

Introduction

RESPONSIBILITY, ACCOUNTABILITY AND GOVERNANCE: THE PRESUMED CONNECTIONS WITH THE STATE, THE MARKET AND CIVIL SOCIETY AND AN OVERVIEW

Istemi Demirag

Queen's University Belfast, UK

The recent collapse of major American companies and the financial scandals that followed have been a major cause for concern in a vast number of studies recently undertaken on accountability, governance and regulations. Moreover, the issues of sustainable development, social corporate accountability and responsibility, and public-sector reforms have also been at the top of governments' agendas in the past decade or more. There have been growing calls from regulators, civil society and academics alike to ensure that good governance, greater accountability and ethical norms are embedded into corporations' codes of practice. The major failures in regulatory mechanisms or markets have also contributed to major environmental disasters (Bhopal; Union Carbide Corporation 1984) and scandals over child labour exploitation (Nike in Indonesia) by multinational companies in developing countries. These failures gave rise to the need to explore alternative forms of governance and regulations worldwide. The contributors to this book have come together in an attempt to highlight some of these issues from a global perspective, to provide a better understanding of them, and to make some tentative suggestions towards their solutions.

This book assesses the usefulness and robustness of some of the relevant concepts and theory, and, by the use of international case studies, illustrates some of the difficulties faced in implementing the theory in practice. This book also helps by 'grounding' some of these concepts and theories. It tests their conceptual soundness on a case-by-case basis in the search for developing more useful theories in the fields of governance, accountability, social responsibility, ethics and regulation.

We define 'corporate social responsibility' as corporate attitudes and responsibilities to society for social, ethical and environmental issues, including sustainable developments. Gray *et al.* (1995) define social reporting as the process of communicating the social and environmental consequences of organisations' economic actions to particular interest groups within society and to society at large. The concepts of accountability and responsibility are often used interchangeably in the accounting literature and very little definitional agreement exists (Lindkvist and Llewellyn 2003). Accountabil-

ity is frequently associated with the execution of responsibilities and being answerable for them (Alexander 1996). The US Government Accounting Standards Board defines accountability as 'being obliged to explain one's actions, to justify what has been done' (GASB 1987: 21). Stewart (1984), Romzek and Dubnick (1987), and Sinclair (1995) have grouped accountability into various forms, which include: communal, contractual, legal, managerial, organisational, professional, personal, political and public. The forms of accountability differ in terms of dealing with the questions of 'to whom' the accountor is accountable (e.g. Mayston 1993), and 'for what' (Pallot 1992, 2003; Coy and Pratt 1998; Broadbent and Laughlin 2003). Jordan and Tuijl (2000) distinguish accountability from responsibility on grounds that the latter is a normative concept and that accountability has formal obligations embedded within its definition. Bovens (1998: 30-31) regards accountability as a form of responsibility that meets two criteria: blameworthiness and choice on the part of the individual being held to account. In contrast, Dubnick (1998) regards responsibility as a subtype of a more general concept of accountability. Unless there is some special purpose, we will use accountability and responsibility interchangeably throughout this book.

As we will see below, management of companies for sustainable development or social corporate accountability cannot rely only on 'good governance' or 'state regulations'. There is a growing literature emphasising the significance of a number of evolutionary networks between markets, states and civil societies, through a learning process and communication with stakeholders, in search for better governance mechanisms (Demirag *et al.* 2000). Developing relationships between businesses, states and civil society is not only a dynamic but also a complex process (Clark and Demirag 2002; Demirag and Solomon 2003). Moreover, the exact nature of the mechanism(s) involved is contingent rather than preset. The assumed relationship between governance systems and socially responsible behaviour or sustainable investments by corporations is problematic at best. For example, the modernisation by governments and various New Public Management reforms have been adopted in a variety of jurisdictions on the assumption that such changes would result in greater transparency, social responsibility, democracy and ethical behaviour in both private and public sectors (Demirag *et al.* 2004). Dubnick (2002), however, argues that accountability-based reforms have been used 'promiscuously' as a panacea for problems of governance without recourse to empirically grounded and tested theory. It would seem that not only are the concepts of governance and accountability very complex and problematic but their presumed relationships with corporate social responsibility, sustainable development and other socially desirable objectives may be questionable.

Contributors to this volume have also argued, as we will see in the following review, that accountability and governance structures may provide useful complementary mechanisms to influence behaviour and performance of companies—while not suggesting that better governance can be a surrogate for government regulations.

The following sections provide a short summary of the chapters included in the book.

