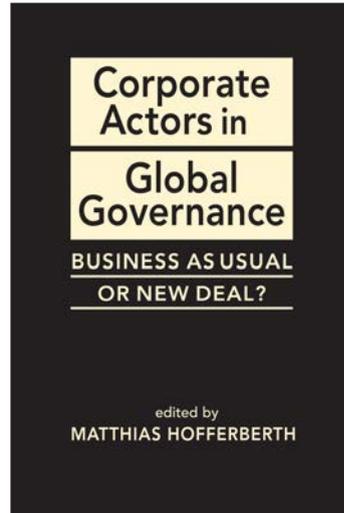


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Corporate Actors in
Global Governance:
Business as Usual
or New Deal?

edited by
Matthias Hofferberth

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1

Corporate Actors in Global Governance

Matthias Hofferberth

Much has been written about the increased relevance and influence, as well as the presumably changing role, of corporate actors in global governance in recent years (Mikler 2018; May 2015; Flohr et al. 2010; Ougaard and Leander 2010). Unlike any other group of actors in world politics, multinational enterprises (MNEs), it is argued, have benefited from the political, social, and economic changes commonly summarized under globalization.¹ As a consequence and by virtue of their organization, resources, and assets, these “new leviathans” assumedly no longer participate in but rather dominate the global economy (Harrod 2006; Chandler and Mazlish 2005; Korten 1995). At the same time, it is argued that these giant enterprises today operate in changing normative environments and face new social expectations. In many instances, they have indeed come under pressure to step in to fill regulatory governance gaps created by the very same processes that provided them with economic opportunities in the first place (Detomasi 2007, 322–328; Prakash 2002). Overall, due to their increased power and their new responsibilities in and beyond multistakeholder initiatives and (self-)regulation arrangements, corporate actors are “no longer seen as operating outside of the rules of international relations; now they are seen as forming an integral part of global society” (de Jonge 2017, 9). In sum, MNEs have been conceptually framed as “global governors” and, as such, are now solidly established as research objects and discussed as governance actors in the twin subfields of international relations (IR) and international political economy (IPE) (Dashwood 2012; Avant et al. 2010; Levy and Prakash 2003; Haufler 2001).

While framing MNEs as global governors provides a strong intellectual rationale for engaging with them, it also implies certain assumptions. For one, studying MNEs this way not only recognizes their increased economic relevance but also contends that they have already transitioned into new roles or at least will do so eventually (Scherer and Palazzo 2011; Levy and Kaplan 2008). By discussing the political consequences of corporate activities in terms of governance outcomes and expecting new corporate responsibilities to emerge on a global scale, global governance rather quickly, and potentially prematurely, established the case that MNEs indeed take the broader impact of their actions into consideration and assume responsibilities. Echoing the hopes and excitement of global governance practitioners, MNEs in IR and IPE thus follow certain behavioral scripts as research tends to disregard the choices these actors have and the fact that their agency is potentially more open-ended and less determinate than the dominant narrative suggests. Moving beyond this tautological reasoning—studying MNEs as global governors because they assume more responsibilities while arguing that they assume more responsibilities because they have become global governors—is the main objective of this volume.

Against this background, the authors of the chapters that follow contend that, while the conceptual framing of MNEs as global governors has created a new research agenda for IR and IPE, we still need to better understand the contentious role(s) of corporate actors in global governance in empirical terms. No doubt, with Eden's (1991) early call in mind, research on MNEs has advanced significantly. In particular, shifting from aggregated foreign direct investment to actually studying corporate contributions in global governance has provided many important new insights (K. Wolf 2008). At the same time, as with any research agenda, certain shortcomings remain. In order to contribute to ongoing discussion on those, the volume explicitly focuses on corporate agency. The rationale behind this is simple: if MNEs are to be framed as "global governors," one needs to at least consider the timing, places, divergent modes and expressions, and normative and institutional dynamics and foundations of their activities. Thus, while we agree with the empirical observation that more MNEs participate in governance arrangements such as the UN Global Compact, we contend that the precise nature of such corporate engagements in governance will remain indeterminate until further unpacked in detailed, empirical reconstruction. This is particularly true if one challenges the idea that corporate actors easily transition into new roles and contends, as the contributors to this volume do, that "multinationals, however powerful, are often ill-equipped to understand or shape the social environment in

which they operate, and that the tools they use are too blunt for the task at hand” (Litvin 2003, 225).

In other words, being skeptical of an easy transition of MNEs into global governors and in order to more carefully unpack their role(s) in global governance, we shift attention from governance outcomes (i.e., provision or nonprovision of public goods) to corporate agency (i.e., how and why multinational enterprises act the way they do). Rather than being the *explanans for global governance*, we consider corporate actors as the *explanandum within global governance*. Instead of charging MNEs with a priori assumptions such as corporate rationality and strategic profit maximization, the volume emphasizes social contexts, corporate structures, histories, and cultures. Against those, MNEs actively negotiate their roles and responsibilities in global governance as they make sense of new expectations and changing environments (Hofferberth 2017; Geppert and Dörrenbächer 2014; Kristensen and Zeitlin 2005). Stressing the complex and rather idiosyncratic nature of corporate agency, the volume posits that corporate actors are best studied in individual case studies. Bringing together different accounts of different enterprises in different situations to consider different dimensions and different layers of their agency thus helps us reconstruct actual corporate realities to assess the nature of their engagements and their role(s) in global governance.

