

Listening to the stakeholders: plea for a participatory approach – and some grounded theories – of impacts in social LCA

Alain Falque

Montpellier SupAgro, UMR MOISA-ELSA (France)

1. Context and scope

The UNEP/SETAC Guidelines identifies :

- a “general research need” to “detail the stakeholder approach”: “A peculiarity of S-LCA is the stakeholder approach. Research groups are currently working with the following categories: worker, consumer, local community, society and value chain actor. Detailing the stakeholder approach and assessing if it should be broadened is a valuable research field to investigate.” (p. 82); and
- a “limitation due to development mode”: “S-LCA tends to develop indicators in a top down manner that may not represent the views and priorities of the impacted people or their communities. Therefore, it is important to get stakeholders involved and engaged as much as possible in the study process.” (p. 77).

2. Towards a participatory approach – and some grounded theories – of impacts in social LCA

1. The search of what’s worth

1.1. From the need to work backwards...

To identify the effects and impacts of a given activity, we cannot proceed in S-LCA as simply as in E-LCA.

In E-LCA, it is possible to take, as starting point for such a research, an inventory of material and energy flows of an activity, in the form of a simple table of all basic inputs

and outputs of energies and materials (physicochemical elements) of this activity. And, from this inventory, to go in search of their various consequences.

In S-LCA a wide variety of intangible, immaterial phenomena may be the cause of an indefinite range of consequences, effects and impacts.

As we are unable to conduct a systematic survey of all the phenomena that could potentially have any possible effect and, a fortiori, explore all these possible effects for each of these phenomena, we are obliged to work backwards (Macombe, 2013).

Therefore, we need to start from some hypothetical effects and impacts – actually, from some impact points, that is to say, from the adverse or favorable (final or intermediate) states of the different social aspects we are interested in. This, in order to determine which activity outputs (“performances”), i.e., the SLCA equivalents of the ELCA “inventory data”, must be recorded, collected, because they could be the cause of these assumed effects and impacts.

This implies having certain assumptions, namely, some underlying theories (explicit or implicit) on the possible causal relationships between the various “performances” (“social inventory data”) assumed to be relevant and the adverse or beneficial states of the different social aspects we are interested in.

1.2...to a reference to the standards of CSR...

The critical problem here is that the concepts involved in social phenomena are all concepts “essentially contested” within the meaning of Gallie (1956), that is to say, some irreducibly contested and questionable notions by their very nature.

For circumvent this difficulty and in order not to be vulnerable to criticism, the UNEP / SETAC has taken support on existing and widely distributed standards, and therefore assumed to be “consensual” [cf. the recurrent references to the conventions, established practices, state of the art, both in the context of relevant institutional forums and inside ad hoc expert communities: “(...) reflect internationally recognized categorizations/standards (...) or result from a multi-stakeholder process (...); [X] is not a dimension that has been put forward in CSR framework and literature. It is not being considered, in the moment, as being one of the key issues (...); comparable to GRI and other international schemes (...); following the common practice (...) according to international agreements (conventions, treaties etc.). (...) best practices at the international level have been taken into account: international instruments, CSR initiatives, model legal framework, social impacts assessment literature (...)].

1.3...at risk of bias of perspective

But these standards may also particularly reflect the worldviews of a very specific “epistemic community” - in the sense of Haas (1992) - , those of the designers and proponents of the standards referred, these high level experts-consultants, whose

international careers cause them to move seamlessly (frequently and without apparent difficulties) from transnational corporations to NGOs, then from NGOs to national and international public institutions and organizations, and return - as this has been well established in the case of some multi-stakeholder forums (see Fouilleux, 2013).

So this particular epistemic community (however well-trained and informed it might be) can't claim having a priori an universal viewpoint. Its own views, including on matters within its competence and expertise, are just as special as would be those of any other specific epistemic community on the same issues.

Therefore, the question arises concerning the relative legitimacy of the particular perspective of this epistemic community of the designers and proponents of these standards. And this question is particularly acute with regard to the legitimacy that could possibly claim some divergent viewpoints from any set of material stakeholders.

2. A matter of stake

2.1. From a priori categories of stakeholders...

Five "major" categories ("recognized") of stakeholders are highlighted by the UNEP / SETAC, i.e.: workers / employees; local community; society; consumers; and value chain actors.

Retaining these five categories a priori, the UNEP / SETAC appears to keep the stakeholder concept essentially in line with the first of two "branches" of the dual definition of Freeman, recalled in note 34, p. 47:

Stakeholders are "...those groups and individuals that can affect, or are affected by, the accomplishment of organizational purpose" (R. Freeman, 1984).

These five categories cover essentially categories of stakeholders qualified in the CSR literature as "primary" by Clarkson, because they are voluntary (Clarkson, 1995); and "legitimate" by Hill and Jones, because they are contractors or in exchange relationships with the firm (Hill and Jones, 1992).