In Part 1 (Emerging governance structures, risks and networking), Bertels and Vredenburg explore the deficiencies associated with the concept of management in the context of corporate social responsibility, based on traditional organisational structures in governance literature. Highlighting the fact that governance is a much more complex phenomenon than management, they seek to broaden the notion of gover-

nance by considering the implications of informal structures developed among various stakeholders. They argue that governance, in its broader context, includes ‘the various structures, processes, systems and cultures through which an organisation sets out its objectives, processes, implements its objectives and monitors its performance’.

Referring to the earlier work by Garcia and Vredenburg (2003) and Vredenburg and Westley (2002), they point out that, when multiple stakeholders are involved in decision-making, often with different objectives and interests, it is important to understand the complex web of interdependency, inter-organisational and inter-sectoral collaboration needed to achieve both singular and common purposes. Citing Gray’s (1985, 1989) seminal work on facilitating collaboration between organisations and multi-party situations, they outline three sequential phases of inter-organisational domain development: problem setting, direction setting and structuring.

In order to gain wider support for their assertion of the need to increase the boundaries of governance in public-sector issues, Bertels and Vredenburg examine three case studies of water supply systems in Canada, involving a municipal department, a public–private partnership and a municipally owned corporation. The case studies cover a range of organisational structures. In each case, no overarching organisation was able to influence or control the whole domain, and domain-based collaborative governance mechanisms have supported the formal structures. They conclude that, for the domain-based governance to work effectively, each participant must participate in the problem definition process, acknowledge their dependence on the other actors and participate in the formation of a shared vision of the conceptual boundaries. In addition, trust must be earned from the other participants before the benefits of domain-based collaborative governance can be realised.

Meyer draws our attention to some general problems of network regulation. These include the evolution of networks, which may challenge the balance needed for successful co-operation; the interpersonal relationships between the negotiators that may lead to clique building and estrangement from organisation members; and the fact that networks may not be the most efficient modes of decision-making in comparison with ‘market’ or ‘hierarchy’ modes. Meyer argues that ‘good’ governance in multi-actor policy networks requires adequate communication tools within and between organisations, to ensure co-ordination towards the common goal of ‘good’ decisions. The communicative process between the board and members in civil-society organisations needs to develop policies to deal with social responsibilities and secure social integration by representing the interests of their target groups. Meyer points out that our understanding of this process is hampered by a lack of research. Based on his evaluation of environmental communication within the communication structure of 30 federal associations in Germany, he presents his initial findings on this issue with the important caveat that his empirical evidence needs to be supported by further studies.

Turcotte and Gendron explore the collaboration of multi-stakeholders (corporations, civil society and government) in the context of deregulation and sustainable development. They point out that multi-stakeholder partnerships bring together many perspectives, but can be seen as conflict resolution mechanisms as well as sites of learning and innovation as advocated by Driscoll (1996) and Logsdon (1991). They then argue that multiple stakeholder collaborative processes (MCPs) can be seen as an alternative governance system to those regulated by the state or market forces. They point out that

the rise of new social movements have transformed the institutional political process. While voluntary initiatives and self-regulation are increasingly seen as a means of achieving consensus among multi-stakeholders, these approaches have also received much criticism. It has been argued that voluntary initiatives have had little impact and are preferred by companies who fail to implement regulations on environment. The result is complacency and inertia.

In view of this controversy, the authors set out to investigate the role of MCPs through two case studies: the 3R Round Table on waste management and the ARET initiative regarding toxic substances. They conclude that in both limitations arose in the reaching of consensus on specific action plans. They argue that, when controversial subjects are raised, consensus is often possible on general principles as participants may block the collaborative process by imposing their own views and voting against the proposals. Turcotte and Gendron, however, point out that MCPs can provide guidance for future actions and decisions and, far from excluding or replacing traditional regulatory activities, they can be seen as contributing to the legitimacy of the regulatory processes. They also provide the opportunity for the expression of diverse and possibly divergent perspectives, bringing in novel ideas and contributing to a change in business practices in the long term.

Lüth, Schäfers and Helmchen examine the role of regulation in global markets involving a multifaceted web of relationships. In this context, they examine normative and descriptive views of the relationships between regulators, corporations and civil society. The advantages of regulation include reputation as a responsible actor, being able to influence the regulation process, less criticism from NGOs and the benefits of the regulation itself (Dyllick 1989). The authors recommend that companies build capacities within, develop new lobbying strategies, implement incentives for change, define the operational and strategic boundaries of their responsibilities, and revise membership policies of industry cartels. They conclude by questioning the concept of 'sustainable governance framework' and recommend that new governance mechanisms such as stakeholder dialogues, facilitated discourses, joint fact finding and mediation processes be introduced.

