"Does Corporate Social Responsibility need Social Capital? The Example of the „Sector Model Social Responsibility" of the "Foreign Trade Association of the German Retail Trade (AVE)", a Public Private Partnership Project"

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Does Corporate Social Responsibility need Social Capital?
The Example of the „Sector Model Social Responsibility" of the "Foreign Trade Association of the German Retail Trade (AVE)", a Public Private Partnership Project

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Abstract

This paper raises the question of whether controlling companies with the help of a monitoring system is a successful way to establish social standards within the supply chain and to help to spread social standards into developing societies. Since the debate thus far has concentrated strongly on the question of what monitoring systems look like and how they are implemented, this paper aims to broaden the discussion by pointing out the possible interrelations between the role of social capital and the diffusion of social standards. What role can social capital play in the diffusion of social standards?

After a short introduction to the debate about Corporate Social Responsibility and social standards, there is a discussion of monitoring systems and their limits. Then my own concept of social capital is developed in specific regard to the concerns outlined above. After that, the focus will shift to the possible interactions between social standards and social capital. Finally, my considerations will be illustrated with a case study of the Public Private Partnership-project "Sector Model Social Responsibility" of the "Foreign Trade Association of the German Retail Trade (AVE)".

Keywords: Multinational Companies, Corporate Social Responsibility, Social Standards, Codes of Conduct, Monitoring, Social Capital, Public Private Partnership project, Multi-Stakeholder Round Table

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Introduction

This paper is concerned with *what role social capital could play in the process of the diffusion of social standards.*

This question arises in the following context: When confronted with the societal demand to act in accordance with Corporate Social Responsibility (CSR) Multinational Companies (MNCs) more and more often react by establishing voluntary codes of conduct concerning social standards[2] throughout their supply chain. At the beginning of this process companies often declined any responsibility for their supply chain (e.g., Locke 2003:51). They established codes of conduct that were limited to the realms of their company and received no credible monitoring. In reaction to an intense public debate, an increase of critical campaigns, and customers boycotts, more companies now see themselves challenged not only to establish a code of conduct but also to establish a more credible external, independent system of monitoring for their company as well as for their whole supply chain, reaching far into developing countries. Several monitoring systems have been developed that try to optimise control and raise social standards within the supply chain.

The Monitoring Process of Codes of Conduct concerning Social Standards

The development of monitoring systems can be seen as a reaction to the criticism of codes of conduct of being implemented in an unreliable way. Generally, the monitoring of labour standards is a process of controlling whether or not the labour standards of a code of conduct are implemented in the right way. There is a wide spectrum of different monitoring systems, ranging from internal to independent or external monitoring systems. Definitions of the terms within this spectrum also vary considerably.[3] Usually, 'internal' monitoring is defined as a form of monitoring conducted by the company itself. By this means the company can integrate the monitoring into its normal quality management, which puts it on a more regular basis but keeps

[2] The following distinction concerning social standards is usually made: On the one hand, the broad term 'social standards' is used more generally in the literature as a comprehensive term for minimum standards with respect to the provision of labour contracts (e.g., working time, wages, social insurance, etc.) and labour rights (Scherrer et al. 1998:12 quoted in Windfuhr 2004). On the other hand, the more specific term 'core labour standards' refers to the definition of the International Labour Organisation (ILO) (Windfuhr 2004:105). In their 'Declaration on Fundamental Principles and Rights at Work' the ILO identified seven, now eight, key conventions as 'core labour standards'. The Declaration covers four areas: Freedom of association and the right to collective bargaining; the elimination of forced and compulsory labour; the abolition of child labour; and the elimination of discrimination in the workplace (International Labour Organization n.d.).