In this perspective, the stakeholders appear obviously being *"...those groups and individuals that can affect the accomplishment of organizational purpose"*.

2.2...to impact pathways of the firms

However, SLCA's practitioners should logically pay more attention to the other branch of the dual definition of Freeman.

Indeed, Freeman argues for a strategic management approach based on taking into account the impact of the action of stakeholders on the objectives of the firm. But he

actually founded his argument on the observation that most of potential stakeholders usually don't seek to have any impact on the firm.

They don't do it, except if they have to, as a required response to the initial impact of firm's actions on the achievement of their own goals. So they started to have something at stake, due to firm's actions.

In other words, genuine stakeholders appear always to be stakeholders a posteriori, due to previous action of the firm: *"...those groups and Individuals that are affected by the accomplishment of organizational purpose"*.

3. In a critical perspective

3.1. From the legitimacy of the point of view of the stakeholder...

It is precisely in the fact of suffering the impact of the firm's pursuit of its objectives that relies the source of legitimacy of the stakeholders to assert their own viewpoints on the nature and the extent of this impact.

In a direct extension of Kant's categorical imperative, Evan and Freeman have indeed noted that *"no one should be used as a means to some other purposes whatsoever without the benefit of full rights to participate in any relative decisions"* (Evan and Freeman, 1993).

They deduced that *"(...) stakeholders have inalienable rights to participate in decisions that substantially affect their welfare or that concern them as resources devoted to the purposes of others"*.

"Which implies the legitimacy of claims made to the company" and *"explicitly defines the duty of the management to recognize these claims"* (Evan and Freeman, 1993).

Evan and Freeman outline thereby the essence of the principle of accountability as it comes in the economic universe: the firm must account for its behavior with its various stakeholders.

This is exactly what the "AA1000 AccountAbility Principles Standard 2008" of the consulting firm AccountAbility have presented as a set of three related principles, which set should become now essential as a framework for the development of S-LCA studies:

- Inclusiveness: people should have their say in the decisions that have an impact on them.
- Significance: policymakers must identify the real problems and to have a clear position about them.
- Reactivity: organizations must respond seamlessly for their actions.

3.2...to the participatory development of grounded theories of social impacts

For as long as we adopt the “AA1000 AccountAbility Principles Standard 2008” standard as a framework in the field of S-LCA studies, we are therefore led, in matters of identification, exploration and definition of social impacts, to the development of an approach that turns out to be:

- “backwards”
- “bottom-up”, and thus inductive
- participatory
- falling within the framework of the “grounded theories” developed by Glaser and Strauss (Glaser & Strauss, 1967).
- and fitting in the end on these epistemic and practical bases in the broader perspective of the theory of the inquiry of John Dewey (Dewey, 1938).

References

AA1000 AccountAbility Principles Standard 2008, URL : <http://www.accountability.org/images/content/0/7/074/AA1000APS%202008.pdf>

Clarkson, M. B. E. (1995). «A stakeholder framework for analysing and evaluating corporate social performance.» *Academy of Management Review* 20(1): 92-117.

Dewey, J. (1938). *Logic: The Theory of Inquiry*. Holt, Rinehart and Winston, New York. Also in: *Collected Works of John Dewey 1882-1953 (Book 12)*, Southern Illinois University Press, 2008.

Evan, W. M. and R. E. Freeman (1993). *A stakeholder theory of the modern corporation : Kantian capitalism. Ethical theory and business*. T. L. Beauchamp and N. E. Bowie. Englewood Cliffs, N.J., Prentice-Hall: 97-106.

Fouilleux, E. (2013). « Normes transnationales de développement durable. Formes et contours d’une privatisation de la délibération », *Gouvernement et action publique*, 2013/1 n° 1, p. 93-118.

Freeman, R. E. (1984). *Strategic management: a stakeholder approach*. Pitman, Boston, MA.

Gallie, W.B. (1956). «Essentially Contested Concepts», *Proceedings of the Aristotelian Society*, Vol.56, pp. 167–198.

Glaser, B. G., Strauss, A. L. (1967). *The Discovery of Grounded Theory. Strategies for Qualitative Research*, Chicago, Aldine Publishing Company.

Haas, P. (1992). « Introduction: Epistemic Communities and International Policy Coordination », *International Organization*, vol. 46, n°1, pp. 1-37.

Hill, C. W. L. and T. M. Jones (1992). «Stakeholder agency theory.» *Journal of Management Studies* 29(2): 131-154.

Macombe, C. (2013). *How to predict social effects and social impacts?*, chapter 7 in Macombe C. (ed.) *Social LCAs*, Théma, Fruitrop, Montpellier.

UNEP/SETAC (2009). *Guidelines for social life cycle assessment of products*. United Nation Environment Program/Society of Environment Toxicology and Chemistry, Paris.