I have outlined the major thrust and motivation of this volume in a deliberately provocative and admittedly oversimplifying fashion; therefore, a few words are in order to explain why the framework of global governance is still appropriate and useful when studying MNEs, even and maybe especially in light of its recently proclaimed crises and the so-called return of geopolitics (Mead 2014; Hale et al. 2013). Obviously, considering recent developments in world politics, one can see renewed emphasis on national sovereignty and borders, as well as more confrontational politics between states that use their power resources to achieve their aims at the expense of other states’ interests.² Consequently, various policy fields such as climate governance have been reframed as conflictual, zero-sum exchanges. However, the fact that global governance is criticized both by advocates trying to raise its profile and restate its overall potential (Hale and Held 2018; Coen and Pegram 2015; Zürn 2018; Weiss 2013) and by those who outright deny such potential (Terhalle 2015; Mead 2014; Sterling-Folker 2005) already indicates its relevance and the need to continuously engage with the framework. In other words, precisely because it experiences crises, global governance’s true potential to continue to evolve and prevent its further decline through relegitimization will be tested in the years to come (Zürn 2018).

More importantly for the subject matter at hand, it should be noted that the proclaimed death of global governance is predominantly framed in state terms (Mittelman 2013). As such, the arguments oftentimes remain at this level of analysis and do not probe into consequences for corporate actors. If anything, one could argue that the increased integration of these actors over the last twenty years has created a sphere of global governance beyond the reach of nation-states (Bartley 2018; Green 2014). More specifically, if states decide to provide governance of public health, education, human rights, and the environment in less cooperative forms, MNEs arguably will become even more involved, as, for example, is already occurring in the human rights field, where we can see multiple corporate initiatives responding to less guidance provided by the Donald Trump administration (Ganesan 2018).³ If anything, we contend for now that the diagnosed crisis of global governance further promotes the belief that MNEs should embrace responsibilities and play a leading role. Put bluntly, the return of geopolitics will not end corporate involvement in global governance; nor will it put an end to the notion that soft law initiatives promoting corporate social responsibility are the preferred route to hard law. In other words, discussing the role(s) corporate actors play (and should play) in global governance, together with a focus on the actual nature of their engagements and their motivations, is now more important than ever.

To sustain this argument, spell out its details, and provide a theoretical framework for the edited volume, this introduction first outlines why and how corporate actors have been discovered and framed within global governance. I then argue that two rather problematic images of corporate agency in particular inform the discourse. Interestingly, despite framing MNEs in rather abstract theoretical terms, neither is reflected, let alone justified, in its ontological commitments. Arguing that both actor images advance substantive assumptions about the nature of corporate actors, the third section advances the case that corporate agency matters and thus provides an important lens to study MNEs in global governance. More specifically, the volume argues that research on corporate agency needs to consider its social and creative nature and should be advanced in a reconstructive and open-minded fashion. Against these ontological and methodological reflections, while pluralistic in their respective approaches and accounts, the final section outlines the individual contributions to the volume, which collectively contend that corporate agency is best studied in case studies concerned with enterprises *as actors in their own right*. In this framing, the case studies reflect and discuss the range of perceptions, experiences, and practices corporate actors engaged in global governance express and the ambiguity and contentious roles that follow from this.

Discovering and Framing Corporate Actors in Global Governance

Undoubtedly, MNEs have become a major subject of public and academic interest. Somewhat less obviously, IR and IPE discovered and framed MNEs as *global governors*. Assuming states to be either unable or unwilling to provide governance in a globalized world by themselves, both textbook accounts and advanced research suggest that corporate actors, among other nonstate actors, contribute to and engage in different stages and activities of providing rules and order in world politics today (Karns et al. 2015; Avant et al. 2010; Barnett and Sikkink 2008). In other words, MNEs and intellectual engagement with them have been closely linked to the mantra and spirit of global governance, which reads that “globalized world politics unfolds among a multiplicity of actors and plays out through multiple processes across multiple scales of aggregation” (Bially Mattern and Zarakol 2016, 643). Given the notoriously vague nature of the concept to begin with, its potentially limiting bias on outcome, structure, and order, and its normative-functional bias (Hofferberth 2015), the strong connection between global governance and MNEs is arguably far from obvious. Thus, a short intellectual history of how IR and IPE engaged with MNEs is in order to understand the reasons behind and implications of discovering and framing corporate actors as global governors.⁴

Despite the current stronghold of global governance on the study of MNEs, corporate actors were initially discovered as research objects in IR and IPE long before global governance began its victory march through the subfields. After their early “academic branding” in other disciplines throughout the 1960s and 1970s (Dunning 1971; Vernon 1971; Lilienthal 1960), IR and IPE first considered MNEs as actors in transnational relations (Keohane and Nye 1973). Among others, Huntington (1973), Wells (1973), and Gilpin (1975), albeit in different ways with different conclusions, drew from this framework as they engaged with corporate actors. Despite being included, though, corporate actors did not receive any special theoretical treatment in this broader agenda. As such, while being “all the rage and attract[ing] considerable scholarly attention” during the 1970s (Ruggie 2004, 500), the research agenda did not prosper in the long run, arguably because it remained too broad and did not provide enough specifics to study the rather different actors involved in transnational relations.⁵ For the intellectual history of MNEs in IR and IPE, it is thus fair to say that instead of advancing company-specific research, work on MNEs during the early stage remained generic and focused on the macro level (Strange 1993; Eden 1991).

What these approaches provided, though, was an intellectual foundation that practitioners interested in MNEs could draw from in order to make sense of developments throughout the 1980s and 1990s. With globalization accelerating, both the total number of enterprises operating across borders and their foreign direct investment increased significantly during this period (Held et al. 1999, 236–282). At the same time, expressed in discussions on corporate social responsibility and global governance in the United Nations and beyond, new ideas emerged about whether and how these actors should be regulated (Sagafi-nejad 2008). These ideas were most explicitly expressed in, among other documents, the *Commission on Global Governance Report* (1995), which argued that “there is no alternative to working together and using collective power to create a better world,” with governance having to be provided by “individuals and institutions, public and private, manag[ing] their common affairs [in] a continuing process,” which “at the global level . . . must now be understood as also involving non-governmental organizations (NGOs), citizens’ movements, multinational corporations, and the global capital market.” With the creation of the UN Global Compact four years later and the parallel emergence of other multistakeholder initiatives locally and globally, such ideas took hold as MNEs were seen and treated more and more as subjects of regulation rather than as objects thereof. In other words, nothing short of a paradigm shift was set in motion, at the end of which MNEs were considered as global governors rather than as the targets of global governance (Kell 2005; Ruggie 2000).