[3] Alternatively, there is the distinction between first, second and third party monitoring. Usually businesses see themselves as the first party, the suppliers as the second party, and the monitor as the third party (Ascoly/ Zeldenrust 2003).

it in the company's area of responsibility. For example, the German company Faber-Castell established an integrated management system for quality, environment and social aspects, called FABIQUS (Faber-Castell n.d.). A less integrated form of internal monitoring can be carried out by conducting internal inspections, e.g. 'social audits', undertaken as spot-checks by the company itself or by any owned subsidiary founded specifically for this purpose. External or independent monitoring is more credible and is conducted by an independent organization, e.g. a Non Governmental Organisation (NGO) (Ascoly/Zeldenrust 2003:8ff, IGM Vorstand et al. 2001:62, Fuchs 2000:297ff, Urminsky 2001:32).

Theoretically, these different monitoring systems can be seen as complementary. Whilst internal monitoring, especially in the form of an integrated management system, can help to spread social standards throughout a company culture, independent or external monitoring can exert 'real' control more thoroughly legitimate (ILO 1998:No.66).

There are various cases where it is difficult to find out how the monitoring systems work and whether or not they are credible. For example, the retail company C&A claims to monitor its code of conduct with the help of the company SOCAM. But, as NGOs point out, all SOCAM's staff were previously employed by the C&A group. Therefore, critical NGOs raise the question whether SOCAM's activities in relation to the C&A group could be interpreted as independent and external monitoring at all (Women Working Worldwide n.d.).

Empirically, the OECD lists 246 codes of conduct, but only 137 include internal monitoring and only 26 allow independent or external monitoring (Wick 2003:23).

Therefore, there is not only an intense debate as to how to increase the number of codes of conduct concerning social standards, but also as to how to improve the credibility and effectiveness of monitoring systems.

Some well known criticism of monitoring systems will be mentioned in the following in order to clear what are the limits of monitoring systems. In the second half of the paper I will come back to these limitations.

Systems of monitoring codes of conduct are often based on spot-check controls that are not very frequent. NGOs complain that monitoring is often not very intense. In many cases, during a one or two hour visit, monitors interview the management about employment issues and are guided around the premises. They are therefore only able to identify ‘obvious’ violations of the code of conduct (Women Working Worldwide n.d.). As a result, no real and continuous pressure for a sustainable and effective improvement of social standards can be exerted.

In my view, it is not sufficient simply to call for intensified mechanisms of ‘control’. More intensified control not only raises the costs, it also has little chance of success unless there is some kind of practical commitment bringing social standards to life (deCarlo 2004: ch. 2.1.)

Another criticism concerning monitoring focuses on the dependency structures. Suppliers often seem to implement social standards by complying with the relevant code of conduct because they are economically strongly dependent from their buyers, e.g. the large retailers whose goods are produced at the supplier’s facilities, the merchandisers, brand name companies or their intermediaries. For them, compliance with the codes of conduct above the minimum required by the monitoring does not make sense since it involves economic disadvantages. To a certain extent, they have no economic margin for ethical behaviour. For example, the time limits for fulfilling a contract in the textile industries are sometimes only a few days or weeks. The supplier finds itself faced with the dilemma of either producing the goods on time or risking the loss of his buyer. This kind of pressure is passed on directly to the workers, resulting in, for example, enforced overtime. In such a situation of dependency, respecting the code of conduct does not make sense for the supplier. Instead, the code of conduct and the monitoring process are perceived as further demands directed against the interest of the supplier. Additionally, adherence to codes of conduct sometimes has the consequence that workers perceive them as unfavourable. An example is the workers’ rejection of the prohibition of overtime. As such, this prohibition is designed to protect workers, but as overtime working hours are necessary for them to earn the minimum wage they need for their survival, they tend to reject the social standard. The problem of a supplier unable to pay living wages cannot be solved with a limited code of conduct prohibiting overtime working hours. To design codes of conduct in the ‘right way’ requires a wider perspective and the ability to anticipate the impacts and consider the preconditions and possible – even unintended – consequences. Even if workers feel themselves committed to the social standards within a code of conduct, often an atmosphere of fear and arbitrariness prevails which prevents them from engaging and fighting for their own rights. In particular, when workers’ rights are denied and unemployment is high, workers will hardly risk complaining about violations for fear of negative consequences, e.g. sacking. In what is a precarious situation for both supplier and worker, the idea of shared values with regard to public welfare plays a more minor role than harsh economic necessities. The notion that economic considerations might be simply subordinated to social standards is less than realistic. Indeed, social standards as framed in a code of conduct are very often perceived as a 'strange', 'isolated' and 'disconnected' element. In these circumstances, intensifying control seems to me a rather limited approach to diffuse social standards. Instead, there is a need for reciprocal understanding, and an exchange about the different cultural interpretations of social standards and their value for society as a whole. In this sense, monitoring systems are not enough for the diffusion of social standards. Due to structures of economic dependency and different cultural interpretations of social standards, monitoring systems have to be supplemented by something else. Only then can the obstacles to a better diffusion of social standards be overcome.