Demirag, Dubnick and Khadaroo argue that most previous studies on Private Finance Initiatives (PFIs) have considered accountability and value for money (VFM) only at the initial planning and development stages. They argue that little attention has been given to post-construction of capital infrastructures.¹ In order to develop such a framework, the authors first review the relevant literature. They point out that risk may be incorporated at the discount rate, but it is often added to the public-sector comparator (PSC) in order to bring in an element of risk, which PFI contracts presumably pass on to the private partner. The extent of risk that actually passes on after the completion of the construction project is also problematic.

The authors argue that no attempt has been made to link the relevant types of accountability and VFM at the various stages of the PFI processes. They identify five main stages for the PFI: initiation set-up, implementation, internal monitoring and external monitoring. The respective forms of accountability are then identified and

1 For example, see Broadbent *et al.* 2003a, 2003b and Shaoul 2004. See also Grimsey and Lewis 2004.

VFM drivers appropriate to each forms of accountability identified. The authors recommend that further research is needed to examine the extent to which PFIs are meeting the VFM objectives identified at the pre-contract stages and the stakeholders involved in the implementation and monitoring processes.

Quigley explores the Civil Aviation Authority (CAA)'s role in the Y2K operation together with industry, the media, the government and various international partners. In seeking answers to the question of how effective the UK aviation industry's risk management plans were for handling the Y2K issue, Quigley uses Hood *et al.*'s (2001) analytical regime-based framework at the meso level. The framework employs three different perspectives to explore risk regulation. The market failure perspective justifies government intervention because markets cannot effectively manage the risk. This seems feasible given the industry's high dependency on technology with complex and interdependent systems. The opinion responsive perspective posits that risk regulation is a response to the preferences of civil society. In particular, the public and media salience of the issue and the uniformity of the opinions to explore this perspective is relevant here. Finally, the interests perspective considers the role of private- or public-interest groups in shaping the manner in which risk is regulated in the industry. This hypothesis argues that regulatory activity reflects the interplay between organisational interests. In this context Quigley refers to Wilson (1980) and points out that client politics and other interest groups theory may play a significant role in the way the risk is managed.

Quigley concludes that Hood *et al.*'s 2001 framework is useful but has several major limitations. There are numerous factors that can simultaneously influence government policy-making as well as the problems of identifying public opinion. Despite these drawbacks, he argues that the model helps illuminate a discussion about risk regulation and bring out different aspects of the key institutions, ideas and players active in the regulatory space leading to a richer analytical treatment of complex, multi-dimensional problems that exists between supra-state, state, industry and civil society.

In Part 2 (Corporate social responsibility and stakeholder theory) Byerly reviews recent relevant literature on corporate social responsibility theory and articulates the concept by considering the relevance of a number of recent key developments and issues including globalisation, power, social contract, leadership, the new evolutionary economics and the common good (Boggs 2000; Carroll 1991; Carroll 1999; Davis 1960). The role of corporations in networks of other social corporate activities as partners and leaders are also examined (Daly and Cobb 1994; Gilpin 2000). Byerly highlights the emergence of interdisciplinary theory and real-world examples of corporations recognising a new social contract stemming from the need for global leadership and action, acknowledging the necessity of partnership, mutual engagement, responsibility and commitment to achieve the future goals of all in partnership with governments and communities.

Armstrong provides an interesting background to theoretical frameworks that could be explored in studying governance mechanisms. Drawing on clans and transaction costs (Ouchi 1980), institutional isomorphism (DiMaggio and Powell 1983), agency theory (Jensen and Meckling 1976), occupational communities (Van Maanen and Barley 1984) and resource dependence (Pfeffer and Salancik 1978), he addresses stakeholder partnership issues and makes several propositions in order to develop a more robust framework in the study of governance issues. He argues that stakeholder part-

nership may create a clan form of transaction mediation that can offer a greater level of discipline in performance by sharing complementary resources, sharing expertise and knowledge, improving reputations of participants and improving corporate governance. This can lead to superior performance to what could be achieved through market or regulatory approaches alone. Armstrong suggests that, if the occupation of business executives were to become more professionalised, we might expect that CEOs would develop a shared set of performance standards for ethical and social behaviour and that they would enforce these standards within their professional clan. There are of course difficulties with these suggestions. Decisions in organisation are often influenced by variety of actors and interest groups. Moreover, in the recent corporate governance failures, such as Enron and WorldCom, the most prominent actors involved were accountants and lawyers, who have highly professionalised occupations.

