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Dialogue, Debate, and Discussion

Introduction to 'Bringing Political Context Back into International Business Studies of Human Rights'

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This article continues the conversation started by Giuliani, Santangelo, and Wettstein (2016) on human rights and international business research. Arno Kourula and Jukka Mäkinen call for the grounding of such research in political theories that address the relationships between firms and their environments, and thus integrate perspectives across disciplines in corporate social responsibility.

Bringing Political Context Back into International Business Studies of Human Rights

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INTRODUCTION

In this article, we respond to Giuliani, Santangelo, and Wettstein's (2016) call for more international business (IB) research on the theme of human rights (HR). While we surely agree with the need for increasing research on the topic, we argue that future research should emphasize and elaborate on the role of political context. Moving the spotlight from states to companies as HR violators runs the risk of undermining the contextual complexities where violations take place. Companies are deeply embedded in their interaction with a variety of different stakeholders, including public sector and civil society organizations as well as other firms. We see that HR scholars can gain insights from the blooming literature of political corporate social responsibility (CSR) to bring back political context (Frynas & Stephens, 2015; Mäkinen & Kourula, 2012; Scherer & Palazzo, 2011; Scherer, Rasche, Palazzo, & Spicer, 2016; Schremp-Stirling, 2016). HR research can be

seen as a more empirically driven project and thus a political theory grounding can offer a solid foundation for this important stream of scholarship.

Human Rights in International Business

Giuliani et al. (2016) provide an excellent background of human rights and their meaning for management research. We agree with the authors that the role of business in HR is important and that it has received very limited attention (Wettstein, 2012). Indeed, the forthcoming special issue in *Journal of World Business* by the authors on this topic is a welcome addition to this conversation.

However, when answering this call for more studies on this neglected topic, several issues need to be considered. In the past decades, rapidly internationalizing firms and long supply chains have increased the visibility of human rights violations of firms as companies have had to deal with higher societal expectations for responsibility and adopting the same standards across the world. Nonetheless, HR research has traditionally been state-centric for a reason, as they have been the most serious human rights violators (e.g., Schremp-Stirling, 2016; Santoro, 2015). Replacing the state by a vague notion of institutional voids (Khanna & Palepu, 2007) and accepting a situation of governance gaps and weak state hypothesis in a globalized world, undermines the complexity of the phenomenon at hand. As argued by Santoro (2015: 156) 'in the area of human rights, however, this weak state hypothesis seems particularly inappropriate because the most pernicious and enduring human rights violations are committed by governments against their own people, and it is hard to say from the perspective of human rights victims what is "weak" about such rights-violating nations'. Only observing and explaining what types of HR violations companies commit is interesting, but a limited way of understanding the context where such violations occur.

As is the case for CSR research in general, we are at risk of overemphasizing one particular interpretation of globalization where the state is losing power and business becoming stronger (see Kobrin, 2009; Mäkinen & Kourula, 2012; Scherer & Palazzo, 2011; Tainio, Meriläinen, Mäkinen, & Laihonen, 2014). The challenges of this conception of globalization are well pointed out by Schrempf-Stirling (2016) in her recent work on business and human rights issues where she argues that, despite globalization, states have significant hard law mechanisms to regulate their corporations' foreign operations and to fill existing governance gaps. While International Governmental Organizations (IGO) have an important role to play, the key players that will interact at the local, national, and international level to either protect or violate human rights will be public sectors actors, civil society organizations, businesses, and local communities. It is only in understanding their interplay or division of labor that we can try to understand the conditions of protection and violation. According to Locke's (2013) influential study on the realization of basic labor rights in global supply chains, it is highly important to

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recognize the limits of private power in these settings and work towards more holistic approaches combining public, private and civil powers.

In line with Wright (1970: 110–111, cited in Giuliani et al., 2016) international business is about the 'interrelationships between the operations of the business firm and international or foreign environments in which the firm operates'. To examine these environments, we suggest that a recent stream of research within political CSR, which takes state power and the need for the division of moral labor in business and human rights issues seriously (Mäkinen & Kourula, 2012; Schremp-Stirling, 2016), can offer some important building blocks.