Additionally, monitoring systems are limited with respect to their area or territoriality of influence. Any possible control cannot reach the informal sector (e.g. so-called sweatshops) or the far ends of the supply chain of the formal sector, at least when it is organised as a complicated system of sub-sub-contractors or in the form of long, shifting subcontracting chains (Murray 1998:32f, Reichert 2004:8, Röben 1999:8). In the worst case, a code of conduct may result in a relocation of work from the formal into the informal sector (Reichert 2004:7ff). The above mentioned limitations of monitoring systems are only some examples, of what impedes a spill-over of social standards from a few MNCs and their suppliers into the wider economical sector and into the societal institutions, the rules, 'scripts', norms and values of a society.

This paper will raise the question of whether controlling companies with the help of improved monitoring systems alone can be a successful way of establishing social standards within the supply chain and of helping to spread social standards in developing societies. Even if, with the help of a monitoring system, it were possible to detect the compliance with a certain code of conduct it is unclear whether the values connected to it would be accepted in developing societies and could therefore be implemented in a sustainable way. As the debate has concentrated strongly on the question of what monitoring systems look like and how they are implemented, I want to broaden the discussion by pointing out the possible interrelations between the role of social capital and the diffusion of social standards. In the prevailing debate this interconnection of social standards and social capital is widely neglected.

Social Capital

Before focusing on the interconnections between social standards and social capital we have to take a closer critical look at the highly ambiguous and controversial concept(s) of social capital. In the broad debate about social capital not only are there questions raised concerning its conceptualisation and measurement, the concept is also criticised for giving rise to "vague ideas" and "casual empiricism" (Solow 1999 quoted in Ahn/Ostrom 2002:2).

Bourdieu, Putnam and Coleman are the authors most often credited with bringing in key thoughts and impulses to the contemporary debate about social capital (Caroll/ Stanfield 2003:397ff). The following summary of this debate tries to point out how social capital is conceptualised, discussed and applied in a variety of disciplines. Panther (2002:155ff) has attempted to classify the different disciplinary debates. According to him, the aspect of trust is stressed in economics, in sociology the aspect of networks is highlighted, and in political science the aspect of civil society engagement is focused upon. Similarily, Ahn and Ostrom (2002:19) make a distinction between three key elements of the concept: trustworthiness, network structures and institutions. Outside academic circles the term social capital is increasingly used for policy purposes (Dolfsma/ Dannreuther 2003:405ff). The World Bank, for example, sees social capital as a key concept against poverty and inequality. It uses the following definition: "Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions (…) Social capital is not just the sum of the institutions which underpin a society – it is the glue that holds them together" (The World Bank 1999).

After this very short introduction into the 'world of social capital definitions' the question arises of how to deal with the multifarious meanings of and distinctions within this one term.
What makes the concept of social capital more than the sum of the different elements it is made of (e.g. trust(worthiness), network structures, institutions or civil society engagement) and as such valuable?

I want to interpret and use these well-known and diverse definitions of social capital as a basis for my own concept. With reference to these diverse definitions, I will sort them along certain 'positive' qualities (1, 2). On top of that, I will try to focus on the 'normative' qualities inherent in many of the definitions mentioned above (3).
Finally, I will try to put this new concept into the context of the concerns of this paper.

On the next pages, 'social capital' is differentiated according to the following qualities:

(1) Social capital as a resource;
(2) Social capital as a capability, and
(3) Social capital as 'capital to be social'.