Arguably, IR and IPE research on MNEs connected to and (maybe too) quickly reaffirmed these shifting normative views of the role of corporate actors. Just like the practitioners, scholars turned to corporate actors in order to “reconstitute the global public domain” (Ruggie 2004). Based on observations, whether anecdotal or empirically elaborated, scholars argued that MNEs “have started to engage in activities that have traditionally been regarded as actual government activities” (Scherer and Palazzo 2011, 899). As such, their alleged potential to close governance gaps was emphasized as MNEs became framed as global governors. In fact, corporate actors since the mid-2000s have been featured as showcase examples of how provisions of governance in a globalized world have changed to now include new actors studied in new theoretical frameworks (K. Wolf 2008; Kobrin 2008; Detomasi 2007; Matten and Crane 2005). According to the prevalent narrative, MNEs today are involved in the provision of collective goods, and the distinction between private and public becomes increasingly blurred. Whether through self-regulatory initiatives or in multistakeholder partnerships, it is argued, MNEs as global governors are no longer confined to economic responsibilities but play (or at least should

play) a more engaged role in and vis-à-vis society (Scherer and Palazzo 2011; Holzer 2010). As Ruggie (2004, 501) already foresaw, “it was but a short analytical step to conclude that [MNEs] had come to play a role in global governance.” This role, despite some reservation, is framed as one of deep corporate engagement, which, given appropriate arrangements, supposedly features the potential to overall improve global governance.

Obviously, this volume connects to these works and shares some of their assumptions. For example, all contributors agree that MNEs indeed have become more engaged in world politics and thereby have become part of the global governance fabric. However, the precise nature of their engagements and the roles MNEs play within, in our readings, remain rather unclear, and the transition of corporate actors into global governors is far from complete (Levy and Kaplan 2008). We further argue that the structural focus inherent in global governance does not help to elucidate either. Rather than considering corporate agency per se, MNEs, for the most part, are considered and assessed in their interaction with state and other private actors in terms of whether or not they provide governance. In other words, as global governors, MNEs are only considered to the extent that they participate in governance arrangements but are not considered as actors *in their own right* (Deitelhoff and Wolf 2010, 5). As such, corporate involvement in global governance is discussed in detail; yet we know little about the dynamics that constitute these actors in the first place, how they sustain their agency in light of changing normative expectations, and under which cognitive frameworks they choose to engage in or refrain from global governance. To paraphrase (Woll 2010, 138), MNEs are “used to do the explaining” but are not considered as actors which “need to be explained” themselves. In order to sustain this claim, the next section outlines the two main actor images which inform the study of MNEs as global governors and argues that neither sufficiently conceptualizes corporate agency in active and probing terms.⁶

Corporate Actor Images in Global Governance and Beyond

So far it has been argued that global governance and its consideration of nonstate actors provide not only a strong and compelling rationale to study MNEs but also a structural and hence limited framework to do so. As such, while being “notable for both its conceptual novelty and practical importance,” framing MNEs in global governance has also “hamstrung” research on these actors (Whelan 2012, 709). Inherently, global governance is interested in the structure and provision of public goods.

As much a practitioner's discourse as a theoretical paradigm, global governance is outcome biased and essentially based on functionalist assumptions (Hofferberth 2015, 607–614). This implies consequences for how we conceptualize MNEs in global governance. Overall, while “factors of production, type of industry, legal form or size [are] features usually used to distinguish corporations” (Flohr et al. 2010, 33), there seems to be limited commitment to further engage with and unpack individual MNEs. Rather, we assume that MNEs, framed as a coherent group of nonstate global governors different from NGOs, represent a more or less monolithic block of similar entities committed to the same set of goals and objectives. As such, while black-boxing their histories, corporate governance structures and cultures, and local contexts and practices, we tend to engage with MNEs by relying on and thereby reproducing certain assumptions about corporate agency without reflecting, let alone justifying, them (Amoore 2006).

Arguably, given their abstract nature and the lack of immediate access, such abstractions are needed to advance research on MNEs. However, if empirical investigation directed by such assumptions no longer reflects them as such, they become reified, and further applications only tautologically restate their validity throughout the research process (Friedrichs and Kratochwil 2009, 714–725).⁷ In other words, serving as “intellectual shortcuts,” assumptions about corporate agency matter, and we condense them into actor images to capture “the nature of the firm” (Coase 1937). We then conveniently use these assumptions about corporate dispositions and motivations to explain why MNEs engage in global governance as well as how to design these arrangements without considering that different enterprises might act differently, as has been repeatedly argued by economic sociology (Beckert 2003), organization studies (Soule 2012; Kristensen and Zeitlin 2005), and even institutional approaches in management studies (Geppert and Dörrenbächer 2014; Kostova et al. 2008). Compared to these fields, IR and IPE's research on MNEs and their framing of corporate actors as global governors seem to rely more heavily on underlying assumptions drawn from images based on conventional wisdom rather than systematic research. In addition, reified as truisms and taken for granted as vernacular research reinforces them, these assumptions and images remain implicit: “A lot has been said about the multinational firm and its role in the global economy. . . . [D]ifferent views [in these discussions] mirror different theoretical assumptions of the multinational firm as an organization and of its relationships with the surrounding society. Often, these assumptions are implicit rather than explicit. But they are always there, somewhere” (Forsgreen 2008, vii). Somewhat simplifying the discourse, I argue in the

following that two competing actor images of MNEs in particular have manifested in IR and IPE over time, leaving us with two narratives to frame corporate engagement in global governance (Flohr et al. 2010, 164–166). As will be shown, both reflect diverging theoretical assumptions and normative commitments as well as different hopes and fears associated with the integration of MNEs into global governance. On the one hand, echoing decades of research in business and management schools, corporate rationality and profit maximization are taken for granted, leaving global governance with the challenge—if not, according to some, at the impasse—of facilitating corporate participation beyond cheap talk (Haufler 2001; Korten 1995). On the other hand, emphasizing more emphatically the potential for change and the normative pressures corporate actors face, business ethics and constructivists have argued that there are reasons beyond the business case to engage in global governance and commit to corporate social responsibility (Holzer 2010; Kollman 2008). Simply put, both images represent and provide proxies for corporate agency that allow us to study these actors without further engaging in theories of action—arguably something that many scholars interested in MNEs for good reasons cannot or simply want not to engage in. At the same time, any research depends on motivational and agential assumptions, which is why both images are introduced in the following sections in more detail to be then critically discussed, following Sally’s (1995, 2) argument that both share in common “at worst a disregard, and at best a glaring underemphasis, of the individual firm” and its agency.