Dempsey posits that effective co-operation between business corporations, civil society and public sector (government) can only be achieved if there are well-understood ethical standards, which are underpinned by shared community values. Where there are multi-stakeholders involved in issues dealing with environmental and social responsibility, it is important that ethical standards are well understood by all concerned. Dempsey, however, points out that it is no longer enough to show support for agendas supporting corporate responsibility, socially responsible investment, or environmental accountability. There is now a pressing need for more direct action than simply reporting on these issues. Direct engagement on issues, activities and performance indicators that are most material to all the internal and external stakeholders is needed. In addition to responsibilities expected from corporations, civil societies must also act in more transparent and accountable manner. Dempsey concludes that true stakeholder engagement requires mutual accountability in all three sectors (private, public and civil society) in order to build effective, sustainable partnerships that are economically, environmentally and socially viable.

In Part 3 (Empirical studies on emerging governance structures and corporate social responsibility) Bleischwitz, Andersen and Latsch are concerned with the governance structure for sustainable development. They argue that 'network governance of collective learning process' is an appropriate structure for sustainable development. Having outlined the main reasons for the failure of markets and governments, the authors refer to political science, new institutional economics and evolutionary economics, which depart from the models of rational choice; that is, they do not rely on the assumption of fully rational behaviour with perfect information. In addition to the role of the collective processes outlined above, the governance of sustainability also requires innovation-inducing regulation where the government acts as buffer for the societal problems by bringing together heterogeneous actors and solving specific problems (Bleischwitz 2003). They point out that governments often provide incentives for eco-efficient services and the ministries receive support from established interest groups. To illustrate the usefulness of their governance approach to sustainability development Bleischwitz, Andersen and Latsch, referring to Johnson and Jacobson (2002), give examples of the development of the wind turbine industries in Sweden, the Netherlands and Germany. They point out that the perceptions of private and public actors in these emerging industries were crucial in the successful development of technologies, knowledge generation and product markets. The case also shows the co-evolutionary relationship

between state, firms and societal actors in the development of sustainable markets and the consequences of failure by one party.

Munkelien, Goyer and Fraczak argue that economists have become involved in CSR by introducing the concept of the triple bottom line. This concept includes three important spheres of sustainability for successful businesses: namely, the economic, environmental and social spheres. Using non-financial reports as surrogate to triple-bottom-line reports or sustainability reports, the authors posit that CSR can be assessed by the use of these reports in Scandinavian countries.

The authors report that, even though the Scandinavian countries endorsed the Global Compact, very few have signed it. Most companies expected more direct guidance from their respective governments for their responsibility in CSR. Finland, however, shows some exceptions in the field of CSR. Although Finnish companies do not require triple-bottom-line reporting, such reporting is more common in Finland than in other Scandinavian countries. The Swedish government appears to have the most active CSR approach compared to other Scandinavian countries, but still only a few Swedish corporations use triple-bottom-line reporting. The authors acknowledge that the reasons for these divergent CSR practices found among the companies operating from four Scandinavian countries have not been explored; they indicate that Scandinavian governments have been very influential in channelling the activities of corporations in the field of CSR.

Durán and Thompson focus on Protected Areas (PAs), areas of land or sea, managed through legislation or other means, and especially dedicated to the protection and maintenance of biological diversity and natural and associated cultural resources (IUCN 1994). They discuss the major factors influencing the governance of PAs and the approaches that Mexican and Canadian PAs are following in order to enhance governance and management effectiveness. Based on ten case studies carried out in Mexico and Canada, they show the need to improve governance and management among all the stakeholders (governments and corporations) as well as PAs at local, regional and international levels. The authors argue that PAs by themselves can do little to improve governance if there is no co-ordination between other actors and stakeholders. The key issues, which need to be tackled, include drafting policies and setting rules to govern economic activity that pay attention to social, economic and environmental needs. Referring to work by Kaufmann and Kraay (2003), and Werlin (2003), they conclude that inadequate governance raises questions about PAs' ability to deal effectively with natural resources and to get foreign funds

Based on their case studies, Durán and Thompson point out that the downsizing and privatisation, financing, land tenure and law enforcements are the most pressing problems facing PA's in Canada and Mexico. They recommend that the adoption of environmental management systems (EMSS), and other types of certification mechanisms, can help PA's improve their management and governance. However, this would need to be done by establishing sound working relationships with stakeholders on surrounding lands, and demonstrating PAs' contribution to the quality of life, both nationally and internationally.

