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*The Governance Gap: Extractive industries, human rights, and the home state advantage.* Oxon, New York: Routledge, 2014, 422 pp.

As the corporate disasters pile-up globally—to a truly baffling extent—politicians, academics, and civil society express increasing concern with the regulation and control of powerful transnational corporations (TNCs). Unfortunately, the prescription to the abuses of corporate power too often falls prey to the ideological (neoliberal-inspired) belief that corporations are inherently good and motivated to be socially responsible and that state intervention through formal rules and laws is unnecessary, even redundant (Glasbeek 2002). The authors of this highly informative and detailed book reject this position, asking instead what states can (and must) do to address the human rights abuses of TNCs.

The book's premise, outlined in chapter 1, is that a "governance gap" persists when it comes to regulating TNCs, particularly that international law is wanting and home states are unwilling to exercise their "regulatory power" to deal with corporate human rights abuses. To shed light on the problem, the authors draw empirically from the case of Talisman Energy in Sudan. Talisman is the Canadian extractive company that, in 1997, purchased a 25 percent share in the Greater Nile Petroleum Operating Company (GNPOC) in Sudan. Human rights groups immediately denounced the decision, citing the Government of Sudan's human rights record and alleging private security forces provided by the government to protect the GNPOC's operations violently displaced civilians to secure the oil fields for production. Talisman eventually sold its interests in the GNPOC (for a profit!), leaving the Sudanese people without compensation for their victimization. The authors are well-positioned to examine this case given they both participated in the Canadian Assessment Mission to Sudan, commonly referred to as the Harker Mission, to investigate the "alleged link between oil development and human rights violations" (40).

Chapter 2 provides a detailed account of Talisman in Sudan, including the company's efforts to deflect allegations about its role in the country's human rights abuses and the Canadian government's tepid response to the case. Interestingly, the authors note that Talisman decided to sell its shares in the GNPOC only after the US government threatened to prevent companies from listing on US stock exchanges if they conducted business with prohibited states (the US had previously banned US companies from operating in Sudan). For the authors, the Talisman case demonstrates the inability of corporations to self-regulate, the potential impact of regulation, and the unwillingness of states to ensure that TNCs respect human rights.

In chapter 3, the authors turn their attention to the corporate social responsibility (CSR) strategies that have emerged in recent decades to fill the governance gap. Of note are the different measures proposed by the United Nations that encourage TNCs to embrace socially responsible business practices, the most recent being the UN Guiding Principles on Business and Human Rights (the Ruggie guidelines). Although the authors do not dismiss these efforts entirely, they question their

efficacy as largely voluntary measures that fail to consider that corporations are legally structured to maximize profits and, as such, do not always make socially responsible decisions. In chapter 4, the authors review the range of domestic laws for regulating TNCs, arguing the state has a crucial role to play in addressing the harms caused by TNCs operating in “weak governance zones.” After reviewing various “command and control” as well as facilitative and incentive options at the state level, the authors conclude that these measures have, with few exceptions, failed to “prevent, modify or challenge extraterritorial corporate behaviour that violates international human rights standards” (259). Indeed, I was struck, in reading this chapter, with how much work states have done to develop laws that, in the end, do very little to address the human rights abuses perpetrated by TNCs.

In the final chapter, the authors outline their prescription for home state regulation of TNCs. Here readers will find the book’s real strength in refusing to conclude that states are limited in their ability to regulate TNCs. Without treating state-based law as a panacea, the authors outline their idea for a “Corporate Social Responsibility (CSR) Agency,” an independent state-level agency with the mandate to oversee the human rights performance of TNCs. At the heart of their proposal is the belief that “the crucial ingredient missing from the existing panoply of tools is a centralized mechanism for independent, credible, transparent and publicized assessment of the prospective risks posed by an overseas investment project, and effective monitoring of ongoing projects” (278).

Overall, this is an impressive book that addresses urgent questions about the regulation of powerful corporate actors. As with any effort to tackle such a complex subject, there are certain issues which some readers may find wanting. For instance, while the authors acknowledge that the corporation is legally structured to maximize profits, they stop short of questioning whether it should continue in its current form (for this see Glasbeek 2002; Tombs and Whyte 2015). Should states contemplate removing a company’s charter if they continually fail to respect the law? Given all the damage and destruction that has occurred globally, has the time come to rethink the role and structure of the modern corporation (and perhaps capitalism more generally)? Relatedly, although the authors state that corporate profits should never trump human rights, should we also consider whether human rights discourses obscure the underlying agendas of global capitalism, or what Bartholomew and Breakspear (2004) refer to as an “imperialist project” that employs the language of human rights to reproduce the status quo? Nevertheless, *The Governance Gap* makes a fine contribution to the literature and is a must read for anyone interested in the regulation and control of TNCs.

## References

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