*The Rationalist Image: The Businessman
Whose Master Plan Controls the World*

Already captured in the popular culture reference,⁸ the rationalist image of corporate agency resonates with conventional wisdom about these actors and has an intuitive appeal (Amoore 2006). According to such, multinational enterprises represent large entities defined by the permanent competition they find themselves in. The corporate world they operate in is one defined by “pathological pursuit of profit and power” as enterprises try to best each other (Bakan 2004). Speaking in conceptual terms, a broad range of “underlying presuppositions about rationality, goal-directed action, and the determinant nature of market processes [on MNEs]” inform the study of MNEs in this image (Morgan 2001, 8). Enterprises that do not act strategically and compete relentlessly, so the argument continues, will go out of business. Further expanding on the rational agenda, due to constant pressure, corporate actors in fact have to be extraordinarily cunning and ruthless, using their influence to

lobby (or bring down, if need be) governments and avoid regulation in order to maintain their enormous profit margins. Fueled by periodic corporate scandals, “stories of coups, assassination, and adventure” easily outshine in public perception those instances in which “multinationals have exercised their power in unplanned, unsophisticated or self-defeating ways,” leaving us with an image of enterprises in control and strategically manipulating politics to their advantage (Litvin 2003, xii).

Because of its narrative power, such an image of corporate agency informed the academic discussion of MNEs from its early beginning and eventually became solidified knowledge. Prevalent in particular in economic studies (Kroszner and Putterman 2009), the notion was soon argued across disciplines that MNEs, as collectives being less fallible to misjudgment and miscalculation, would in fact represent the quintessential *homo oeconomicus* (Williamson 1985). IR and IPE related to this image, and global governance further reified it by categorically distinguishing between civil society on the one hand and corporate actors on the other: while both are lumped together under the “nonstate” label, the former “are primarily motivated by promoting a perceived ‘common good,’” while MNEs “are primarily motivated by *instrumental* goals” (Risse 2002, 256).⁹ This essential distinction informs the discourse on MNEs, which, as global governors, play a different role than other actors and thus are unique in many ways: “Unlike states and civil society actors, firms are not committed to the public good but the pursuit of private interests. Their business is to maximize profits, not social welfare” (Börzel 2013, 5). Originating in conventional wisdom and economic reasoning, the logic of profit maximization thus became the *sine qua non* disposition to define corporate actors. In other words, enterprises are those actors that exercise “profit-maximizing behavior,” and “no amount of good will or leadership can change this logic” (Auld 2008, 426). Against this assumption, any meaningful corporate involvement in global governance has to create enough incentives to get MNEs on board or will remain limited in its impact. Furthermore, in addition to defining the *goal* of corporate action, the image also essentializes its *mode*. Assuming an individualist ontology, MNEs are stripped of their sociality and rationally choose strategies to realize their predefined interests. In other words, MNEs know not only what they want (i.e., profit) but also how to realize it (i.e., by acting rationally). Put bluntly, we take corporate rationality for granted as we equate corporate action with rational action. MNEs accordingly are determined to always choose strategies to achieve optimal consequences and internalize this behavior to the point that it defines their nature. While sometimes “bounded” in their rationality as they fail to compute relevant information due to misperception, the rational image nevertheless sug-

gests that we can best think of corporate agency as following a behavioral script in which social context does not matter. Interestingly enough, the assumptive nature of this “as if” logic underlying the rationalist image has been recognized and acknowledged by Milton Friedman (1953, 21) himself: “Under a wide range of circumstances, individual firms behave as if they were seeking rationally to maximize their expected returns . . . and had full knowledge of the data needed to succeed in this attempt.”¹⁰

The purpose of this critical reconstruction to reveal the hold the rationalist image has on thinking about and studying MNEs is not to deny the fact that the notion of making profit matters for actual corporate action or to argue that MNEs do not try hard to act rationally. However, the reification of profit as the single and assumedly clear and obvious objective of corporate agency, discussed exclusively within the paradigm of rational action, appears problematic. As a matter of theoretical necessity, the individual enterprise in this image does not only represent a “single body with preferences, capabilities [and] choices” (Amoore 2006, 48). Also, the preferences, capabilities, and choices of this black box are defined in static terms advanced by a coherent, willful actor. Separated from their social context, predefined in their interests, and unable to reflect or change their behavior, “corporations are often theorized in a simple way: they are the ultimate rational actors, driven by profit alone[, and w]hile this certainly is not entirely wrong, it misses the complexity of motivations driving corporate actors today, their varied organizational forms, the ways in which they act collectively, and the manner in which they define and redefine their interests” (Haufler 2010, 106).

To further problematize this image, the precise meaning of profit and corporate rationality advanced within and, more importantly, their immediate implications for corporate action remain ambivalent and undertheorized. As such, it does not provide enough direction for corporate practices. More specifically, from an enterprise’s perspective, the urge to rationally pursue profit, sedimented and internalized as it may be, is of limited value when encountering novel situations and crises. In other words, rational profit maximization might be the end game of corporate agency, but it does not suffice as an objective and mode of action for how to get there. While vital to the enterprise, it remains abstract at the same time and hence ultimately unassertive in outlining specific action. Put differently, the “default script” enterprises operate with has to be adapted in specific situations by actualizing it and ascribing it with meaning (Woll 2008). As Sabel and Zeitlin (1997, 15) put it, without further specification, profit and its rational maximization remain “only loosely defined at any given moment and [thus are] constantly being redefined.” Such processes of defining and redefining, however, cannot

be captured within an actor image that begins and ends with strong, substantial assumptions about the very nature of corporate actors.