Betit explores the transition of ownership to employees in a US company. The company was formed to manufacture hardwood and plywood reels for steel and wire cable in 1951. However, the transition of ownership started in 1996 and the chapter draws from conversations, interviews and meeting notes over a seven-year period with the

owners, Vice President, Human Resources Director and the employee-owners of the company. The case study serves to illustrate the point that global businesses are becoming more interconnected, interdependent, interactive and pervasive.

Betit argues that, in her case-study company, employee governance is both a source and recipient to change. Betit explores information sharing, participation, the decision-making and allocation of resources, and distribution of wealth in her case-study company. Accountability to internal and external communities is also examined. She concludes that, despite financial difficulties facing it, the company continued its 100% employee-ownership and governance, as well as maintaining relationships within the group, and to their communities even though falling sales made it more difficult to be responsive.

Puppim de Oliveira examines the role of civil-society actors in providing information and facilitating environmental policies based on the work of Anderson and Leal (1992) and Brinkerhoff (1996). Using a case study of the state's federation of industries in Rio de Janeiro (FIRJAN), he illustrates how an NGO can facilitate, manage and eliminate solid waste by providing technical advice and mediating among buyers and sellers of solid material. Puppim de Oliveira concludes that economic mechanisms can be effectively used for waste management and this can cost much less than direct regulation.

In Part 4 (Corporate governance and its implications for regulators and civil society), Šević examines two main models of corporate governance: the Anglo-American and the continental European. He notes that the liberal American model of regulation is becoming more socially responsible while the European and non-liberal Japanese models are trying to achieve the efficiency benchmark set by the American model (Demirag 1998). The author then describes the main characteristics of both systems, adding that Americans had traditionally more regulation but this realisation came as a surprise in the 1970s when they recognised that their systems were more regulated than those in Europe. The response was a large scale of deregulation with the consequent financial disasters such as the Enron debacle and the Californian energy crisis. Referring to the work of Puri and Brook (2002), and Jensen (2001), he suggests that a modified stakeholder model offers greater opportunities to deal with the inherent weaknesses of each system, taking into account the wider range of stakeholders. Šević also sees some role for 'regulation by litigation' as a last resort.

Demirag and O'Brien examine the changing regulation of US financial markets following the recent collapse of major US companies and the financial scandals that surfaced afterwards. The recent organisational and regulatory changes surrounding the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE) are examined as case studies in the chapter. The state's (in)ability to control these institutions after a period of deregulation is also explored.

Demirag and O'Brien adapt the Streeck and Schmitter (1985) framework (SS) in their study of US financial regulation. The authors conclude that the relationships between the state, the market and the organised interest groups need to be more explicitly explored, if it is going to capture the dynamic power relationships between these groups, using a more robust theoretical framework than the SS model of social order can provide (Demirag 1995). The chapter then calls for further research using complementary theoretical frameworks and paradigms on the subject. Demirag and O'Brien also argue that the limits of government's ability to deal with the failures in the financial markets also raises the pertinent question of the effectiveness of legislation, with-

out the need to re-evaluate the underlying mechanisms and systems of regulation. The issues identified in this chapter certainly call for further research in financial regulation within the context of globalisation.

Samaha, using a framework derived from the theories of complex adaptive systems (CASS) explores the dynamics of social systems undergoing dramatic change. The deregulation of the electric utility market in the USA have had mixed results—success in some areas and catastrophe in others such as the Enron debacle. Samaha posits that neither the regulators nor the major utilities understood how deregulation has affected them, as the high risks were the results of definable design flaws in the regulatory system. She argues that the California energy crisis has indicated that markets by themselves do not work and there is a real role for government regulation.

Schmidt and Bondarenko critically examine the validity of the relevant theoretical propositions for the understanding of the existing control mechanisms in place for controlling corruption in the post-Soviet Russia. Drawing on the conventional models of human rights norms, in particular the ‘spiral model’ of Keck and Sikkink (1998a, 1998b), and Risse *et al.* (1999), they highlight the contributions of the conventional norm transfer models to corruption studies.

