally, as these are at play in predisposing relevant actors (firms, NGOs, and authorities)

to engage with governance schemes as opportunities compatible with their own agendas and interests, or as a marketing fad deserving the minimum amount of politically correct attention.

Now, these ideas do not intend to raise static cultural barriers between the global and the national level, or to unnecessarily reify domestic features and institutions in these two countries. Even if framing is indeed a culturally codified process, it does not involve an automatic reproduction of cultural texts. Actors, be they foreign standard-setters or local politicians, can and do strategically manipulate symbols and vocabularies within a cultural system that it is also a system of power relations (Tarrow 2011; Snow and Benford 2000). This system is open and highlights complex, susceptible to changes in the political opportunity context, to foreign influences, to strategic ingenuity and innovation by actors, and to system effects of a variety of sorts, making it difficult to evaluate the direction of the politics of meaning of a particular movement or project (Giugni 1998; Diani 2003). However, a lesson that can be drawn from this book's analysis is that the resilience of certain political cultural structures cannot be overlooked nor dismissed when examining the politics of resonance. As the Argentine case showed, even experiences of crisis—and the opportunities associated with them—are constructed through the cultural material available in a country's political culture, often by those actors enjoying positions of influence and counting with relevant symbolic resources (such as authorities and political leaders). These are the actors that can more effectively manipulate existing myths, vocabularies, and beliefs to create and deploy more culturally salient mobilizing frames and narratives. For this reason, these national case studies not only suggest that frame resonance is substantially context dependent, but that local actors can be in much better conditions than foreign ones to exploit the semantic material populating a given discursive field.

On these considerations, a culturalist approach to transnational governance challenges the primacy conventionally attributed to global factors in terms of guiding transnational diffusion and regime uptake, even in the context of developing countries. Unpacking the constitutive character of national-political culture in these processes has facilitated a more comprehensive account of transnational governance as a process, where, in terms of contributing to local participation, Brazilian civil society progressivism can be seen as necessary and influential as North American managerial principles. In both national cases, frame resonance was not only favored by the generalization and inclusiveness of global norms and standard-setting

institutions, but also by the presence (or absence) of compatible domestic cleavages of governance that made the task of ‘filling’ the semantic space existing between sustainability norms and their meaning at the domestic level more or less difficult. In this way, the approach adopted in this book removes some of the burden of effectiveness from transnational actors and supply-side considerations, not only as there may be fundamental (semantic) advantages or disadvantages in some national contexts than in others—where the mentioned semantic gap is narrower or wider—but also because the convening power and recognition of international actors cannot be assumed as a given, as it is also conditioned by the particularities of the resulting discursive field and the contingency of the (domestic) politics of resonance. As shown, the case of Brazil, certain local business, civil society, and political actors managed to engage with global initiatives without clashing with major political cultural barriers: moreover, in light of endogenous cleavages, it would have been irrational for them not to do so, as the global initiatives could be readily framed as a reinforcement of their own domestic projects. In Argentina, the exclusive discursive field around social and economic governance left a limited space for any actor to promote the global initiatives, and only in relation to the more basic component of the sustainability program, such as the CSR agenda.

This suggests that the nature and character of discursive fields is fundamental to understand the incentives and identities that may be guiding certain local actors to more readily engage or challenge global governance projects. As it often happened in the Argentine case, some actors fail to engage with regulatory initiatives not because of institutional exclusion, but rather because they simply did not care enough to do so. This opens the intriguing possibility that in terms of participating in global governance projects, some actors may be culturally ‘disadvantaged’, and that more active participation from actors from traditionally excluded locations may entail cultural changes by which they embrace broader transborder concerns and are willing to accept the costs of participating in instances of transnational regulation. In this sense, the re-positioning of Brazil as an emerging power, a frame actively promoted inside and outside Brazil over much of the last decade, and an (semantic) element not found in Argentina, could be seen as an expression of the sort a cultural transformation positively influencing the willingness of some local actors to engage in sustainability standard-setting and other areas of global governance.

In this regard, the book considers that transnational regulation and governance faces similar challenges to transnational social movements

aspiring to mobilize participants located in different political and cultural environments. As noted by Sydney Tarrow (2005, 29), a key factor to successful mobilization is the presence of a particular type of social actor that he refers to as ‘rooted cosmopolitans’—individuals firmly rooted in the national context but capable of mobilizing domestic and international resources to advance claims on behalf of external players or in favor of transnational goals. These actors are important for conducting key processes in terms of diffusion and framing, as well as for facilitating the formation of the collaborative arrangements and networks supporting national organizational capacity, such as insider-outsider coalitions and advocacy alliances. As shown, Brazil had a number of individual and organizational actors, principally around Grajew and the Ethos group but extending to other sectors, in position to perform these tasks. Argentina never fully developed them. Notwithstanding, the notion of frame resonance raises a warning, again, regarding the fact that similar types of actors may not enjoy the same potential to generate and sustain political mobilization, as this depends on how preexistent social circumstances affect the receptiveness of certain frames over others (Walder 2009, 406). If supportive social circumstances and compatible cleavages are absent, the actions of active entrepreneurial groups would likely fall on deaf ears, failing to connect with local experiences, grievances, and emotions no matter how much effort and ingenuity they deploy, unable to exercise sufficient convening power to recruit new participants or maintain the commitment of existing ones.