Corporate Social Responsibility and the Division of Moral Labor

Several reviews of CSR in IB have been conducted (Egri & Ralston, 2008; Kolk, 2016; Kolk & Van Tulder, 2010). Within this literature, the role of the state has largely been ignored and the political dynamics and power plays are de-emphasized. On the other hand, within management studies more broadly, the political roles that companies adopt and the political nature of CSR is on the rise (Scherer & Palazzo, 2011). This literature typically takes a more critical stance on the topic of CSR than the instrumentally focused mainstream. Political CSR literature examines the intended or unintended political impact of CSR activities of firms or of corporate social responsibility as a more general societal trend (Banerjee, 2008; Frynas & Stephens, 2015). While political CSR is home to many different perspectives, it is typically grounded in institutional, stakeholder, and Habermasian political theories (Frynas & Stephens, 2015; Scherer & Palazzo, 2011) and a key area of debate within this field is the role of the State.

While political CSR is still largely missing from international business journals, it could have a lot to offer for the discussion of IB and CSR and IB and HR. We suggest a deeper grounding in political theory and the work of political philosopher John Rawls (1921–2002) would be in order. Rawls, famous for his approach to social justice, was one of the most influential political theorists of the past century. In the development of his conception of justice, he discusses the ways in which responsibilities for political, social and economic dimensions of society are divided among political and socioeconomic institutions and various civil society and economic actors (1971: 520–529; 1996; 2001: 10–12, 52–55; see also Mäkinen & Kourula, 2012). The division of moral labor is based on the basic structure and conditions providing and preserving the background justice within which individuals, corporations and associations operate.

Thus, while we argue that all relevant actors – states, corporations, civil society organizations, and communities – are necessary to understand the protection and violation of human rights within a certain societal context, we also acknowledge that these actors function according to different principles. The case of China is an interesting example. Examining HR in China would be impossible without discussing the role of the state and other societal actors (e.g., Brenkert, 2009;

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Santoro, 2009). The central task in business and human rights issues is to work toward conceptions of divisions of moral labor where these different principles of action complement each other.

If we use the notion of division of moral labor as a lens to human rights, we observe that states play a more complex role that the mere regulatory framework for HR. They are both protectors and often complicit in HR violations. Indeed, on the bright side, public sector organizations can play a variety of roles in protecting human rights, including mandating, facilitating, partnering and endorsing HR (see Albareda, Lozano, Tencati, Perrini, & Midttun, 2009; Fox, Ward, & Howard, 2002; Streuer, 2010). Thus, HR is not only a matter of legislation and regulation, but also of developing multi-stakeholder forums to discuss and develop HR approaches, working together with companies and civil society organizations in various forms of partnerships, and promoting the respect of human rights. The different instruments that governments can use in HR can be informational, economic, legal, partnership-related, or a combination of these (Steurer, 2010).

Taking the political context of HR seriously has important implications for future research, both conceptual and empirical. Qualitative research, although sensitive and difficult data to gather, can help us understand the intricacies and mechanisms involved in HR violations at the individual, organizational, and institutional levels. Quantitative databases, for instance based on media texts as sources, need to take into consideration the local context and deep relationships between companies and public sector actors. The focus on CSR research has been heavily Western (e.g., Egri & Ralston, 2008; Matten & Moon, 2008), so emerging markets present a very important context of analysis for both exemplary behavior and programs and violations of human rights.

CONCLUSION

International business scholarship has roots in a variety of fields including international political economy. The insights of political science and theory are still highly relevant for IB scholars to understand the relationship between firms and their environments. As IB is all about context, we call for deeper political contextual analyses of HR in IB. In doing so, we suggest political CSR in general and more specifically the notion of division of moral labor would offer a useful framework to observe the interaction across societal sectors. In this way, we are better able to understand not only who violates human rights, but what kind of background structures and constellations of roles are necessary to avoid HR violations.

In our scientific endeavors, we tend to specialize further and further. When exploring a topic as comprehensive and wide reaching as human rights, we need to merge ideas and perspectives from a variety of traditions and disciplines, ranging from IB, management, sociology, political science, and business ethics, among others. Only in this way, we will be able to advance scholarship on this important topic.

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