

PART V

STRATEGIES

A common theme among the several promises of accountability is the desire that those being held to account behave appropriately. That seems simple enough, but in practice it requires decisions about which techniques and strategies are relevant to accountability and are deemed suitable for a given set of problematic relationships and circumstances. The determination of what approaches are “deemed suitable” is unlikely to emerge from carefully considered and rationally designed policies, but rather form the current toolbox of accountability mechanisms that reflect current dominant reform ideologies or common management “best practices.” In this section we bring together two contributions that focus on different approaches to a particular arena of accountable governance that has received growing attention in recent years: the effort to hold corporations to account.

In some instances, holding corporations accountable reflects the general sense that stakeholders—and especially shareholders—need to be able to exercise some control or direction over those charged with the day-to-day management of the firm. Sally Wheeler offers a critical examination of efforts to regulate corporate behavior from within the corporate governance structure by empowering outside directors who supposedly would act as a check on the overwhelming power of internal management. As Wheeler shows in “Watching the Watchdogs,” there are some fundamental problems with this strategy as put into practice.

A contrasting strategy for keeping the modern corporation accountable is, of course, the development of a regulatory regime where the watchdogs are placed outside the firm to assure appropriate behavior—that is, behavior that does not threaten the “public interest.” Matthew Potoski and Aseem Prakash offer an analysis of one such approach to render the behavior and choices of corporate actors more accountable. The use of voluntary arrangements (“clubs”) to facilitate socially and environmentally responsible corporate behavior is more common than generally acknowledged, and its relative success in certain areas suggests considerable potential for application in other areas. The authors articulate a model of such arrangements and use the case study of ISO 14001 as a practical demonstration of how such an accountability mechanism works. Focused primarily on creating and promoting international product standards that facilitate international trade, the International Organization for Standardization (ISO) has a long and established history in which it has morphed into a viable vehicle for promoting responsible behavior among thousands of companies from around the globe.