They conclude that the likelihood of successful norm diffusion into domestic systems may be overstated and the process of norm diffusion in corruption is more difficult and different from that found in human rights literature. Moreover, the role of NGOs in this process may be overstated with often counter-accusations being made to their Western counterparts for the financial scandals and corruption cases in their own countries—a situation that is more unlikely in the case of human rights violations. Another major difficulty of the conventional models of norms diffusion is that it is difficult to distinguish which domestic changes are induced by transnational networks and which are part of the of the systematic transformation.

Schmidt and Bondarenko posit that the effects of recent attempts to democratise and privatise Soviet society have also created new opportunities for different forms of corruption. The authors finish their chapter by stating that corruption and transformation are complex issues involving all levels and sectors of society. They recommend more research in the conventional theoretical models of transnational norm transfer.

In Part 5 (Multinational companies and their implications for the new governance structures, regulators and civil society) Bastmeijer and Verschuuren explore the role of law, government regulation, multinational companies and NGOs in addressing various transboundary sustainability issues. The issues that could be considered as part of the sustainability debate include prevention of adverse environmental impact, safeguarding human rights, racial discrimination and ensuring good working conditions and protection of child labour. They argue that relationships between governments, multinational companies and NGOs are changing. The authors posit that, under the command-and-control approach, attention was given to norm setting by governments through legislation where NGOs tried to influence the substance of legislation through their relationships with government. Bastmeijer and Verschuuren conclude that governments have to find a way to work with multiple stakeholders but legislation is still needed to support this development. In order to ensure that there is no free-rider issue and that it is easy to enforce legislation and developed norms, governments need to codify the norms that have been agreed on by companies and NGOs. They argue that market incen-

tives and pressure by local communities are also important factors in the performance of corporations towards their environmental responsibilities.

Bryane Michael examines the impact of globalisation on the development of international corporate responsibility (ICR), in particular the role of multinational companies in engaging ICR partnerships with international governments and international NGOs. Michael suggests that international government organisations such as the World Bank have several roles to play in ICR engagement. The Bank can act as a 'clearing-house' of corporate social responsibility, advocate or watchdog assessing company regulation and auditing; provide consulting services in developing countries taking equity or debt positions in the companies they advise; and can tie country lending to national implementation and compliance with ICR programmes.

Given the range of options outlined for government organisations, MNCs and international NGOs, Michael develops a model to bring out the possible effective strategic interactions. He concludes that his model helps to identify areas where the three key actors involved might under-provide ICR activity due to the strategic nature of their interaction, or may fail to balance economies of scale in ICR provision with local needs.

In the final chapter Demirag, Barry and Khadaroo provide concluding remarks on emerging governance structures and practices. The chapter highlights the important international trends emerging in corporate social responsibility and sustainable development. It reflects and builds on some of the important findings of the contributors to this volume as well as the authors' current research in this area.

References

- Alexander, J. (1996) 'Spirited Dialogue: Michael Harmon's Responsibility as Paradox', *Public Administration Review* 56.6: 593-96
- Anderson, T.A., and D.R. Leal (1992) 'Free Market Versus Political Environmentalism', *Harvard Journal of Law and Public Policy* 15.2: 297-310.
- Bleischwitz, R. (2003) 'Cognitive and Institutional Perspectives of Eco-Efficiency: The Case of Waste', *Ecological Economics* 46: 453-67.
- Boggs, C. (2000) *The End of Politics: Corporate Power and the Decline of the Public Sphere* (New York: The Guilford Press).
- Bovens, M. (1998) *The Quest for Responsibility: Accountability and Citizenship in Complex Organisations* (Cambridge, UK: Cambridge University Press).
- Brinkerhoff, D.W. (1996) 'Coordination Issues in Policy Implementation Networks: An Illustration from Madagascar's Environmental Action Plan', *World Development* 24.9: 1,497-510.
- Broadbent, J., and R. Laughlin (2003) 'Control and Legitimation in Government Accountability Processes: The Private Finance Initiative in the UK', *Critical Perspectives on Accounting* 14.1-2: 23-48.
- , J. Gill and R. Laughlin (2003a) 'Private Finance Initiative: The PFI in the National Health Service A Risky Venture?', *International Accountant* 20 (September 2003): 36-37.
- , — and — (2003b) 'Evaluating the Private Finance Initiative in the National Health Service in the UK', *Accounting, Auditing and Accountability Journal* 16.3: 422-45.
- Carroll, A.B. (1991) 'The Pyramid of Social Responsibility: Toward the Moral Management of Organizational Stakeholders', *Business Horizons* 34: 39-48.
- (1999) 'Corporate Social Responsibility', *Business and Society* 38.3: 268-95.
- Clark, W., and I. Demirag (2002) 'Enron: The Failure of Corporate Governance', *Journal of Corporate Citizenship* 8 (Winter 2002): 105-22.

