Multinational enterprises as "social actors" –

Constructivist explanations for Corporate Social Responsibility

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ABSTRACT

Traditionally, the discipline of International Relations ("IR") assumed a state-centric perspective. However, as new actors emerged and begun to play an increasingly important role in international politics, the discipline opened itself towards non-state actors. Among these, multinational enterprises ("MNE(s)"), their participation in public-private partnerships and their changing role expressed in extended corporate social responsibility ("CSR") have caught the interests of scholars as MNEs are no longer simply the object of regulation, but rather become political actors themselves. In a nutshell, regulation *of* MNEs has changed to regulation *together with* MNEs. Despite these changes, however, private business actors in general and CSR in particular have predominantly been investigated from rationalist perspectives. Although a fertile and dynamic theoretical field, constructivism has been surprisingly reluctant to deal with MNEs. To counter this reluctance, the paper conceptualises MNEs as "social actors" affected by norms and acting on a logic of appropriateness. This theoretical argument is empirically illustrated by analysing the arguments given by MNEs for participating in CSR. Besides the expected logic of business reasoning in corporate speeches, ideas and arguments such as moral and ethical obligations, changed understandings of the corporate role in society and the will to tackle important global issues can be found in most speeches presenting MNEs as sensitive towards social expectations. As the case of CSR shows, there is an ideational motivation for corporate action beyond rational calculation and expected consequences, indicating that corporate action itself is more complex than rationalist theories commonly suggest.

Keywords: multinational enterprises, CSR, international norms, logics of action

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Introduction[1]

Since the economic crisis of the late 1970s replaced Keynesian ideas of economic regulation with neoliberal ones, both the political approach towards and the role of multinational enterprises ("MNE(s)")[2] have changed.[3] These new approaches have been expressed through the increasing relevance of corporate social responsibility ("CSR"). Private business actors are no longer considered to be only economic actors solely committed to their *share*holders, but also bear responsibilities towards a wider group of social *stake*holders.[4] A consequence of this new understanding is that MNEs have become political actors themselves. Culminating in global partnerships like the *UN Global Compact* or in local and specified approaches such as the *Forest Stewardship Council* and the *African Program for Onchocerciasis*, "the international community increasingly appears to view corporations as powerful partners in global governance"[5], replacing the notion of regulation *of* corporate business actors with the notion of regulating *together with* MNEs. In almost all issue areas, state-dominated "command & control approaches" have been replaced with multi-stakeholder initiatives.[6] Within these public-private-partnerships ("PPP(s)"), authority has been redistributed between the various participating actors, a development academically reflected in the discussion of terms such as "private authority" and the "privatisation of world politics".[7]

The debate on private business actors assuming public roles takes place between the intersecting discourses of Economics, Law, and Political Science. However, despite this interdisciplinarity, the cooperation between the different disciplines appears to be rather one-sided in favour of economic approaches. Both International Relations ("IR") and International Political Economy ("IPE"), "whose inferiority complex vis-à-vis the tool-rich economist is equalled only by that of the economist vis-à-vis the physicist"[8], have been eager to import concepts and theories from their neighbouring discipline. Although imports from other disciplines widen ones own perspective and thus contribute to a deeper understanding,

IR and IPE do not take full advantage of their own pluralistic theoretical landscape and contribute as productively as possible to the discourse on CSR. Most research on MNEs within the two disciplines has been conducted in rationalist terms only and contributions are often limited to questions of legitimacy and effectiveness of PPPs and CSR.[9] Despite being a well-established theoretical field, constructivism has been surprisingly reluctant to deal with MNEs and constructivist analysis of private business actors and CSR is still lacking.[10]

To at least partly fill this gap, this article focuses on MNEs and CSR from a constructivist perspective. Instead of evaluating the legitimacy or effectiveness of new partnerships, it raises the question why MNEs participate at all. Put differently, what motivates companies to accept standards of behaviour that narrow their own potential scope of action? Due to the dominance of rationalist theories on the behaviour of corporate actors, this question is commonly passed over by referring to the potential benefits of participation. According to rationalist accounts, by joining CSR initiatives, companies avoid further and more specific state regulations as well as criticism from civil society. Moreover, MNEs only promote such aspects of corporate responsibility from which they expect a positive public perception impact.[11] In a nutshell, the motivation to participate in CSR initiatives is determined by a logic of expected consequences as MNEs are narrowly defined as „*apriori* and asocial egoists"[12] with exogenous interests and intentions.

Contrary to this perspective, the article draws on constructivist norm research. From this theoretical standpoint, the logic of expected consequences is replaced by a logic of appropriateness. This logic implies that actors accept certain norms and act according to them in order to reproduce and stabilise their identity as norms are understood as "shared expectations about appropriate behaviour held by a community of actors"[13] and have a constitutive effect on actors. We argue that the conceptualisation of CSR as a bundle of norms which define appropriate behaviour for corporate actors allows for a better understanding of current transformations of the roles and responsibilities of the private sector.

This theoretical argument is empirically illustrated by an analysis of 96 speeches delivered by MNEs from the extractive industry. A content analysis of the arguments used in these speeches shows that corporate speakers not only draw on rational arguments for their CSR participation, but also refer to the – albeit still vague – general appropriateness of corporate social responsibility. To support this line of thought, the paper proceeds as follows. In a first step, rationalist conceptualizations of actors and agency are discussed. Against this background, constructivist theories and their conception of agency are introduced in the second chapter. Within this perspective, the logic of appropriateness and the concept of norms are brought forward as theoretical alternatives to account for action. The next chapter discusses their applicability on corporate actors before the following chapter presents the case selection and method of analysing the speeches as well as the results of this content analysis. In a final step, these findings are summarised and questions of conceptualising MNEs as well as binding vs. non-binding CSR regulatory approaches are discussed anew from a constructivist point of view.

Rationalist conceptions of actors and their behaviour

Political science in general and the discipline of International Relations and International Political Economy in particular have a long-standing tradition of borrowing theoretical concepts from their neighbouring disciplines.[14] One of the most important and yet only since the emergence of constructivism in the 1990s openly discussed imports into IR and IPE has been the rationalist conception of agency and behaviour.[15] Drawing on the tradition of neoclassical economics, action is explained by referring to the image of the *homo oeconomicus*. Despite well-founded criticism[16], IR and IPE have been marked by what Hodgson has called an imperialism of neoclassical economics.[17] This model presupposes an "ontological individualism"[18] and assumes an agent-centric point of view. It conceptualises actors as rationally pursuing their aims and realizing their preferences which have been

defined beforehand. Thus, actors choose between two alternative actions on the base of expected consequences which are sorted by their individual utility derived from exogenously defined preferences.[19]

Understood as a "cookbook or recipe"[20] to explain action, rational choice theory has been applied to almost every aspect of international relations – ranging from why states decide to wage war against each other, to the emergence of cooperation and international regimes, to how NGOs try to influence international negotiations, to name but a few instances of applied rational choice theory. Common in all of these instances is the notion that the respective actors pursue their interests independently from social interaction. From this utilitarian point of view, norms are followed only as long as this seems to be the most useful thing to do. There is no immanent moral authority or oughtness within norms which guide actors. Thus, if the expected costs of norm compliances do not equal the expected benefits of doing so, actors will not behave according to the norm and break it.[21]

To describe this utilitarian approach in terms of a logic of action, rationalist conceptions of agency explain behaviour by referring to a logic of expected consequences. From this point of view, actors always act on the basis of expected consequences of their behaviour. Society in general and political order in particular, arises from "negotiations among rational actors pursuing personal preferences or interests in circumstances in which there may be gains to coordinated action".[22] As such, the authors emphasise the familiarity of such a logic of action to every day life experience within Western culture. Rational action driven by expectations appears to be deeply rooted in the interpretation of international political life in particular and human interaction in general.[23]