Social Capital as a Resource.

The qualities related to 'social capital as a resource' will be seen mainly in the structural component of the concept. There are, for instance, structures of networks, contacts, established trust or reputation. One example of social capital as a resource is membership within a network, such as a multi-stakeholder forum. Such affiliations can be seen as a valuable resource to a MNC for obtaining information about stakeholders' views concerning CSR or the contemporary debate in a manageable, personal and perhaps trustful circle.

But, this should be distinguished from the different ways how to use such resources. In my view, this depends essentially on the capability, e.g., to develop alliances through trustworthy behaviour or to build up a good reputation.

Social Capital as a Capability.

In addition to 'social capital as a resource', the qualities related to 'social capital as a capability' will be seen mainly in the process component of the concept. It can be seen as a capability to develop, to use, to activate or to obtain resources such as networks, contacts, trust or reputation, which can be characterized as a process. For example, a person or a company with a high level of capabilities or skills can more easily create alliances and facilitate cooperation, can better communicate and diffuse its own values and norms, or can also manipulate the public by 'playing' with Public Relations.

'Social capital as a resource' and 'social capital as a capability' are closely connected with each other, and therefore the distinction has often more the character of an analytical one. Both are unthinkable without social interactions. Building up a resource requires the capability to do so, and vice versa. As with Giddens' structuration theory, resources and capabilities are interrelated. An actor needs resources to elaborate his capabilities, and in the process of doing so reproduces the resources. As regards the different cultural borders that social standards have to overcome, the issue could be raised whether social capital as a resource and as a capability can also function as translators or 'transmitters' between, for example, different value systems of different networks.

Apart from these considerations the question of the normative and positive components of social capital has to be discussed. From my point of view, the two qualities of social capital discussed so far are applicable to a wide range of goals but operate irrespective of public welfare. They can therefore be described as 'positive' rather than 'normative' qualities. In order to determine the normative aspect of social capital, let us invoke a third quality.

Social Capital as 'Capital to be Social'.

In my view, social capital also has a normative component. I will try to explain in what way it seems to be a normative as well as a positive concept.

The Italian Mafia, widely perceived as a force contradicting public welfare, can, following the qualities of social capital mentioned until now, be described as having a high level of social capital. In many parts of southern Italy the Mafia has close networks, commonly shared values and enjoys a certain trustworthiness from its members. Along the differentiations outlined thus far, this could be described with a high level of social capital as resources and capabilities. On the other hand, a society attributed with a high level of social capital would not normally be announced with the Mafia. Instead, a high degree of civil engagement, general trust and shared norms and values are generally interpreted as social capital correlated with a positive effect towards public interest and public welfare. Therefore, I will introduce the third quality of 'capital to be social'. It breathes the 'spirit' of social behaviour in the interest of public welfare in a normative sense. Here, social capital as a resource and as a capability are oriented towards and are 'used' to further public welfare. The ideas and realizations of what is best in the sense of 'public welfare' can vary immensely. Nevertheless, by taking social standards into account the ILO core labour standards will be the main framework of reference. But, how exactly these conventions and norms are interpreted and realized has to be discussed in relation to the respective societal context.

While the first two qualities of social capital mentioned above are potentially neutral in a normative way, social capital as 'capital to be social' introduces an explicitly teleological component into the social capital concept. In this way, it tries to operationalise the above mentioned and rather abstract definition of the World Bank, that "social capital is the glue that holds the society together" (World Bank 1999).

In the following, the distinction of social capital qualities which I have developed will be used to discuss the possible impacts of social capital on the diffusion of social standards.

Social Capital and the Diffusion of Social Standards

As mentioned above, the debate about voluntary social standards of MNCs is highly focused on the monitoring systems related to codes of conduct. Therefore, the main focus is on the intra-organizational working conditions of MNCs and their supply chains. With this narrow perspective on the diffusion of social standards with the help of monitoring, the wider societal preconditions that are necessary for a sustainable implementation and for a spill-over of social standards into developing societies is not taken into account. How can we supplement this narrow perspective with reference to the concept of social capital as developed above?