- Coy, D., and M. Pratt (1998) 'An Insight into Accountability and Politics in Universities: A Case Study', *Accounting, Auditing and Accountability Journal* 11.5: 540-61.
- Daly, H.B., and J.B. Cobb (1994) *For the Common Good* (Boston, MA: Beacon Press).
- Davis, K. (1960) 'Can Business Afford to Ignore Social Responsibility?', *California Management Review* 2.2: 70-76.
- Demirag, I. (1995) 'Social Order of the Accounting Profession in Turkey: The State, the Market and the Community', in C. Balim, E. Kalaycioglu, C. Karatas, G. Winrow and F. Yasamee (eds.), *Turkey: Political, Social and Economic Challenges in the 1990s* (Leiden, Netherlands: Brill): 256-75.
- (ed.) (1998) *Corporate Governance, Accountability and Pressures to Perform: An International Study* (Studies in Managerial and Financial Accounting series, Volume 8; Greenwich, CT: JAI Press).
- and J. Solomon (2003) 'Developments in International Corporate Governance and the Impact of Recent Events', *Corporate Governance: An International Review* 11.1: 1-7.
- , S. Sudarsanam and M. Wright (2000) 'Corporate Governance: Overview and Research Design', *The British Accounting Review* 32 (December 2000): 341-54.
- , M. Dubnick and I. Khadaroo (2004) 'Exploring the Relationship between Accountability and Performance in the UK's Private Finance Initiative (PFI)', paper presented at the *Corporate Governance Conference*, Institute of Governance, Public Policy and Social Research, Queen's University Belfast, 20-21 September 2004.
- DiMaggio, P., and W.W. Powell (1983) 'The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organisational Fields', *American Sociological Review* 48: 147-60.
- Driscoll, C. (1996) 'Fostering Constructive Conflict Management in a Multistakeholder Context: The Case of the Forest Roundtable on Sustainable Development', *International Journal of Conflict Management* 7.2: 156-72.
- Dubnick, M.J. (1998) 'Clarifying Accountability: An Ethical Theory Framework', in N.P.C. Sampford and C.-A. Bois (eds.), *Public Sector Ethics: Finding and Implementing Values* (Leichhardt, NSW: The Federation Press/Routledge).
- (2002) 'Seeking Salvation for Accountability', paper presented at *American Political Science Association*, Boston, MA, 29 August-1 September 2002.
- Dyllick, T. (1989) *Management der Umweltbeziehungen: Öffentliche Auseinandersetzungen als Herausforderungen* (Wiesbaden, Germany: Gabler).
- Garcia, P., and H. Vredenburg (2003) 'Building Corporate Citizenship Through Strategic Bridging in the Oil and Gas Industry in Latin America', *Journal of Corporate Citizenship* 10 (Summer 2003): 37-49.
- GASB (Government Accounting Standards Board) (1987) 'Concepts Statement no. 1: Objectives of Financial Reporting, Official Releases', *Journal of Accountancy* 164.3: 196-205.
- Gray, B. (1985) 'Conditions Facilitating Inter-Organizational Collaboration', *Human Relations* 38.10: 911-36.
- (1989) *Collaborating: Finding Common Ground for Multiparty Problems* (San Francisco, CA: Jossey-Bass).
- , R. Kouhy and S. Lavers (1995) 'Corporate Social and Environmental Reporting: A Review of the Literature and a Longitudinal Study of UK Disclosure', *Accounting, Auditing and Accountability Journal* 8.2: 47-77.
- Grimsey, D., and M.K. Lewis (2004) 'The Governance of Contractual Relationships in Public-Private Partnerships', *Journal of Corporate Citizenship* 15 (Autumn 2004): 91-109.
- Hood, C., H. Rothstein and R. Baldwin (2001) *The Government of Risk: Understanding Risk Regulation Regimes* (Oxford, UK: Oxford University Press).
- IUCN (The World Conservation Union) (1994) *Guidelines for Protected Area Management Categories. Part II. The Management Categories* (Cambridge, UK: IUCN Publications Service Unit).
- Jensen, M.C. (2001) 'Value Maximization, Stakeholder Theory, and the Corporate Objective Function', *Journal of Applied Corporate Finance* 14.3: 8-21.
- and W. Meckling (1976) 'Theory of the Firm: Managerial Behaviour, Agency Costs and Ownership Structure', *Journal of Financial Economics* 3: 305-60.
- Johnson, A., and S. Jacobson (2002) *The Emergence of a Growth Industry: A Comparative Analysis of the German, Dutch and Swedish Wind Turbine Industries* (Mimeo; Göteborg, Sweden: Department of Industrial Dynamics, Chalmers University of Technology).