Applying the logic of expected consequences to an analysis of corporate behaviour thus appears to be rather self-evident and obvious. Because of relentless and permanent competition as well as unforgiving market forces, MNEs are seen as a prime example of "efficiency-driven, positive-sum game institutions".[24] Thus, economists such as Milton

Friedman argue in favour of a logic of expected consequences as *the* corporate logic of action arguing that „[t]he social responsibility of business is to increase its profits".[25] However, the dominance of rationalist approaches has been questioned as social science witnessed a shift towards post-rationalist theories in the 1990s. At least within some disciplines, this shift contributed to changing previously held conceptualisations of private business actors. Instead of assuming clear and static preferences, "multinational enterprises are viewed no longer simply as instrumentalist advantage-maximising institutions, but as complex organisations which exceed their goals and functions, but in non-utilitarian ways"[26]. Thus, while other disciplines studying MNEs have widened their theoretical and analytical tool box, IR and IPE have failed to do so.[27] This is even more striking considering the fact that the discipline of IR explicitly witnessed a "constructivist turn"[28] in which alternative theoretical concepts were developed and deployed. The next section introduces constructivist IR theories and their conception of agency. It discusses why a theoretical explanation of CSR activities beyond classical rational choice concepts so far has not been undertaken.[29]

Constructivist IR theories and their conception of agency

Starting in the late 1980s, a growing number of scholars within IR and IPE appeared to be unsatisfied with rationalism and started to argue in favour of more complex conceptualisations of social (inter-)action. The dominance of rationalist approaches was questioned as a debate between rationalist and constructivist theories began, prominently featured in the special issue of *International Organization* in 1998.[30] For the purpose of this article, the emergence of constructivist theories entailed important consequences for the question of agency. Firstly, IR experienced a "return to norms"[31]. Once again, international norms and their potential effects in terms of behaviour were an important and controversial issue discussed within the discipline as different authors contributed to many different areas.[32] At stake were not only the precise definition of norms, but also their conceptual

importance and whether they mattered at all.[33] Secondly, in assuming norms affect actors in both *regulative* and *constitutive* terms, the logic of expected consequences appeared to be too simplistic and needed further elaboration. Thus, constructivist theories replaced the logic of expected consequences with the logic of appropriateness emphasising the social context of action and the endogenous constitution of identity and interests.[34] Both aspects as well as their consequences for conceptions of agency are discussed below.

Defining norms and their effects within constructivism

Although most authors introduced slightly different definitions of the term, constructivists generally define norms as "collective expectations for the proper behaviour of actors with a given identity"[35] and "shared (thus social) understandings of standards of behaviour"[36]. There are two aspects that need further elaboration, given that these two aspects embody the most obvious distinction between constructivist and rationalist understandings of norms. Firstly, for constructivists, norms are shared between actors. Thus, norms are always intersubjective and form the social structure in which actors interact with each other. Contrary to the rational understanding and its agent-centric perspective, constructivists therefore consider norms as "collective social facts".[37] Secondly, within a social collective, norms define which kind of behaviour is appropriate and which is not. As "shared expectations about appropriate behaviour"[38] norms imply a prescriptive quality of oughtness by which action is interpreted and evaluated.[39] Thus, while rationalism conceptualises norms as prescriptive rules, constructivism emphasises the evaluative character of norms. Norms do not only define and restrain the scope of action by simply ruling out certain forms of behaviour while advocating others ('Do X and don't do Y') but also allow action X to be interpreted as Y in context Z.[40]

Having defined norms as shared understandings of appropriate behaviour, the next step is to outline their effects on actors and their behaviour. While rationalism conceives norms as affecting actors only in regulative and thus peripheral terms, constructivism emphasises the

constitutive effects of norms.[41] As part of the social structure, norms create and constitute new forms of identity.[42] Put simply, the norms an actor accepts and chooses to adhere to define what he or she is and what others see in him or her. Norms allow to interpret action as appropriate or inappropriate and therefore constitute new identities (e.g. accepting human rights norms as appropriate behaviour for democracies).[43] In this understanding, norms become "focal points"[44] of identity, which are permanently reproduced or questioned through action.

The logic of appropriateness and its relation to the logic of expected consequences

Although the debate on logics of action started in the early 1990s, the only consensus reached so far is that different logics exist.[45] While the rationalist model of the *homo oeconomicus* refers to the logic of expected consequences, the *homo sociologicus* acts on the base of the logic of appropriateness, which differs from the rationalist version in two crucial points, directly related to the norm definitions discussed above. Firstly, actors are conceptualised within a social structure where expectations about the appropriateness and inappropriateness of actions exist. Thus, the social structure provides "direction and goals for action"[46]. Action is always interpreted and evaluated according to shared standards of appropriateness.[47] Secondly, the identity and thus also the interests of an actor are no longer exogenously defined but instead endogenously constituted and constantly reformulated through interaction with the social structure. Put simply, what an actor is and therefore what he or she wants is no longer determined but instead becomes the subject of social interaction. Every action – either acting according to rules and fulfilling social expectations or breaking them – influences how actors are perceived by others. Here, norms function as benchmarks to distinguish appropriate from inappropriate behaviour.[48]

If one combines the two aspects – the existence of a social context constructed by norms and the endogenous constitution of identity through action with regard to norms – action can no longer be explained by referring to the logic of expected consequences. Instead of

reasoning dominated by means-end calculations and strategic behaviour, reasoning guided by rules and identity becomes the motivational background for action. Consequently, the question of "How do I get what I want?" is replaced by questions such as "What kind of situation is this?" and "What kind of behaviour is appropriate?"[49] Thus, how an actor chooses between two alternatives (e.g. whether an actor breaks a norm or not) does not solely depend on his or her individual calculation of preferences, but is also dependent upon his or her identity and the social context of action.[50] In a nutshell, actors can be conceptualised as not only contemplating consequences but rather as acting appropriately to situation and identity:[51]

> "Human actors are imagined to follow rules that associate particular identities to particular situations, approaching individual opportunities for action by assessing similarities between current identities and choice dilemmas and more general concepts of self and situations."[52]

Having distinguished the logic of appropriateness from the logic of expected consequences, the question remains how the two logics relate to each other. At the beginning of the debate between rationalism and constructivism, the two logics appeared to be irreconcilable. By now however, "[b]ridge building has […] become trendy"[53] and many authors link the two logics of actions in both theoretical and empirical terms.[54] March and Olsen themselves conclude, that "any particular action probably involves elements of each logic"[55] and thus assume a constant simultaneity between the two logics. Following this, they construct four possible links between the two logics: (1) The clear logic dominates the unclear one (e.g. preferences are clear and precise, identities and rules are vague and ambiguous), (2) one logic is used to establish fundamental constraints for a decision while the other logic is used to make refinements within these constraints, (3) the relation between the logics is a developmental one (e.g. actors enter new relationships for instrumental reason but then develop identities) and (4) either logic can be understood as the special case of the other.[56]

Instead of following the fashionable approach of linking the two logics, we understand the logic of appropriateness as the comprehensive logic of action. Contrary to the notion of two

simultaneous and perpetually alternating logics of action, the two cannot be combined because of metatheoretical differences in their conceptions. Considering the afore discussion on rationalist and constructivist actor images, any link between the two logics of action appears to be on weak theoretical ground as it fails to offer a convincing way to conceptualise the social context of action. By saying that the logic of appropriateness is the comprehensive logic of action we argue that acting rationally on the base of individual interest calculation is simply the predominant aspect of appropriate behaviour for different actors.[57] The logic of expected consequences is not an axiomatic logic of action in itself, but rather in many instances the most appropriate mode of behaviour because of the dominance of rationality in both the academic and the political discourse within the Western world. For certain actors (e.g. states in a situation of conflict or crises as well as business actors with responsibilities towards their shareholders), it may simply be the most appropriate form of behaviour to act as rational and profit-maximising as possible.[58]

While this argument may at first seem rather theoretical and without any empirical consequences, dissolving the logic of expected consequences into the logic of appropriateness does have implication on how actors and their agency are conceptualised and in turn interpreted. Moreover and in accordance to the focus of this article, it offers new insights into the question of what motivates private business actors to participate in CSR. Once the logic of appropriateness is understood as the comprehensive logic of action, changes in corporate behaviour can be explained by emerging norms of CSR as well as to changed expectations towards MNEs and no longer by referring to *ex post* rationalization of behaviour.[59] The last years have witnessed an emergence of new norms with regard to corporate behaviour which – from our point of view – no longer simply constrain corporate action, but also reconstitute the very notion of what it means to act appropriately as private business actors. Although the theoretical argument about norm effects and the logic of appropriateness is – at least within constructivism – widely accepted for both states and NGOs, it has not been applied to MNEs.