Not further engaging with corporate motivation other than defining it in rational terms, explanations drawn from this image can be developed to cover all sorts of corporate behavior. Whether it is entering a market or not, whether it is responding to social expectations or not, whether it is engaging in global governance or not, “in retrospect, it is always possible to reconstruct the economic rationality that firms were apparently pursuing” (Woll 2008, 4). No matter which strategies were realized, corporate action thus can be rationalized post hoc simply because it is assumed that corporate action is rational action. This “rearview” perspective inherent in rational choice obviously creates ambivalence if not tautologies (Wendt 2001). Ultimately, the notion of rational profit maximization does not suffice either for an enterprise to purposely choose between different alternatives and act in light of uncertain and indeterminate situations or for the social scientist to explain such action (Zeitlin 2007; Beckert 2003).

Picked up in global governance discussions, the rationalist image as the “traditional portrayal of the enterprise as an ordered, autonomous and ultimately rational economic subject that operates according to a central logic and manifests predictable dynamics” (O’Neill and Graham-Gibson 1999, 12) implies certain reservations about MNEs and remains somewhat pessimistic about the chances for them to become changed and chastened global governors. As rational organizations operating beyond social contexts, MNEs cannot be trusted in their cheap talk as they will utilize any governance gaps to their advantage at any point in time. Thus, their integration into global governance, at least in voluntary commitments, will always run the risk of having limited impact as it does not reflect actual change or a willingness to embrace broader social responsibilities, at least not in any meaningful or sustainable way (Berliner and Prakash 2015). Coming in from a different (meta)theoretical perspective and arguably expressing more hope and optimism, business ethics and constructivists have advanced their own alternative actor image intended to counter and overcome some of these reservations.

The Normative-Constructivist Image: Doing Good While Doing Well

Following larger trends and theoretical shifts in the fields of IR and IPE in a somewhat delayed fashion (Amin and Palan 2001; Checkel 1998), scholars interested in MNEs began to apply constructivist concepts such as norms and the logic of appropriateness to their research subjects only about a decade ago. Arguably, due to the strong influence and presence

of the rational image outlined above, “theorists and political scientists in general have been reluctant to apply the idea of socialization [as well as other constructivist ideas] to market actors” (Kollman 2008, 416).¹¹ However, more recently, there has been a broader commitment to constructivist and nonrationalist frameworks when studying corporate actors. These new contributions, either self-labeled or otherwise depicted as such, include, among others, in chronological order, Conzelmann and Wolf (2007), Cutler (2008), Kollman (2008), Brown et al. (2010), Flohr et al. (2010), Gillies (2010), Hofferberth et al. (2011), and Dashwood (2012). While they use different tools and advance different arguments, these authors seem to share a collective interest in engaging with business ethics and studying MNEs’ social and normative environments, their reputations, and their motivations. Taken together, we can derive from these contributions a normative-constructivist actor image of MNEs that needs to be unpacked as well.

At the most general level, this actor image advances a framework that situates the enterprise in a social context. Within this context, notions of appropriate and inappropriate corporate actions exist and are shared among different actors. These expectations manifest in social norms, which, so the argument goes, matter for MNEs as well. As such, “starting from the assumption that norm-related policies and activities of corporations are not solely and continuously profit driven but may also be based on and triggered by beliefs, values, and ideas,” different motivations and alternative explanations for corporate engagement in global governance have been advanced (Flohr et al. 2010, 165). Following constructivist reasoning, normative expectations can become part of the identity of any particular MNE. As such, the business case advanced in the rational actor image is supplemented by a broader “public case” (Wolf and Schwindenhammer 2011). Against this background, corporate interests are imaged to emerge and, even more importantly, potentially change in social interaction. Corporate action is thus at least equally motivated by the desire to be socially appreciated as it is by economic pressures (Woll 2008). While agreeing with the notion that “firms should be treated as analytically distinct from states and other types of non-state actors,” constructivist MNE research thus also argues that “distinctions that rely on defining away their social nature are unhelpful and inaccurate” (Kollman 2008, 416).

In this perspective, corporate social responsibility has been conceptualized as a norm bundle that constitutes a new “global public domain” in which MNEs (have to) assume new roles and responsibilities (Ruggie 2004; Hofferberth et al. 2011). Over time, as these norms are spelled out in more detail in multistakeholder initiatives, they eventually become habitualized within a new corporate culture of responsibility and moral

accountability (Holzer 2010). As a consequence, MNEs supposedly leave behind the “purely instrumental view of corporate politics” and willingly assume a new role in global governance “to fill the regulatory vacuum that has emerged as a result of the process of globalization” (Scherer and Palazzo 2011, 900). In fact, against the background of being socialized by strong norms in their home countries, it has been argued, MNEs “export” such behavior to other countries and thereby engage in corporate norm entrepreneurship (Flohr et al. 2010, 165–166). Overall, the assumption seems to be that MNEs can be a positive change in global governance and, leaving economic constraints behind, play not only an active but also a constructive role in the regulation of global markets.