- Jordan, L., and V. Tuijl (2000) 'Political Responsibility in Transnational NGO Advocacy', *World Development* 28.12: 2,051-65.
- Keck, M.E., and K. Sikkink (1998a) *Activists beyond Borders: Advocacy Networks in International Politics* (Ithaca, NY/London: Cornell University Press).
- and — (1998b) 'Transnational Activist Networks in the Movement Society', in D.S. Meyer and S. Tarrow (eds.), *The Social Movement Society: Contentious Politics for a New Century* (Lanham, MD: Rowman & Littlefield).
- Kaufmann, D., and A. Kraay (2003) *Governance and Growth: Causality Which Way? Evidence for the World in Brief* (World Bank Group Working papers and Articles; Washington, DC: World Bank).
- Lindkvist, L., and S. Llewellyn (2003) 'Accountability, Responsibility and Organization', *Scandinavian Journal of Management* 19.2: 251-73.
- Logsdon, J.M. (1991) 'Interests and Independence in the Formation of Social Problem-Solving Collaborations', *Journal of Applied Behavioural Science* 27.1: 23-37.
- Mayston, D. (1993) 'Principals, Agents and the Economics of Accountability in the New Public Sector', *Accounting, Auditing and Accountability Journal* 6.3: 68-96.
- Ouchi, W.G. (1980) 'Markets, Bureaucracies, and Clans', *Administrative Science Quarterly* 25: 129-41.
- Pallot, J. (1992), 'Elements of a Theoretical Framework for Public Sector Accounting', *Accounting, Auditing and Accountability Journal* 5.1: 38-59.
- (2003), 'A Wider Accountability? The Audit Office and New Zealand's Bureaucratic Revolution', *Critical Perspectives on Accounting* 14.1-2: 133-55.
- Pfeffer, J., and G.R. Salancik (1978) *The External Control of Organisations: A Resource Dependence Perspective* (New York: Harper & Row).
- Puri, P., and T. Brook (2002) 'Employees as Corporate Stakeholders', *Journal of Corporate Citizenship* 8 (Winter 2002): 49-61.
- Risse, T., S.C. Ropp and K. Sikkink (eds.) (1999) *The Power of Human Rights. International Norms and Domestic Change* (Cambridge, UK: Cambridge University Press).
- Romzek, B.S., and M.J. Dubnick (1987) 'Accountability in the Public Sector: Lessons from the Challenger Tragedy', *Public Administration Review* 47.3: 227-38.
- Shaoul, J. (2004) 'A Critical Appraisal of the Private Finance Initiative: Selecting a Financial Method or Allocating Economic Wealth?', *Critical Perspectives on Accounting* 16.4: 441-71.
- Sinclair, A. (1995) 'The Chameleon of Accountability: Forms and Discourses', *Accounting, Organisations and Society* 20.2-3: 219-37.
- Stewart, J. (1984) 'The Role of Information in Public Accountability', in A.G. Hopwood and C.R. Tomkins (eds.), *Issues in Public Sector Accounting* (Oxford, UK: Philip Allan).
- Streeck, W., and P. Schmitter (1985) 'Community, Market, State and Associations?', in W. Streeck and P. Schmitter (eds.), *Private Interest Government* (London: Sage).
- Union Carbide Corporation (1984) *Bhopal*, available at www.bhopal.com/facts.htm.
- Van Maanen, J., and S.R. Barley (1984) 'Occupational Communities: Culture and Control in Organisations', in B.M. Staw and L.L. Cummings (eds.), *Research in Organisational Behaviour* 6: 287-366 (Greenwich, CT: JAI Press).
- Vredenburg, H., and F. Westley (2002) 'Sustainable Development Leadership in Three Contexts: Managing for Global Competitiveness', *Journal of Business Administration*, Special Issue, 'Bringing Business on Board: Sustainable Development and the B-school Curriculum': 239-59.
- Werlin, H.H. (2003) 'Poor Nations, Rich Nations: A Theory of Governance', *Public Administration Review* 63.3: 329-42.
- Wilson, J. (1980) *The Politics of Regulation* (New York: Basic Books).