The next chapter argues that this is not only a possible but also a reasonable endeavour for the understanding of private business actors in IR and IPE.

Norms, the logic of appropriateness and MNEs – a possible combination?

Focussing on "soft areas" such as environmental and human rights issues in the beginning, IR constructivist (norm) theory and the application of a logic of appropriateness has by now ventured deep into security studies and foreign policy analysis.[60] By doing so, constructivism has greatly widened its scope of research issues. Until now, however, constructivists – consciously or unconsciously – have not contributed to the role of private business actors and CSR. While Wendt deliberately focused on states as the main actor in international relations[61], other constructivist approaches feature NGOs as the most relevant actors.[62] Put bluntly, constructivist norm theory in general has limited itself to states as potential candidates *for* and NGOs as potential entrepreneurs *of* norm dynamics.[63] Although becoming more relevant for international relations in general, private business actors remain rational actors *per se* and have not been the subject of research inspired by constructivism:

> "Despite growing acceptance of the constructivist claim that norms play an important role in international life and an increased interest in private authority among international relations (IR) scholars, surprisingly little research in the field has explored the extent or mechanisms by which norms influence the behavior of firms."[64]

Consequentially, norms are conceptualised to only influence MNEs in regulative terms which then only act on the basis of the logic of expected consequences. At first sight, due to the rationalist dominance in the discourse on MNEs, this conception of business actors as profit seekers appears to be rather self-evident. Obviously, because of the institutional responsibility to their shareholders, maximising profit is an integral if not defining aspect of multinational enterprises. Nevertheless, it is important to keep in mind that although "firms should be treated as analytically distinct from states and other types of non-state actors, […] distinctions that rely on defining away their social nature are unhelpful and inaccurate"[65]. Therefore, as argued before, the logic of expected consequences can and should be integrated

into a comprehensive logic of appropriateness where corporate behaviour is guided by notions of appropriate action and ideational motivation. Private business actors rationally seek to maximise profit since this is the most appropriate form of behaviour for them.[66] These socially shared expectations and ideas are held and constantly confirmed by shareholders as well as by the "relentless competition and unforgiving market forces"[67]. If companies do not meet these expectations, they simply cease to exist.[68]

However, albeit still vague, CSR emerged as a bundle of norms which created new notions of appropriate behaviour for private business actors with regard to social and environmental standards, human rights and working conditions. Currently, we are witnessing the emergence of a new "global public domain"[69] in which new expectations towards corporate actors are articulated on a global level. CSR norms may in the first place be vague and most likely differ in each other's conceptions. Delegates from MNEs and NGOs coming together at a *UN Global Compact Summit* quite likely see the world from different standpoints. However, as interaction becomes more intense and different views are exchanged on a regular base, an intersubjective notion of appropriateness is established through processes of debate and learning.[70] Because of being "exposed" to new norms and their "constitutive process of identity formation"[71], the very definition of what it means to be a successful enterprise is renegotiated and corporate interests and preferences restated.[72] For example, contrary to the early stages of capitalism, the uncompromising exploitation of human beings and nature is no longer considered as appropriate behaviour for private business actors. Put simply, it seems to no longer fit the identity of any MNE to unethically exploit the environment (although some might still do so in secret). Instead, ideas such as sustainable development and CSR have become socially held expectations towards MNEs and are thus – at least partially – implemented by many companies.[73] Whereas 25 years ago, MNEs dismissed their environmental impact as an externality, by now most companies comply with environmental corporate social responsibility norms because the normative (market) structure has changed.[74]

This point is illustrated in the following content analysis of statements by extractive companies with regard to their specific patterns of arguments for CSR.

Outlining the existence of and accounting for CSR norms – patterns of arguments used by MNEs

Although most authors agree that the role of business is changing, only few have answered the question why assumed rational actors deliberately participate and initiate CSR partnerships in a way that goes beyond assumptions made by classical rational choice approaches. Commonly, corporate CSR participation is explained by referring to exogenous notions of rationality and profit-seeking behaviour such as risk aversion and reputation.[75] Joining a CSR initiative is the *most rational* thing to do for companies because by doing so further regulation can be avoided and costs reduced.[76] Following our theoretical discussion in the previous chapter, we argue the contrary. Because of the social nature of corporate actors and because of the emergence of a new bundle of CSR norms, joining an initiative is the *most appropriate* thing to do for companies. Instead of essentializing corporate rationality, the article looks at the patterns of arguments used by MNEs themselves. Put simply, we reconstruct what reasons private business actors give for participating in CSR initiatives.

By reconstructing the argumentations used by MNEs – by allowing them to speak for themselves –, a well-founded judgement on the underlying logic of corporate action can be given. However, we do not understand our empirical findings as a definite proof for our theoretical assumptions. Given the inextricable dichotomy of the debate between rationalist and constructivist theories, one could argue that despite on-going attempts to do so neither logic can be proven in the end.[77] Instead, we would like to make plausible our theoretical claim by analysing whether or not MNEs refer to different logics of action when publicly justifying their behaviour. If companies solely refer to a rationalist logic of business reasoning in their justifications and do not account for any social expectations held by their

stakeholders, their behaviour could best be characterised by the logic of expected consequences. Concepts such as shared norms, ideas of appropriate action and corporate identities constructed through action would then become unimportant for corporate actors.[78] If, on the other hand, companies justify their CSR engagement by referring to social expectations and their changing role in society, a notion of appropriateness would resonate in their action. Following the theoretical argument of the comprehensiveness of the logic of appropriateness, any form of argumentation referring to both elements – business reasoning and social expectations – can be integrated into the constructivist logic as assumed rational behaviour is understood as an expression of appropriate behaviour.[79]

First and foremost such findings would give strong reason to assume the existence of CSR norms as a new discursive frame which become so important for corporate actors to include them in their reasoning.[80] Second, we argue that an analysis of corporate rhetoric also bears implications for their actions. Based on a constitutive understanding of language which does not only represent but instead creates reality[81] as well as the remarks on norms and the logic of appropriateness given above, we argue that a strong distinction between language and action cannot be made. Although specific actions and policies "on the ground" are in no way determined as creative agents might ascribe different meanings to CSR norms, there is at least theoretical reason to assume that the way an actor constructs his identity through rhetorical references tells us something about the way he or she acts. Thus, we do not only argue that corporate rhetoric have changed, but instead argue that based on an alternative actor conception, rhetoric references cannot be separated from action.[82] To make our findings of the content analysis more transparent, the next chapter discusses the case selection and the method used to analyse corporate patterns of arguments.