In light of this, which of the two national cases studied in this book is indeed more exceptional in terms of illustrating the complexity of the politics of resonance around transnational sustainability governance is left for the reader to decide.

CONCLUSION

This book makes two major contributions to the academic literature of global and private governance: (i) it singles out the relevance of interpretative processes in the diffusion of transnational regimes, while relativizing economic and power-led approaches, and (ii) it demonstrates the weight of domestic political institutions, traditions, and discourses as major variables at play in regime effectiveness and uptake. In this manner, I consider to have provided a convincing answer to the research questions outlined in Chap. 1.

First, I have traced the emergence and evolution of the transnational governance of the social, both at the global and the domestic level. Through this dual analysis, I concluded that transnational sustainability governance has very different trajectories at the global ‘organizational field’ level than at its destination, in a specific context of application. In these trajectories, it is not anymore a question of how to overcome domestic barriers to implementation and norm adoption, but rather understanding what *meaning*, and value, local actors may attribute to the governance project, and how resilient are the discursive structures supporting those meanings. Second, I have unpacked the strong effect of domestic variables conditioning the engagement of local actors with governance initiatives. My conclusion here is that national-political culture matters and matters significantly, as it configures the discursive field where the politics of resonance around a given regulatory proposal actually unravels. This field is where the mobilizing capacity of central actors, and the interests of necessary second-order participants necessary to sustain and expand successful implementation, is played out; the difference between sustainability being a social concern with high visibility and significant political traction, or a marginal interest of a few niche players. In this sense, I demonstrated that local organizational capacity is not a tertiary variable aggregating what supply/demand models cannot explain, but a central explanatory element relating to complex national historical structures, ideational legacies, and social struggles. By attributing an active role to these domestic factors, the book challenges top-down perspectives about the diffusion of private regulatory regimes and calls for greater and more detailed engagement with the social circumstances, actors, and processes at the destination, particularly in global South locations, where political culture and other structural conditions may differ the most from those guiding governance initiatives. Lastly, I have illuminated the situation in Argentina and Brazil, both in relation to the contemporary and historical landscape of engagement with sustainability governance, considering the origins and evolution of key actors, and of the major political-cultural and political-economic institutions at play in each country’s discursive field. In this manner, I have provided an unprecedented mapping of the actors directly engaged with transnational sustainability initiatives in these countries by the mid-2010s, characterized the broader network of actors indirectly involved, and presented convincing justifications for the overall position and disposition of participants, challengers, and absentees.

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ANNEX: LIST OF INTERVIEWS

ARGENTINA

- 05/09/11. Carlos March, Executive Director, *Avina Foundation Argentina*.
- 06/09/11. Martín Kaindl, Director of Institutional Relations, *IAPG*.
- 07/09/11. Ana Muro, CSR Coordinator, *CEADS*.
- 08/09/11. Alberto Willi, Professor of Business, Society and Economy, *IAE*.
- 12/09/11. Bernardo Voloj, Climate Affairs Coordinator, *FARN*.
- 13/09/11. Jimena Mercado, Communications Manager, *IARSE*.
- 13/09/11. Alex Ehrenhaus, CSR Coordinator, *Grupo Los Grobo*.
- 14/09/11. Anonymous, *Grupo Techint/UIA*.
- 14/09/11. Gabriel Berger, Professor of Civil Society Organizations, *Universidad de San Andrés*.
- 14/09/11. Jorge Taillant, co-Founder and Coordinator of Mining, Environment and Human Rights Programme, *CEDHA*.
- 16/09/11. Mario Font Guido, Chairman, *FAM/CECAM*.
- 16/09/11. María Irigoyen, Project Director, *Reporte Social*.

BRAZIL

- 19/09/11. Diverse interviews during ‘ABONG 20 Years’ Conference (2-days). Programme available from: <http://www.abong.org.br/noticias.php?id=4267>, 29 March 2013.
- 19/09/11. Ivo Lesbaupin, Executive Secretary, *ISER*.
- 21/09/11. Sergio Lazzarini, Professor of Organisation and Strategy, *INSPER*.
- 22/09/11. Ariel Kogan, Project Manager, *Rede Nossa São Paulo*.
- 23/09/11. Beatriz Kiss, Project Coordinator, Centre for Sustainability Studies, *FGV*.
- 23/09/11. Jorge Cajazeira, Vice-President of Institutional Relations, *Suzano Pulp & Paper* (Chairman of the ISO WG SR).
- 27/09/11. Lisa Gunn, Executive Director, *IDEC*.
- 28/09/11. Andre Degeszajn, General Secretary, *GIFE*.

OTHERS

14/05/10. ISO 26000 Plenary Meeting, Copenhagen, Denmark (5 days)

Additional events attended:

- ISO 26000 Open Government Conference
- Developing Countries Open Workshop
- Spanish Translation Task Force Meeting
- Official Opening Ceremony

- 18/05/10. Argentine Delegation for ISO SR (including representatives of IRAM, CEADS and El Otro Foundation).
- 18/05/10. Gustavo Ferroni, Working Group ISO 26000 Coordinator, *Instituto Ethos*.
- 15/05/11. Bart Slob, Senior Programme Manager, *Red Puentes/SOMO*.
- 11/11/11. Felipe Saboza, Jogos Limpos Project Coordinator, *Instituto Ethos*.

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