While certainly offering a stimulating alternative to rationalist research, the alternative image can be equally criticized. First, resonating with normative commitments of business ethics, it remains unclear how much of this logic is based on actual empirical research (meaning MNEs do behave this way) rather than value-motivated assumptions (meaning MNEs should behave this way). In other words, normative-constructivist research seems to advance a descriptive and a normative take on MNEs at the same time, conflating responsibilities and obligations of “what companies should be doing [with] what they are in fact doing” (Dashwood 2004, 191). As such, it remains unclear whether companies have been or will be moralized (Holzer 2010) or whether a political conception of corporate social responsibility (CSR) different from an instrumental approach has emerged or will emerge (Scherer and Palazzo 2011). In the end, ambivalences remain as research oscillates back and forth between empirically describing and normatively prescribing corporate action: “We suggest that, in order to respond to the globalization phenomenon and the emerging post-national constellation, it is necessary to acknowledge a new political role of business that goes beyond mere compliance with legal standards and conformity with moral rules” (Scherer and Palazzo 2011, 906).¹²

Second, from a perspective that takes corporate agency seriously, such research seems to be structurally overdetermined in two ways. On the one hand, it seems to overemphasize the potential impact of globalization on global governance. Envisioning more active, engaged roles of MNEs as the single possible consequence of such development, at least, seems overly optimistic and potentially ignorant of other alternative outcomes, such as less corporate involvement (Whelan 2012, 712–716). On the other hand, it suggests that shared values and expectations of MNEs and their behavior exist in absolute terms and that these actors do not contest or negotiate them. Not considering potential disjunctures between expectations and the actions that respond to them, this down-

play of corporate agency, despite operating in normative structures of unclear expectations, makes MNEs appear as “norm dopes” (Hofferberth and Weber 2015; Sending 2002). Taken together, one can easily imagine different courses of corporate action in global governance. More specifically, challenge to any particular involvement could come both from MNEs themselves and from civil society lobbying against their influence (Zeitlin 2007, 135).

Third and finally, despite advancing strong normative claims in terms of the outcome, the normative-constructivist actor image remains suspiciously “agnostic and/or uncertain as to the motivations or interests that drive [multinational corporation] decision making” (Whelan 2012, 717). Following the larger social-constructivist *via media* argument, at times convenient the image brings rational assumptions back into the mix and thus conflates the two ideal-type logics of action. Matten and Crane (2005, 173), for example, argue that corporate actors assume broader responsibilities under a “wide range of motivations . . . from altruism to enlightened self-interest or plain self-interest.” As such, we find the same open-endedness and potential danger of post hoc theorizing that we recognized in rationalist approaches resonating in the normative-constructivist image as well. While the impetus to capture variation in corporate agency is well taken, the “anything goes” approach of trying to reconcile both images ultimately shows that we need better ways of studying corporate agency rather than assuming their motivation one way or another (Hofferberth 2017).

Despite its focus on corporate roles and responsibilities in changing normative environments, the constructivist-normative actor image thus ironically suffers from the same limitations as its rationalist counterpart. Equally charged with theoretical assumptions, this actor image also leans toward structure rather than agency, subsumes empirical idiosyncrasies in larger, abstract conclusions, and theorizes them post hoc. Emphasizing the normative over the rational dimension, research based on this image arrives at more optimistic conclusions about MNE involvement in global governance. Such involvement represents more than cheap talk since it carries the potential to redefine corporate interests and identities. Conflating empirical descriptions with normative prescriptions, however, the likelihood of MNEs assuming new roles in global governance as well as the precise conditions thereof remain unclear. As such, while enriching the discussion and presenting an alternative to rationalist accounts, constructivist contributions, due to similar structural commitments and conceptual limitations, in the end also do not focus on the ambivalences and challenges of corporate agency in global governance. While their involvement in global governance is discussed in greater detail by

considering normative environments, we still only have a limited understanding of what constitutes MNEs and their agency in the first place and how they sustain their agency in light of changing expectations (Deitelhoff and Wolf 2010).

Taking Agency Seriously: Implications for Studying MNEs

Insofar as global governance and changing normative expectations toward MNEs expressed within raise “very basic question[s] about the social definition of a corporation” (Kobrin 2008, 267), not engaging with corporate agency beyond either the rational or the constructivist image marks a lacuna within global governance research on MNEs. In other words, while recognizing that market and nonmarket environments have changed, corporate agency in global governance is downplayed and MNEs framed either as “rational market actors” or “good corporate citizens” (Flohr et al. 2010, 244–246). Instead of conceptualizing corporate agency in an open-minded fashion, we thus charge it based on theoretical a priori commitments about the assumed nature of corporate actors. Against this background, contributions in this volume share a commitment to unpacking these commitments. We contend that simply being a multinational enterprise does not determine a particular course of action. Consequentially, corporate agency is no longer perceived as “simply making a different selection from a reservoir of situation components that are either already defined or have no need of definition” but rather as attempts at “defining that which is as yet undefined” (Joas 1996, 133).

Such a framework of corporate agency is not new but draws from different inspirations. More specifically, similar claims on corporate agency and the need to disaggregate them have been advanced in economic sociology (Heidenreich 2012; Beckert 2003), international business and management studies (Geppert and Dörrenbächer 2014; Kostova et al. 2008), business ethics (Fontrodona and Sison 2006), organization studies (Soule 2012; Kristensen and Zeitlin 2005), and geography (O’Neill and Graham-Gibson 1999; Schoenberger 1997). Furthermore, while not spelled out in detail yet, conceptualizing MNEs as social and dynamic organizations embedded in ever-changing normative environments is not a novel approach even in IR and IPE: “Multinational enterprises are viewed no longer simply as instrumentalist advantage-maximizing institutions, but as complex organizations which exceed their goals and functions, but in non-utilitarian ways. Their language, their scripts, their histories, their technostructures and artefacts matter; analysis of which reveals them to

be trapped in their own evolutionary logic but also constantly at work to renew themselves” (Palan 2000, 15).¹³ This volume connects to this existing research and explicitly applies it to studying MNEs in global governance. It does so since the focus on corporate agency in changing normative environments indeed can provide a more accentuated and differentiated picture of these actors and their role in global governance. More specifically, different forms of corporate engagement and experiences in global governance can be reconstructed. In order to unpack these and corporate agency within, thinking of the latter as both social and creative rather than rationally or normatively determined is important. Both dimensions are needed in order for MNEs to maintain their agency in times of change and for the scholar to analyze it beyond the a priori assumptions.