Case selection & method: CSR and the extractive industry

Given the ever-growing number of private governance arrangements as well as the current popularity of CSR in both academic and practical discourse, analysing all corporate

references to CSR would be an impossible endeavour. Thus, the article limits itself to CSR references from the extractive industry. There are three reasons for this. Firstly, the extractive sector is dominated by a small number of MNEs whose size is extraordinary and who operate in many countries.[83]. Thus, any findings on CSR originating from the extractive sector are in themselves relevant for the debate. Secondly, the problems resulting from corporate cross-border activities in multiple countries are even more pressing for the extractive sector than for any other sector because of their "asset specificity"[84]. Extractive companies cannot simply leave conflict areas and choose to operate somewhere else due to the limited availability of resources. The activities of extractive MNEs are therefore tied to specific regions. Thus, especially with regard to human rights issues, but also with regard to environmental issues and working rights conditions, CSR is highly important for the extractive industry and public justifications for their action are abundant.[85] Thirdly, and closely related to the second argument, the regions where most extractive MNEs operate are defined as "areas of limited statehood"[86] or post-conflict regions. In such areas, CSR and voluntary industry self-regulation become even more important as there are no governance structures to regulate corporate behaviour.

While parliamentary speeches usually are well-documented, archived and made available for the public, this is not true for corporate speeches. Like other industry sectors too, the extractive sector represents a highly unstructured field for research. There is no available database where one can choose from comparable speeches held in the same situations. Furthermore, no two companies are the same, interact in the same contexts or produce the same amount of corporate speeches and arguments.[87] Therefore, to collect a representative sample of speeches, the article screened CSR platforms and homepages from different initiatives such as the *UN Global Compact* and the *Extractive Industries Transparency Initiative* as well as specific interests groups such as the *World Business Council for Sustainable Development* and the *World Diamond Council* for statements. Moreover,

homepages of various inter-corporate CSR workshops and those of the companies themselves were screened as well. Thus, the main selection criterion was the availability of the speeches for the public hoping to represent a wider discourse of corporate argumentations. By selecting speeches from different situations – at the *UN Global Compact Summit*, in front of one's own stakeholders or at a workshop together with state and NGO delegates – we hoped to include as many relevant arguments available for corporate participation in CSR as possible. Covering a period from 1999 to 2006, a total of 96 relevant speeches were analysed. Although these speeches do not represent all corporate contribution from extractive MNEs, the amount of speeches appears to be significant enough to allow some general conclusions. Table 1 lists all analysed speeches sorted by companies:

Table 1: Analysed speeches listed by companies[88]

name of MNE	number of speeches	percentage of total speeches
Anglo American plc	9	9,38
BP	19	19,79
Chevron Texaco	23	23,96
De Beers	6	6,25
Exxon	6	6,25
Norsk Hydro	3	3,13
Occidental Petroleum	3	3,13
Rio Tinto	11	11,46
Royal Dutch/Shell	16	16,67
total speeches	**96**	**100,00**

The 96 speeches were analysed using a content analysis in which the primary focus was to reconstruct the corporate motivation behind CSR. Thus, the research question was which arguments were presented by the companies for participating in CSR initiatives or creating individual CSR codes of conduct. Following the theoretical argument, two categories of arguments were formed. The arguments given by MNEs could either be related to (1) a notion of calculating expected consequences and thus hoping to reduce costs, increase profit and reputation or generally improve the company's performance, or (2) to a notion of appropriateness referring to identities, rules and social expectations towards the company.

While the first category is linked to the rational image of the *homo oeconomicus* and the notion of individual benefits, the second category comprises self-expectations and expectations by others as well as ethical arguments and thus draws on the image of the *homo sociologicus*. While the former is "pulled" by the prospect of expected rewards in the future, the latter is "pushed" by socially shared expectations held by other actors.[89]

However, as discussed before, these two images are theoretical concepts accounting for action. While one carefully needs to distinguish between the two of them on a theoretical level, they empirically overlap. Any given actor might use different arguments referring to both logics in the same speech. Therefore, using the two categories in an 'either-or-way' would have resulted in a "[t]heoretical paradise – empirically lost"[90]. As Deitelhoff and Müller have argued, the clear-cut division between the two theoretical concepts cannot be upheld within empirical research. Risse points into the same direction by saying that any theoretical discussion needs an empirical baseline which has to modify and adapt the theoretical tools developed before to be of any meaning.[91] Despite the sharp theoretical distinction discussed above, a third category of statements using elements of both logics was therefore introduced as it became obvious that most speeches drew on patterns of arguments related to both logics.

Each category was further differentiated into seven sub-categories of argumentative patterns which were developed inductively from the speeches in a first pilot study. According to a random sample of ten speeches, arguments for corporate CSR participation indicating a logic of consequences could be based on the expected economic success of the company, the important role for the corporate future, reputational gains, the improvement of the political and social environment, the qualification or security of staff and the relation to the host country where the MNEs is operating. On the other hand, corporate speakers also argued for CSR emphasising general values and obligations, social expectations held by the company as well as the public, the existence of other norms and standards, the respect for local cultures

and the positive impact within the host country as well as on a global level, all with reference to the appropriateness of their action. As with the two categories derived from the logics of action, the sub-categories were not mutually exclusive. Within one speech, different sub-categories could be used to argue for CSR participation. For example, the individual economic success could argumentatively be combined with a positive impact for the host country. Table 2 summarises the different sub-categories and shows keywords derived from the speeches analysed in the pilot study[92]:

Table 2: Sub-categories of corporate motivation for CSR participation

Sub-categories for the logic of expected consequences:

name of sub-category	keywords
economic success	*business advantage; good business reason*
corporate future	*long-term interests; sustainability; survival of company*
Reputation	*trust; corporate image; reduction of damaging criticism*
improved political / social environment	*stable economies; political stability*
qualification / education of staff	*developing and retaining a diverse workforce*
security of staff	*take care of safety; medical care; reduce costs of accidents*
relations to host country	*build relationships of mutual advantage; local commitment*

Sub-categories for the logic of appropriateness:

name of sub-category	keywords
values and moral obligations	*core values; integrity; honesty; responsibility*
social expectations (ego & alter)	*our role; good corporate citizen; society's expectations*
norms & standards	*respect for human rights; business principles*
positive impact for host country	*contribute to sustainable development; improving lives*
respect for local cultures	*protect indigenous people; protect cultural heritage*
general humanitarian impact	*reduce human tragedy; improve conditions*
global benefits	*global poverty reduction; tackle important global issues*

"Expected consequences vs. appropriateness" – The arguments given for CSR

In accordance with the considerations from Müller/Deitelhoff and Risse, our content analysis shows a mixed picture. A total of 75 speeches drew on both logics (78.1 %). While 11 speeches used only arguments related to the logic of expected consequences (11.5 %), 10 speeches could be linked solely to the sole logic of appropriateness (10.4 %). Put differently, although using rational arguments related to expected consequences, a total of 88.5 % of all speeches drew on arguments related to the logic of appropriateness. Nine out of ten speakers

argued for CSR as the appropriate form of behaviour, while only every tenth speaker argued for corporate CSR participation without referring to any notion of appropriateness of doing so. Most of the time, aspects such as business reasons, profit-maximising and means-end calculations were rhetorically linked to appropriate behaviour defined by CSR norms. Although one could argue the other way around – only every tenth speaker solely refers to the logic of appropriateness – the simultaneity of both logics indicates that MNEs act on more sophisticated motivations than suggested by rationalist conceptions of agency. As Table 3 shows, reducing MNEs to the aforementioned rationalist actor conception of "efficiency-driven, positive sum game institutions"[93] acting beyond any social context ignores the diversity of influences on corporate motivations presented in the various speeches.