The diffusion of social standards has to overcome different cultural borders, because the supply chains of MNCs reach far into other societies. For example, MNCs in the textile sector are mostly 'at home' in rather developed industrialised nations, but mainly produce in developing countries where they are confronted with a different cultural background and more unfavourable working conditions, especially for unskilled workers. Probably, the implementation of codes of conduct from above means that, throughout the whole supply chain, they remain somewhat unconnected to the specific cultural background of the people and their perceptions of social standards. But ideally the implementation of social standards would mean bringing them 'alive' and making them part of the 'scripts', rules and institutions of working life in general. Perhaps social capital can be seen as the essential supplementation to bring these social standards 'alive', or at least can be seen as the missing link in case the codes of conduct fail.

For a clearer discussion of how to bring social standards 'alive' with the help of social capital it will be helpful first of all to identify the important actors in the supply chain and see what kind of social capital they have or use.[4]

In a rather textbook supply chain four main actors can be discerned: (a) The head of the MNCs with their managers located in a developed country; (b) the workers of the MNCs in the developed country; (c) the supply chain companies and their managers in the developing countries; and (d) their workers in the developing countries. In the interest of clarity, this rough differentiation excludes other important actors such as NGOs and consumers.

Comparing the situation between the developed and the developing countries we can assume that managers in both countries have social capital as a resource and as a capability. Mostly they

[4] In attempting to analyse some tendencies the following considerations are rather general.

will be integrated in networks, they can activate support through alliances, they share values, and so on. However, as they are living in separate 'worlds', this does not mean that they automatically share the same social capital. Further, it could be that large companies in developed countries have more social capital available as a resource and as a capability compared with suppliers in the developing countries. But what about the third form of social capital: capital to be social?

Suppliers in developing countries, who often find themselves in a highly dependent situation, will probably prefer to utilise their social capital as a resource and as a capability for their own economical survival, and not necessarily for the implementation of social standards. This is especially the case when social standards are in conflict with economic goals. Similarly, highly shareholder-value oriented brand name companies based in developed countries are dependent upon a good reputation among their customers. Obviously, they will try to utilize their social capital as a resource and a capability in order to achieve these goals. For them, social standards or a code of conduct are means to reach these goals, independent of what they see as good for public welfare. Of course, there are some traditional, often family-led companies that support social standards due to their ethical conviction. However, this does not necessarily apply to shareholder-value oriented MNCs.

In the same way, this is related to the question of how much 'social capital to be social' is to be found in society. When a society demands the implementation of social standards, as articulated by NGOs, for example, then NGO campaigns and consumer boycotts are a real threat to the economical performance of companies who do not comply with social standards. For them, the incentive to implement social standards rises. In this way, social capital to be social when it is embedded in a society can support the implementation of social standards, but needs not necessarily be part of a company's motivation in the first place. Nevertheless, the level of social capital to be social in developed countries seems to be higher compared with developing countries.

It can be assumed that, in developed countries, workers have more social capital compared with those in developing countries. In the last decades minimum workers' rights, such as the core labour standards of the International Labour Organisation (ILO), became something common in developed countries, and their violation results in public protest. Therefore, workers and people in developed countries not only have a solid basis of 'social capital to be social' in their societal environment, they also have a stable framework of social capital as a resource (e.g. unions), and social capital as a capability (e.g. protests for workers' rights are part of the rules and 'scripts' of society). This situation differs fundamentally from that in developing countries. As regards working conditions in these countries (not peoples private life)[5], there is no profound societal atmosphere to strengthen or enforce social capital to be social: there is just a low level of social capital as a resource (e.g. in the form of unions), and a low level of social capital as a capability (e.g. no trustful yet highly competitive relations to other workers).

As a result of these considerations the thesis can be formulated that the gap between the managers' social capital and the workers' social capital in developing countries is much higher than in developed countries.

What does this mean with regard to the limits of implementing social standards in a sustainable way through codes of conduct and monitoring systems?