Given the complex and challenging situations MNEs find themselves in, in addition to the diverse normative expectations they face originating from cross-border activities in different social and cultural contexts, neither their actions nor the consequences thereof are obvious. To maintain their ability to act, MNEs thus have to interpret and connect to social expectations and shared understandings. As such, we imagine corporate agency to reside in “the interpretive processes whereby choices are imagined, evaluated, and contingently reconstructed . . . in ongoing dialogue with unfolding situations” (Emirbayer and Mische 1998, 966). Just as Granovetter (1985, 487) argued more than thirty years ago, acting in changing situations is only possible because of the social embeddedness of action: “Actors do not behave or decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy. Their attempts at purposive action are instead embedded in concrete, ongoing systems of social relations.” Arguably, social embeddedness is even more relevant to MNEs, which, due to their cross-border operations, have to reconcile very diverse sets of expectations from different stakeholders. Facing these pressures, MNEs respond to particular social expectations in their actions while disregarding others. In addition, enterprises obviously also advance their own expectations and meanings, which might or might not relate to those of others (Hofferberth 2017; Geppert 2003). Given that MNEs, just as any other actor, “must engage in a process of creating some level of a shared understanding of what constitutes the rule system” (Kostova et al. 2008, 1002), there is a creative dimension in corporate agency as well, implying that these actors constantly reinvent themselves in and through their actions. Creativity in this context should not be confused with extraordinary artistic or interpretive skills. Rather, it captures the inventiveness necessary to relate to, make sense of, and choose

between different or create new meanings in any given situation.¹⁴ As such, with corporate action playing out against indeterminate social situations, MNEs depend on “interpretative acts by which [they] construct perceptions of rationality intersubjectively in the action process itself” as they continuously make sense of situations in which they discover their interests and opportunities while their action unfolds (Beckert 2003, 770).

Against these theoretical commitments, studying corporate agency in methodological terms is best advanced through the consideration of single enterprises. Instead of reducing complexity and aiming for generalization, such an approach reconstructs corporate idiosyncrasies and the uniqueness of different contexts and expectations. In other words, this volume proposes to study MNEs in global governance by putting the focus on the first and not the latter. Discussed in enterprise-centered case studies, corporate agency is reconstructed through the actions these actors perform as well as by assessing the cognitive and normative frames in which they act. Bringing together different accounts of different enterprises in different situations to consider different dimensions and different layers of corporate agency and thus echoing the call for on-the-ground research on corporate actors (Hönke 2013), the individual chapters in this volume together provide a more detailed account of MNEs in global governance. These and other contributions, as well as the structure of the volume and its individual chapters, are discussed in the final section.

Contributions and Structure of This Volume

Assuming that there is more ambiguity to be uncovered, this volume, in its modest take, reflects actor assumptions and conceptualizations when framing and studying MNEs in global governance. In its more ambitious take, it goes beyond notions of corporate rationality and business ethics since both leave little space for corporate agency to play out in novel ways. Neither, arguably, provides conceptual ground to grasp what constitutes and motivates these actors and their actions in light of large-scale yet indeterminate change. By engaging with corporate agency in a more open fashion, this edited volume intends “to address systematically the social determinants of organizational structures, the political nature of decision-making, the irrationality of organizations, and the social construction of markets” (Morgan 2001, 9). We hope to achieve this by focusing on individual enterprises in specific contexts, reconstructing how they make sense of situations, whom they interact with, how they respond to social expectations and changing normative contexts, and how they overall define their role in this. The two major contributions of the volume are thus to unpack and to problematize MNEs in global governance.

In terms of unpacking, the volume shares the major assumption of global governance that the public and the private indeed blur due to the emergence of new actors and their involvement in governance (K. D. Wolf 2008). However, for the actors themselves this can be a disruptive experience. Hence, we caution against prematurely framing enterprises as fully integrated global governors, meaningfully contributing to the provision of regulation and order. Sure enough, we witness increased cross-border MNE activities and arguably a declining capacity of nation-states to regulate these activities as well. Also, we see increased scrutiny as civil society articulates new expectations of MNEs. And finally, because of these two developments, “stronger connections of the corporation with those ongoing public discourses . . . and a more intensive engagement in transnational processes of policymaking and the creation of global governance institutions” have emerged (Scherer and Palazzo 2011, 910). Obviously, these developments challenge MNEs since business as usual seems no longer feasible. At the same time, however, these individual puzzle pieces do not automatically and across the board translate into changed corporate roles and the comprehensive acceptance of new responsibilities on behalf of MNEs. In other words, the observation that more enterprises engage in social activities that do not generate immediate profit does not tell us anything about the motivations and assumptions under which these activities are carried out and whether they are sustained in the long run. To determine whether we can reasonably expect meaningful and sustained changes in corporate behavior for the future (as constructivists argue) or whether these activities are limited to cheap talk (as rationalists argue), one has to consider corporate agency itself and not just its outcome. At the very least, that way we can reconstruct struggles, contradictions, and ambiguities as MNEs engage in global governance.

The reservations about corporate actors expressed here should not be read as an outright rejection of the inclusion of MNEs in global governance and their potential to contribute in meaningful ways. Rather, as corporate agency plays out creatively in social situations, the roles and responsibilities of corporate actors remain to be determined. Put differently, while one should not assume the ease of transitioning into new roles, one should also not assume the impossibility thereof. Ultimately, the roles and responsibilities MNEs assume depend on how such notions and expectations are advanced, interpreted, negotiated, and translated in and through social and creative corporate action. Even though MNEs “may be the *only* institution capable of effectively addressing some of the [most pressing global issues]” (Smith et al. 2010, 1; original emphasis), whether they actually do so or not can only be assessed through their agency. Convincingly argued by Geppert and Dörrenbächer (2014) and Whelan (2012), enterprises themselves, in

interaction with other relevant actors, determine whether and how new corporate responsibilities emerge. Put bluntly, while they are asked to assume responsibilities to close global governance gaps, it remains to be seen whether and how MNEs answer this call, and research should consider the diverse answers expressed by corporate actors themselves.