Table 3: Speeches sorted by arguments referring to the different logics of action[94]

speeches using only arguments related to the logic of expected consequences	speeches using arguments related to both logics	speeches using only arguments related to the logic of appropriateness
11 (11.5 %)	75 (78.1 %)	10 (10.4 %)

With regard to conceptualising MNEs, these findings therefore suggest that private business actors are not *rational* but rather *social* actors. Instead of essentialising corporate rationality, their meaning is "identified in the context of interaction"[95] and appears to be much more complex than theories of rationalism or neoclassical economics would suggest. Obviously, the aim of profit-maximising under constant competition is a constitutive part of what it means to be a multinational enterprise. In fact, these patterns of action are regarded as most appropriate for MNEs as they are socially expected by other actors. However, these expectations are the product of norms which might change through social interaction. Considering the speeches analysed above, one can argue that the intersubjectively shared understandings of what is considered to be appropriate behaviour for MNEs is presently changing. It is no longer simply comprised of business reasoning and long-term interests, but also constituted by ethical obligations and moral expectations. CSR can be understood as an

emerging bundle of norms for MNEs created by the dynamic interaction between civil society, states and private business actors.[96] As such, it becomes a focal point of corporate identity and influences action as indicated by the following quote from a former board member of *Rio Tinto*:

> "Perhaps the greatest snare of 'invisible hand' economics is the notion that business is […] value-free, with managers acting as blind agents of market-forces. The truth is different. Companies, like people and like other institutions, are value-full rather than value-free and, like them, have a choice whether to behave responsibly or irresponsibly, to think through the consequences of their decisions or to act recklessly"[97]

The quote shows that one motivation for corporate CSR participation is the constitutive effect of norms which can be understood as ideational motivation for social actors. Due to the fact that CSR has already entered an advanced phase of a "norm life cycle" – being accepted by a crucial amount of relevant actors and now entering the phase of "cascading onto others" – it has become a motivation in and of itself.[98] Enterprises are learning to internalise ideas of CSR, accept such forms of action as appropriate and implement it in their "action on the ground". As CSR is gaining momentum beyond rational calculations, CSR participation can no longer be explained by solely referring to these calculations.[99] Instead, it becomes a constitutive part of the very definition of what it means to be a succesful enterprise. The following conclusion discusses these implications for both the theoretical argument of conceptualising MNEs from a constructivist point of view as well as for the questions of voluntary versus non-voluntary approaches towards the regulation of private business actors.

Conclusion & implications

Borrowing from the neighbouring discipline of Economics, research on MNEs within IR and IPE is commonly conducted by referring to actor assumptions based on neoclassical economics, rational choice and game theory approaches.[100] Simplified for the sake of parsimony and modelling, corporate actors are not considered as social but rather as rational actors conceptualised from the position of ontological individualism. The aim of this paper was to question this dominance and to offer an alternative account for corporate motivation.

To do so, the article took up well-researched and established concepts of constructivism such as the constitutive effect of norms and the logic of appropriateness. By using a constructivist framework to conceptualise MNEs and analyse their patterns of arguments given to account for CSR initiatives, we first showed that CSR has emerged as a bundle of norms which is strongly referred to as a discursive frame and taken serious by the community of corporate actors.

Second, the majority of statements referred to arguments related to both logics of action. The content analysis of 96 speeches has shown that corporate action is not only justified by arguments derived from a logic of expected consequences such as business reasoning and long-term profit maximising but also related to different aspects such as socially held expectations and ethical values of corporate behaviour. Put simply, the motivation behind corporate action appears to be more complex then commonly suggested by rational choice approaches. Corporate participation in CSR initiatives can thus be explained in terms of ideational motivation instead of referring solely to profit and instrumental motivation through *ex-post* rationalization as suggested by the logic of expected consequences. Put differently, corporate references to the notion of appropriateness indicate that MNEs are influenced by emerging norms as ideational aspects of social interaction instead of static rationality.[101]

However, one could argue that our findings only document rhetorical action and do not imply a significant change in corporate action at all. From this "cheap talk" point of view, any form of non-binding corporate CSR activity is considered as a "public relation ploy"[102] to convince others about the moral integrity of the company. Contrary to this, we argue that because all the speeches analysed were held within a public sphere, other actors could pick up the arguments used by MNEs and hold them against the companies.[103] Moreover, taking the constitutive effects of norms seriously, a maturing norm such as CSR is a focal point of identity. Whether or not the companies live up to their stated CSR commitment constitutes their identity as either norm breakers and laggards or proactive "norm entrepreneurs" and

CSR leaders. This in turn will deeply affect the corporate performance causing any speech on the issue to be much more than only rhetoric.

Such a theoretical argument helps to overcome the distinction between either rational or moral motivation behind CSR which seems to dominate the current debate.[104] From our point of view, it does not matter whether there is a 'business case' for CSR or not. Instead, both positions appear to be limited and need to be integrated into a comprehensive logic of appropriateness. Whether or not a company behaves rationally or morally depends on socially held expectations towards it which are currently changing. Our findings of corporate actors being well aware of this and arguing as such within public speeches suggests that we are currently witnessing the development of an emerging global public domain which is changing the expectations towards private business actors:

> "The dynamic interplay between civil society organizations and transnational firms in the area of corporate social responsibility generates, and is enacting, new expectations about the global public role of private enterprise. The relationship remains contested — there is pushback by firms and fears of Faustian bargains on the part of civil society. But it also has become institutionalized in the sense that it involves readily identifiable players who employ shared practices and engage in fairly predictable patterns of interaction."[105]

There are two implications following from this, one for future research on MNEs and one for the question of how to regulate private business actors. In terms of future research, conceptualising MNEs as social actors can help to overcome naïve notions about the assumed rationality of corporate actors. As with other actors, identity and interests of MNEs are socially constituted. Definitions of what it means to be a successful firm vary across cultural context, region, and time as new aspects of corporate responsibility such as sustainable development and CSR are developed and integrated into corporate policies. This social and dynamic conception of corporate actors helps to better understand current processes of transition but also poses new questions: Why do MNEs become political actors and – probably more important – why do other relevant actors such as states and NGOs accept their new role? Through which processes has the norm of sole profit-maximising been replaced by profit-maximising *and* CSR? How are the two competing norms related to each other and

how does an actor choose between the two of them in a dilemma situation? Furthermore, where is the identity of an enterprise located and who reproduces it? In other words, what is at the core of the present "definition of what it means to be a successful firm"[106] remains a question to be answered by further constructivist research on corporate actors.

The second implication is practical in nature and concerns the question of voluntary initiatives versus binding regulation. Many authors agree that future problems can only be solved through multi-stakeholder cooperation between states, MNEs and civil society. However, the same authors criticise voluntary CSR initiatives for their lack of binding rules and their permissive language.[107] Despite this criticism, there is theoretically well justified reason to argue that voluntary interaction potentially changes corporate identity and behaviour and in time may lead to concrete and binding rules. When conceptualised as social actors, MNEs are receptive to social expectations. Dialogue and interaction become more than just rhetorical exchange of positions. Following this line of thought, the question of binding vs. non-binding regulation becomes less important, as MNEs will react to changed expectations and notions of appropriateness. In a nutshell, there is more potential for change in non-binding regulatory approaches than commonly expected as MNEs are more complex actors which are not only driven by rational calculation. As there is little chance of multinational enterprises becoming the subject of legally binding regulations at the global level any time soon, voluntary CSR initiatives may help to distinguish between leading companies and those who lag behind.[108]

However, the potential for change through the emerging norms of CSR should not be overstressed. Analogous to the findings on norms and their effects on state behaviour, some norms never reach maturity and influence actors in decisive and enduring ways.[109] The ongoing reluctance of MNEs to agree to binding regulation is striking and indicates that the norms of CSR are not fully matured and internalised (yet). Instead, in corporate perception, CSR norms still compete with the notion of profit. Whether or not CSR will influence MNEs

in any substantial way and thus whether or not voluntary initiatives contribute to changing corporate performances cannot be answered yet. As Arvind Ganesan, director of the *Business and Human Rights Programme* at *Human Rights Watch*, points out, that the next years will be crucial for voluntary initiatives as these are "going through a troubled transition as leaders try to adopt a more robust governance structure and develop reporting criteria to ensure minimum standards of implementation"[110]. While voluntary initiatives obviously influence identity and action of MNEs, the maturity and thus the influence of CSR norms are difficult to assess at the moment. Whether the emerging CSR norm bundle will become a focal point of and as such constitutive for MNEs can only be answered in the future.