The social standards integrated into a code of conduct transport certain values and norms. The monitoring systems used to control the implementation of social standards have their limits, since the 'idea' of social standards and the values and norms incorporated in them do not trickle down into the developing societies. Instead, they remain as isolated entities, unable to take root and spread into a wider societal area.

My argument here is that social standards can be implemented in a more sustainable way when there is 'social capital to be social' to bring them to life. Without this normative component of social capital, which explicitly has public welfare in mind, the effects of codes of conduct and the related monitoring systems will fizzle out at a certain point.

When managers have social capital as a resource and a capability, they can use and activate it for their own goals, e.g. their profit orientation. On the other hand, more activities to diffuse social standards can be observed in developed countries. This can be understood as the result of larger amounts of 'social capital to be social' being embedded in developed societies. Because unions, networks, general trust in the law system or the civil engagement of NGOs are generally common in developed countries, workers have a comparably good availability of social capital resources. This is different in developing countries, where fundamental labour rights are absent or violated. Here, workers do not have social capital as a resource, as a capability or as the

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[5] This has to be strongly distinguished from their social capital of private life - this is often very strong in

capital to be social to improve their working conditions. Additionally, social standards that are usually part of a code of conduct are - compared to developed countries, – less a part of the wider societal rules, ‘scripts’, values and norms of a society. As a consequence, they are not considered or ‘discovered’ as something worthy. Spot-check monitoring, for example, cannot perform well without a minimum level of ‘support’ or ‘understanding’ on the part of the workers affected. Figuratively, there is no ‘humus’ in the form of social capital to be social on which the social standards framed by a code of conduct can grow and diffuse in society. Bringing the above considerations together, it seems as if the diffusion of social standards not only requires ‘top-down’ codes of conduct and monitoring systems, but also ‘bottom up’ social capital - and thus a combination of all three differentiated qualities.

If looked at in more detail, the interdependence between codes of conduct and social capital are rather complex and only in tendency reducible to an ambivalence between ‘top down’ and ‘bottom up’.

This interdependence is mainly because of the conjunctive role of social standards, not only as something framed in a code of conduct but also as a possible basis or part of social capital.

The following dynamic and self-reinforcing process is thinkable: Some MNCs develop and implement codes of conduct in their supply chain, e.g. for getting a better reputation in their home base and other developed countries. This top-down code of conduct allows, for example, unionisation. As a result, workers in developing countries gain growing social capital as a resource and also, ideally, growing social capital as a capability, e.g. an atmosphere of trust in not loosing their workplace because of participating in the new union. Eventually even some routines and scripts in the realm of their working lives slowly grow to demand working rights. With this, ‘social capital to be social’ could spread across a developing country. With the help of the increasing social capital as a resource and as a capability, e.g. in the form of unions, these qualities of social capital can then function as translators or ‘transmitters’ to connect the values and norms inscribed in social standards with the culturally specific standards of the society in question. The growing social capital of the workers and, from a wider perspective, the civil engagement from NGOs in developing countries, could be the ‘humus’ for bringing social standards alive and for demanding further labour rights. With rising pressure on suppliers also the MNCs’ likelihood increases to develop and implement a code of conduct, which could also

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developing countries.

go further than including just the minimum core labour standards (compare, for example, the increasing debate about living wages). The growing social capital can then - in a 'bottom up'-way - support the diffusion of further codes of conduct, not only within the 'foreign' MNCs producing in developing countries but also within the suppliers in the developing countries itself.

To sum up, my argument is that social standards need social capital and vice versa.
Nevertheless, the model of reciprocal influence described above is something of an ideal, theoretical paradigm. One could conceive of several factors which could disrupt this particular model of dynamic diffusion of social standards. But nevertheless, and more concretely, what can be taken from this model and used in relation to policy initiatives aiming at the diffusion of social standards?

One possible means by which social capital could be taken into account in the process of the establishment of codes of conduct would be through the creation of structures of participation within developing countries. One possible form is the creation of multi-stakeholder Round Tables with members from non-governmental organisations, trade unions, and governmental organisations from developing countries and representatives from the multinational companies or trade associations. With this, a network and platform for exchange and communication could be created to combine the three qualities of social capital. The following is an empirical example to illustrate these considerations.