Notes

[1] This article is the outcome of a research project on norms and their implementation at the Goethe University Frankfurt. A first draft has been presented at the 3rd International CSR-Conference "Corporate Responsibility and Governance", 8-10 October 2008, organised by the Institute of Management, Humboldt-Universität zu Berlin. The authors would like to thank both the two anonymous reviewers, the editors of Global Society, as well as the discussant and participants of the conference for their helpful comments.

[2] The article uses the term 'multinational enterprise(s)' instead of 'transnational enterprise(s)' to indicate that corporate activities are taking place not beyond but within – albeit multiple – nation states. For further debate on the terms used for private business actors see Stephen D. Cohen, *Multinational Corporations and Foreign Direct Investment. Avoiding Simplicity, Embracing Complexity* (Oxford: Oxford University Press, 2007), pp. 27-36, and Lorraine Eden, "Bringing the Firm Back In: Multinationals in International Political Economy", *Millennium: Journal of International Studies*, Vol. 20, No. 2 (1991), p. 197.

[3] Mark Blyth, *Great transformations. Economic ideas and institutional change in the twentieth century* (Cambridge: Cambridge University Press, 2002), pp. 5-8.

[4] Simon Zadek, *The civil corporation. The new economy of corporate citizenship* (London: Earth Scan, 2007, 2nd reprint), pp. 131-147. For the first introduction of both terms see Edward Freeman, *Strategic Management. A stakeholder approach* (Boston, Mass: Pitman, 1984), p. 46.

[5] Annegret Flohr, Lothar Rieth, Sandra Schwindenhammer and Klaus-Dieter Wolf, *The Role of Business in Global Governance. Corporations as Norm-Entrepreneurs* (Houndmills: Palgrave Macmillan, 2010), p. 7.

[6] David Held, Anthony McGrew, David Goldblatt and Jonathan Perraton, *Global Transformations. Politics, Economics and Culture* (Stanford, CA: Stanford University Press, 1999), p. 236 and pp. 281-282, see also Susan Strange, *The retreat of the state. The diffusion of power in the world economy* (Cambridge: Cambridge University Press, 1996), p. 45.

[7] For extensive debate on this topic see Claire A. Cutler, Virginia Haufler and Tony Porter (eds.), *Private Authority and International Affairs* (Albany, NY: State University of New York Press, 1999) and Tanja Brühl, Tobias Debiel, Brigitte Hamm, Hartwig Hummel and Jens Martens (eds.), *Die Privatisierung der Weltpolitik. Entstaatlichung und Kommerzialisierung im Globalisierungsprozess* (Bonn: Dietz, 2001). For a state-of-the-art review article on PPPs see Marco Schäferhoff, Sabine Campe and Christopher Kaan, "Transnational Public-Private Partnerships in International Relations. Making Sense of Concepts, Research Frameworks, and Results", *International Studies Review*, Vol. 11, No. 3 (2009), pp. 457-474.

[8] Albert O. Hirschman, *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States* (Cambridge, MA: Harvard University Press, 1970), pp. 19-20.

[9] For contributions to the debate on legitimacy and effectiveness of PPPs see Carmen Huckel, Lothar Rieth and Melanie Zimmer, "Die Effektivität von Public-Private Partnerships", in: Andreas Hasenclever, Klaus Dieter Wolf and Michael Zürn (eds.), *Macht und Ohnmacht internationaler Institutionen. Festschrift für Volker Rittberger* (Frankfurt a.M.: Campus, 2007), pp. 115-144, Thomas Conzelmann and Klaus Dieter Wolf, "Doing Good While Doing Well? Potenzial und Grenzen grenzüberschreitender privatwirtschaftlicher

Selbstregulierung", in: Hasenclever, Wolf and Zürn (eds.), *op. cit.*, pp. 145-175, and Tanja Brühl, "Public-private partnerships: unlike partners? Assessing new forms of regulation", in: Stefan A. Schirm (ed.), *Globalization. State of the art and perspectives* (London: Routledge, 2007), pp. 143-161.

[10] Kelly Kollman, "The Regulatory Power of Business Norms: A Call for a New Research Agenda", *International Studies Review*, Vol. 10, No. 3 (2008), pp. 416-417.

[11] Virginia Haufler, *A public role for the private sector. Industry Self-Regulation in a Global Economy* (Washington, DC: Carnegie Endowment for International Peace, 2001), pp. 20-27.

[12] Karin M. Fierke, "Constructivism", in: Tim Dunne, Milja Kurki and Steve Smith (eds.), *International Relations Theory. Discipline and Diversity*, (Oxford: Oxford Univesity Press, 2007), p. 171.

[13] Martha Finnemore, *National Interests in International Society* (Ithaca, NY: Cornell University Press, 1996), p. 22.

[14] In fact, most major debates within IR and IPE such as rationalism vs. constructivism and positivism vs. post-positivism have their origin in other disciplines and were imported into IR, see Brian C. Schmidt, "On the History and Historiography of International Relations", in: Walter Carlsnaes, Thomas Risse and Beth A. Simmons (eds.), *Handbook of International Relations* (London: Sage Publications Ltd, 2002), pp. 10-12.

[15] James Fearon and Alexander Wendt, "Rationalism v. Constructivism: A Skeptical View", in: Carlsnaes, Risse and Simmons (eds.), op. cit., pp. 54-56.

[16] Among others Thorstein Veblen, *The Place of Science in Modern Civilisation. And other essay* (London: Routledge, 1961), p. 73 and Amartya K. Sen, "Rational Fools: A Critique of the Behavioral Foundations of Economic Theory", *Philosophy and Public Affairs*, Vol. 6, No. 4 (1977), p. 317.

[17] Geoffrey M. Hodgson, "Some remarks on 'Economic imperialism' and international political economy", *Review of International Political Economy*, Vol. 1, No. 1 (1994), p. 21.

[18] Theodore R. Schatzki, "Wittgenstein and the social context of an individual life", *History of the Human Science*, Vol. 13, No. 1 (2000), p. 94.

[19] Finnemore, *op. cit.*, pp. 28-31.

[20] Fearon and Wendt, *op. cit.*, p. 54.

[21] Jon Elster, "Social Norms and Economic Theory", *Journal of Economic Perspectives*, Vol. 3, No. 4 (1989), p. 104.

[22] James G. March and Johan P. Olsen, "The Institutional Dynamics of International Political Order", *International Organization*, Vol. 52, No. 4 (1998), p. 949.

[23] *Ibid.*, p. 951.

[24] Cohen, *op. cit.*, p. 30.

[25] Milton Friedman, "The Social Responsibility of Business is to Increase its Profits", *New York Times Magazine*, 13 September 1970. Although disputed whether or not he was the first to argue and not citable directly from his works, he is also famous for his dictum stating that "[t]he business of business is business".

[26] Ronen Palan "New trends in Global Political Economy", in: Ronen Palan (ed.), *Global political economy. Contemporary theories*, (London: Routledge, 2000), p. 15.

[27] It bears a certain irony that IR and IPE have drawn their concepts of MNEs from other disciplines which in the meantime have moved on to more elaborated concepts while the two have not despite the availability of various concepts within and beyond their own disciplinary boundaries.

[28] Jeffrey T. Checkel, "The Constructivist Turn in International Relations Theory. Review Article", *World Politics*, Vol. 50, No. 2 (1998), p. 324.

[29] Kollman, *op. cit.*, p. 401.