Case Study: A Public Private Partnership project

This case study concerns an actual three-year Public Private Partnership project (PPP-project) in Germany. Generally, a PPP-project tries to combine the economic power of private sector companies with the public welfare orientation of a public partner. In terms of development policy these partnerships are a relatively new model (GTZ n.d.). On the 'private' side, the PPP-project "AVE Sector Model Social Responsibility" was initiated in the year 2002 by the "Foreign Trade Association of the German Retail Trade (AVE)". On the 'public' side, the PPP partner is the 'German Federal Ministry for Economic Co-operation and Development' and the German development cooperation agency "Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)"[6]. The initiative is not limited to Germany, there are also members of

[6] The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH is an international cooperation enterprise for sustainable development with worldwide operations.

the Dutch Association for Large Retailers in Textiles (VGT) participating. The focus is on companies of the AVE that are producing textiles, sports wear, shoes and toys, mainly in developing countries. There are 15 countries in which the suppliers' working conditions are supposed to improve as a result of the PPP-project. The highly ambitious aim is to establish a sector-wide code of conduct in accordance with the so-called "social management system" Standard Social Accountability 8000 (SA8000) (AVE n.d. a, GTZ n.d.). The SA8000 is developed by the Social Accountability International (SAI) organisation and provides monitoring by an independent auditing company (Reichert 2004:20ff, SAI n.d., Wick 2003:36ff). At the present time there are only a few results available concerning the PPP-project (AVE n.d. b, Otto 2004:25ff).

Nevertheless, there are some multi-stakeholder elements within this project making it significant for the concerns of this paper.

First, there are so-called AVE-GTZ-Workshops that accompany the implementation of the SA8000 standards. These workshops introduce the method and the context of the project to the involved suppliers. Additionally, not only representatives of the AVE companies, but also representatives of other existing stakeholders from the developing countries - such as NGOs, ministries, associations or unions - are invited. The aim of the workshops is to activate an understanding of the basic ideas of the SA8000 in order to build up commitment. Some early observations indicate, as a result of these workshops, a growing acceptance of social standards on the part of the suppliers (deCarlo 2004:ch. 2.4.4). But in what way is social capital involved, in the sense that we have defined it above? Such workshops not only constitute a network but also a forum for discussing social standards and also for explaining the normative component why social standards are something 'good'. As such, this particular PPP-project could be interpreted as the attempt to integrate the role of social capital as a resource, as a capability and also as 'capital to be social'.

Second, there is a plan to create 'Round Tables' as a multi-stakeholder forum in the developing countries involved in the PPP-project. They will be constructed according to the example of the German 'Round Table Codes of Conduct'. Its membership includes four participants each from MNCs or trade bodies, NGOs, trade unions and government organisations (Round Table Codes of Conduct n.d., critical deCarlo 2004:ch. 2.4.3). The GTZ functions as the secretariat for the German Round Table and tries to insert a public welfare orientation into the PPP-project by planning to create these Round Tables in developing countries. In a long-term perspective these

Round Tables are conceived to critically assist the implementation of the relevant standards. Thus, they accompany the certification- and monitoring process of SAI. Again, this seems to be a highly ambitious plan. Practically, it will be difficult to find credible stakeholders for a membership in such Round Tables. For example, a Round Table operating within a restrictive political system such as China's will hardly find independent and critical participants at the beginning of the process. Nevertheless, the Round Table takes into account the role of social capital for the diffusion of social standards. In a Round Table members can create a personal network, trustworthy relations can develop and some different interpretations of standards can be exchanged. Could this be a decisive step not only to the imposition of codes of conduct on "southern countries" by more economically potent northern ones, but also to further the exchange of different interpretations of social standards and to support the autonomy and capabilities of articulation in southern societies? A Round Table could also help to strengthen the development of 'social capital to be social' concerning working conditions in these societies. Eventually, this could reduce the gap between the amount of social capital of the workers in developing countries and their employers. But it is still early days. The PPP-project is at its very beginning and it will be tempting to observe the future development.

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