[30] Peter J. Katzenstein, Robert O. Keohane and Stephen D Krassner, "International Organization and the Study of World Politics", *International Organization*, Vol. 52, No. 4 (1998), pp. 670-682.

[31] Martha Finnemore and Kathryn Sikkink,"International Norm Dynamics and Political Change", *International Organization*, Vol. 52, No. 4 (1998), p. 889.

[32] On the issue of general norm dynamics and diffusion see Finnemore and Sikkink, op. cit., and Thomas Risse and Kathryn Sikkink, "The socialization of international human rights norms into domestic practices", in: Thomas Risse, Stephen C. Ropp and Kathryn Sikkink (eds.), *The Power of Human Rights. International Norms and Domestic Change* (Cambridge: Cambridge University Press, 1999), pp. 1-38; on the issue of norm influence within the formation of state interests see Finnemore, *op. cit.*; on their effect on issues of national security see Peter J. Katzenstein, Peter J., *Cultural Norms and National Security. Police and Military in Postwar Japan* (Ithaca, NY: Cornell University Press, 1996); on their issue of human rights see Audie Klotz, *Norms in International Relations. The Struggle against Apartheid* (Ithaca, NY: Cornell University Press, 1995), and also Risse and Sikkink, op. cit.; The role civil society plays in advocating norms has been discussed in Richard Price, "Reversing the Gun Sights: Transnational Civil Society Targets Land Mines", *International Organization*, Vol. 52, No. 3 (1998), pp. 613-644, and Margaret E Keck. and Kathryn Sikkink, *Activists beyond Borders. Advocacy Networks in International Politics* (Ithaca, NY: Cornell University Press, 1998).

33 For an overview of the current debate on norms see John Duffield, "What are International Institutions?", *International Studies Review*, Vol. 9, No. 1 (2007), pp. 6-7, and also Hurrel, Andrew, "Norms and Ethics in International Relations", in: Walter Carlsnaes, Thomas Risse and Beth A. Simmons (eds.), *Handbook of International Relations* (London: Sage Publications Ltd, 2002), pp. 144-145.

34 Harald Müller, "Arguing, Bargaining and All That: Communicative Action, Rationalist Theory and the Logic of Appropriateness in International Relations", *European Journal of International Relations*, Vol. 10, No. 3 (2004), pp. 396-398.

35 Katzenstein, *op. cit.*, p. 5.

36 Klotz, *op. cit.*, p. 14.

37 Katzenstein, *op. cit.*, p. 17.

38 Finnemore, *op. cit.*, p. 22.

39 However, although "it is precisely the prescriptive […] quality of 'oughtness' that sets norms apart from other kind of rules" (Finnemore and Sikkink, *op. cit.*, p. 891), this "oughtness" does not automatically relate to "good behaviour". What kind of behaviour is considered to be appropriate in a given situation cannot be defined in absolute terms but rather depends on the historical and social context. Speaking drastically, slavery and imperialism were considered to be appropriate behaviour in the 18th and 19th century, see Robert Harms, *The Diligent: A Voyage Through the Worlds of the Slave Trade* (New York, NY: Basic Books , 2002), pp. 21-25.

40 Elster, *op. cit.*, pp. 99-100; David Dessler, "What's at stake in the agent-structure debate?", *International Organization*, Vol. 43, No. 3 (1989), pp. 455-456.

41 Although many authors differentiate between regulative and constitutive norms (for example Klotz, *op. cit.*, pp. 14-15, and also Finnemore and Sikkink, *op. cit.*, p. 891), this distinction appears to be not very convincing as one and the same norm can affect actors in both regulative and constitutive ways depending on situation and context (Thomas Risse, "Konstruktivismus, Rationalismus und Theorien Internationaler Beziehungen. Warum empirisch nichts so heiß gegessen wird, wie es theoretisch gekocht wurde", in: Gunther Hellmann, Klaus Dieter Wolf and Michael Zürn (eds.), *Die neuen Internationalen Beziehungen. Forschungsstand und Perspektiven in Deutschland* (Baden-Baden: Nomos, 2003), pp. 99-132). Therefore, this article understands the distinction between regulative and constitutive only with regard to particular effects. An often used analogy to explain the difference between the two types of effects is that of a chess game. While the regulative norm effect defines what movement for which piece is allowed, the constitutive norm effect creates and defines the situation as a game between two players in the first place, John R. Searle, *Speech Acts. An Essay in the Philosophy of Language* (Cambridge: Cambridge University Press, 1969), p. 131.

42 Dessler, *op. cit.*, pp. 454-458.

43 Once again, this does not imply that norms are universally interpreted and accepted in the same way and that all actors always behave appropriate as sometimes suggested by the occasionally functionalist norm literature in the 1990s. However, from this point of view, violating a norm has a deep impact on the actor's identity as this is constituted by action with regard to norms, Peter Winch, *The Idea of a Social Science and its Relation to Philosophy* (London: Routledge, 2007, 3rd reprint), pp. 40-45.

44 Katzenstein, *op. cit.*, p. 27, fn 39.

45 March and Olsen, *op. cit.*, p 949. Although the debate on logics of action is commonly framed by the opposition of the logic of expected consequences and the logic of appropriateness, some authors drawing on Habermas claim that there is a third logic of communicative action with the "aim of reaching a mutual understanding based on a reasoned consensus (*verständigungsorientiertes Handeln*)", Thomas Risse, "'Let's Argue!': Communicative Action in World Politics", *International Organization*, Vol. 54, No. 1 (2000), pp. 1-2. For our purpose, however, the dichotomy between the logic of expected consequences and the logic of appropriateness satisfactorily reflects the different actor conceptions.

46 Finnemore, *op. cit.*, p. 28.

47 Risse, *"Let's argue"*, *op. cit.*, pp. 4-7.

48 Katzenstein, *op. cit.*, pp.18-19.

49 Finnemore, *op. cit.*, p. 29.

50 Winch, *op. cit.*, pp. 30-35.

51 This does not imply a static concept of human agency being determined by ideas of appropriateness. Bringing the social context back in does not mean that agency is ignored. Although action is always guided by rules and social expectations, it is not determined by them. Instead, the appropriateness of any action is constantly reinterpreted and renegotiated within the community of actors. Eventually, standards of appropriateness may even erode and new ones be established, for the elaboration of this argument see Elvira Rosert and Sonja Schirmbeck, "Zur Erosion internationaler Normen. Folterverbot und nukleares Tabu in der Diskussion", *Zeitschrift für Internationale Beziehungen*, Vol. 14, No. 2 (1997), pp. 253-287.

52 March and Olsen, *op. cit.*, p. 951.

53 Michael Zürn and Jeffrey T. Ckeckel, "Getting Socialized to Build Bridges: Constructivism and Rationalism, Europe and the Nation-State", *International Organization*, Vol 59, No. 4 (2005), p. 1046.

[54] Risse, *Konstruktivismus, Rationalismus und Theorien Internationaler Beziehungen, op. cit.*, pp. 115-117.

[55] March and Olsen, *op. cit.*, p. 952.

[56] *Ibid.*, pp. 952-954.

[57] *Ibid.*, p. 953.

[58] Müller, *op. cit.*, 411-412.

[59] Haufler, *op. cit.*, p. 19.

[60] Katzenstein, *op. cit.*, pp. 18-20, and also Finnemore, *op. cit.*, pp. 31-33.

[61] Alexander Wendt, "Anarchy is what states make of it", *International Organization*, Vol. 46, No. 2 (1992), p. 424.

[62] Price, *op. cit.*, and also Keck/Sikkink, *op. cit.*.

[63] Flohr et al, *op. cit.*, pp. 7-13.

[64] Kollman, *op. cit.*, p. 397.

[65] *Ibid.*, p. 416.

[66] James G. March, *A Primer on Decision Making. How Decisions happen* (New York, NY: Free Press, 1994), pp. 58-60.

[67] Cohen, *op. cit.*, p. 30.

[68] Because of decline, acquisition or bankruptcy, one-third of the corporate giants listed in the Fortune 500 in 1980 no longer existed in 1995 (*Ibid.*, p. 23). Thus, acting rationally is even more appropriate and pressing for corporate actors than it is for national actors. Interestingly, it is this very argument that – although disagreeing with regard to most assumptions about international relations – both Waltz and Wendt used to argue in favour of a state-centric perspective for IR, Kenneth N. Waltz, *Theory of international politics* (New York, NY: McGraw-Hill, 1979), pp. 95-96 and Wendt, op. cit., p. 424.

[69] John G. Ruggie, "Reconstituting the Global Public domain. Issues, Actors, and Practices", *European Journal of International Relations*, Vol 10, No. 4 (2004), pp. 519-521.

[70] Haufler, *op. cit.*, pp. 27-30.

[71] Ronald L. Jepperson, Alexander Wendt and Peter J. Katzenstein, "Norms, Identity, and Culture in National Security", in: Peter J. Katzenstein (ed.), *The Culture of National Security. Norms and Identity in Word Politics* (New York, NY: Columbia University Press, 1998), p. 66.

[72] Conzelmann and Wolf, *op. cit.*, pp. 162-163. There are numerous examples for the interlinkage between CSR and corporate identity. Almost every MNE analysed referred to a specific CSR philosophy or individual code of conduct such as the "*Chevron Way*" (<http://www.chevron.com/about/chevronway> (accessed 26 February 2010)), BP's "*Commitment to integrity*" (<http://www.bp.com/sectiongenericarticle.do?categoryId=9003494&contentId=7006600 > (accessed 26 February 2010)) or the "*Shell General Business Principles*" <http://www.shell.com/home/content/aboutshell/who_we_are/our_values/sgbp/sgbp_30032008.html> (accessed 26 February 2010)) to name but a few.

[73] Flohr et al., *op. cit.*, pp. 165-166.

[74] Kollman, *op. cit.*, p. 415.

[75] Haufler, *op. cit.*, pp. 20-26.

[76] Claire A. Cutler, "Problematizing Corporate Social Responsibility under Conditions of Late Capitalism and Postmodernity", in: Volker Rittberger and Martin Nettesheim (eds.), *Authority in the Global Political Economy* (New York, NY: Palgrave Macmillan, 2008), pp. 205-210.

[77] However, one should at least be aware of the different implications of using one set of theories (e.g. individual vs. holistic ontology, fixed vs. dynamic preferences, etc) and then use this one consistently and throughout his or her work, for further debate on individualism and holism see Fearon and Wendt, *op cit.*, pp. 52-53.

[78] March, *op. cit.*, pp. 59-61.

[79] Müller, *op. cit.*, pp. 411-412.

[80] Conzelmann and Wolf, *op. cit.*, pp. 161-162.

[81] Karin M. Fierke, "Links Across The Abyss: Language and Logic in International Relations", *International Studies Quarterly*, Vol. 46, No.3 (2002), pp. 351-354.

[82] Hans Joas, *The creativity of action* (Chicago, IL: Chicago University Press, 1996). A more rational version of the constitutive effect of language is the "rhetorical entrapment" introduced by Schimmelfennig, where actors are taken by their word and judged by their rhetoric, Frank Schimmelfennig, "The Community Trap: Liberal Norms, Rhetorical Action, and the Eastern Enlargement of the European Union", *International Organization*, Vol. 55, No. 1 (2001), p. 72.

[83] Held et al., *op. cit.*, p. 236. Sorted by foreign assets, there were four companies from the extractive sector among the non-financial Top Ten companies of the world in 2001 (*BP*, *Exxonmobil*, *Royal Dutch/Shell* and *Total Fina Elf*), UNCTAD, *Development and Globalization. Facts and Figures* (New York, NY: United Nations Publications, 2004), p. 41.

[84] Haufler, *op. cit.*, p. 25.

85 Flohr et al., *op. cit.*, pp. 27-36.

86 Thomas Risse and Ursula Lehmkuhl, *Governance in Areas of Limited Statehood. New Modes of Governance?* (Berlin: SFB-Governance Working Paper Series No. 1, 2006), p. 4.

87 Cohen, *op. cit.*, pp. 13-14.

88 To increase the representative value of the speeches, a minimum of three speeches per enterprise had to be found to take the MNE into consideration. As the extractive sector is dominated by petroleum companies such as *BP* and *Shell*, these MNEs appear more often in the analysis then MNEs dealing with other raw material such as minerals and diamonds (e.g. *de Beers*).

89 Elster 1989, *op. cit.*, pp. 99-100.

90 Nicole Deitelhoff and Harald Müller, "Theoretical paradise - empirically lost? Arguing with Habermas", *Review of International Studies*, Vol. 31, No. 1 (2005), p. 167.

91 Risse, *Konstruktivismus, Rationalismus und Theorien Internationaler Beziehungen, op. cit.*, pp. 123-124.

92 Note that the keywords were derived from a pilot study including ten speeches and represent only illustrative examples ("Ankerbeispiele") of the categories. The coding process was not carried out by looking only for these keywords but instead the wider context in which single phrases were placed were taken into account and related to the categories. By doing so, single categories could be distinguished from each other, although there were elements of overlapping categories.

93 Cohen, *op. cit.*, p. 30.

94 For a complete list of speeches sorted by the sub-categories see Table 4 in the Appendix on page 34.

95 Fierke 2002, *op. cit.*, p. 343.

96 Ruggie, *op. cit.*, p. 519.

97 Quoted from a speech of Lord Holme of Cheltenham, held at the *Norsk Hydro Conference*, 28th April 1999.

98 Finnemore and Sikkink, *op. cit.*, p. 895.

99 Stephanie Hiß, Warum übernehmen Unternehmen gesellschaftliche Verantwortung? Ein soziologischer Erklärungsversuch (Frankfurt a.M.: Campus, 2006), pp. 94-105.

100 Duncan Snidal, "Rational Choice and International Relations", in: Walter Carlsnaes, Thomas Risse and Beth A. Simmons (eds.), *Handbook of International Relations* (London: Sage Publications Ltd, 2002), pp. 73-74.

101 Conzelmann and Wolf, *op. cit.*, pp. 161-163.

102 Haufler, *op. cit.*, p. 1.

103 Schimmelfennig, *op. cit.*, pp. 72-76.

104 Hiß, *op. cit.*, pp. 95-105.

105 Ruggie, *op. cit.*, p. 519.

106 Kollman, *op. cit.*, p. 415.

107 Uwe Kerkow, Jens Martens and Tobias Schmitt, *The Limits of Voluntarism. Corporate self-regulation, multistakeholder initiatives and the role of civil society* (Bonn: World Economy, Ecology & Development Assoc, 2003), pp. 24-26.

108 Ruggie, *op. cit.*, pp. 518-519.

109 Finnemore and Sikkink, *op. cit.*, pp. 894-896.

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Appendix

Table 4: List of speeches sorted by the different sub-categories

Arguments related to the logic of expected consequences

sub-category	total speeches referring to sub-category	Percentage of total speeches referring to sub-category
economic success	62	64,58 %
corporate future	49	51,04 %
reputation	46	47,92 %
improved political / social environment	26	27,08 %
qualification / education of staff	19	19,79 %
security of staff	22	22,92 %
relations to host country	15	15,63 %

Arguments related to the logic of appropriateness

sub-category	total speeches referring to sub-category	Percentage of total speeches referring to sub-category
values and moral obligations	59	61,46 %
social expectations (ego & alter)	45	46,88 %
general norms & standards	25	26,04 %
positive impact for host country	62	64,58 %
general humanitarian impact	16	16,67 %
global benefits	29	30,21 %
respect for local cultures	15	15,63 %