Against this background, following Ruggie (2018), one can easily problematize the very idea that corporate actors can easily be integrated into global governance. This is, however, not a regulatory question of the respective impact of voluntary CSR versus mandatory initiatives imposing legally binding obligations. Rather, the conceptual lacuna of not taking the notion of corporate agency seriously seems to suggest more broadly that current answers, no matter which direction they take, on how MNEs are integrated into global governance remain limited by default. As such, our approach should be understood as a commitment to a more nuanced and critical public discourse on how to govern and regulate MNEs. In other words, considering the creative and social nature of corporate agency presents an alternative not only for how to study MNEs in global governance but also ultimately for how to govern them. Shedding the cynicism of post hoc theorizing in rationalist approaches as well as the optimism and normative commitments expressed in constructivist approaches, a critical reconstruction of corporate agency in global governance could open the discussion on its future and thereby makes it harder for MNEs to advance their stories and influence the outcome of the discourse as they have done in the past (Berliner and Prakash 2015; Kinderman 2012). More specifically, if corporate engagements in global governance remain episodic or carried out in frameworks that do not reflect sustained change of foundational beliefs and assumptions on behalf of MNEs, the “debate about the range of strategic choices” on how to integrate and regulate corporate actors in global governance should indeed remain open and include, depending on situation and context, integration as well as authoritative regulation (Zeitlin 2007, 135).

The individual chapters in this volume connect to these conceptual and normative commitments in different ways. Overall, the case studies include individual corporate experiences of and responses to global governance. Within their own contexts, all case studies perceive MNEs as actively engaged in the interpretation and reconciliation of political and social expectations. As such, their transitions into becoming global governors follow different trajectories, and the scale and implications thereof differ. In terms of the structure of the volume, the chapters are organized by the degree to which the transitions play out against long-term change or immediate crisis. While some chapters have both in mind, the former is mostly characterized by situations in which corporate actors relate to

other actors in institutionalized settings and over a longer time frame. As such, the enterprises studies do not face immediate pressure to respond to expectations as they reflect and define their agency. In other words, established protocols exist and corporate actors have choices to engage in discussion with others or not (Geppert 2003). Agency in crisis, on the other hand, is characterized by a certain sense of urgency, and the pressure to respond might appear to be larger. This can be caused by conflict, either locally where the enterprise operates or globally through “buycotts” and campaigns that scrutinize business practices. In other words, a crisis is defined by strongly contested expectations of how MNEs should act, which can lead to dissent or violence as enterprises are directly attacked, either literally or figuratively (Hofferberth 2017).¹⁵

Focusing more on long-term developments, the first set of chapters considers corporate agency as it responds to its normative and social context in institutionalized ways for the automobile industry (John Mikler and Madison Cartwright), for the extractive industry (Uwafiokun Idemudia and Cynthia Kwakyewah, Hevina S. Dashwood), and for the garment industry (Nicole Helmerich), as well as across the board for different industries and their supply chains (Christopher May). More specifically, Mikler and Cartwright argue in their chapter that Ford and Volkswagen in South Africa have become agents of institutional hybridization. While they retain interests and modes of organizing management-labor relations defined in terms of their home states, they are equally impacted by arrangements they find in their host states and thus have to proactively adapt. Idemudia and Kwakyewah in the next chapter discuss the evolution of business and human rights regulation through the experiences of Ghana’s gold mining industry. Reconstructing in particular the experience of Golden Star Resources and its host communities in Dumasi, the authors stress corporate responsibilities the extractive industry faces when governance otherwise remains limited. Dashwood in her chapter considers the potential role of multistakeholder partnerships in overcoming some of the limitations inherent in individual companies’ CSR. Through an analysis of Rio Tinto Alcan’s partnership with World University Service of Canada and the local government in the Bibiani-Anhwiaso-Bekwai District of Ghana, she argues that community development initiatives undertaken through such partnerships have a better chance of addressing long-term development needs of the communities, while also improving community relations for the company in the long run. Emphasizing the polycentric nature of agency in the setting and implementation of transnational labor standards in the garment industry, Helmerich in her chapter argues that corporate agency and the agency of workers, while relying on different power resources, constitute each

other relationally. Advanced as an ethnographic study, the chapter reconstructs the contestations and ambiguities of such a relational process. Finally, in his chapter, May reconstructs how MNEs not only manage but govern supply chains as they interact with different institutions and suppliers within. This focus allows him to assess different ways in which MNEs qua institutions of global governance construct their supply chains and whether these individual constructions can be used to develop general depictions of this space of governance.

Moving on to contexts in which corporate agency unfolds in more immediate situations of crises, the second set of chapters looks at extractive enterprises (Tricia D. Olsen, Matthias Hofferberth) and private security companies (Rebecca DeWinter-Schmitt). Looking at Freeport McMoRan and Southern Copper, Olsen in her chapter discusses how corporate agency in community engagement shaped and was shaped by conflicts in Peru. Seeing variation in local conflict dynamics, the chapter argues that business responds to global and national pressures in local ways, which is why we need in-depth studies to determine how seemingly similar conflicts play out very differently. Hofferberth, in the next chapter, discusses the operations and actions of ExxonMobil in Indonesia in light of the Acehese conflict in around 2000. More specifically, it focuses on how the enterprise struggled to make sense of and respond to this crisis. Against the findings that ExxonMobil reproduces an exclusively economic understanding of its own role in said conflict, the chapter overall cautions us to remain skeptical about the transition of MNEs into global governors. Finally, DeWinter-Schmitt, in the last chapter, frames private security companies as agents in global governance of private security operations. Framing negative human rights impacts as “undesirable and disruptive events,” the chapter reconstructs how corporate agency, despite being indeterminate and subject to ongoing corporate identity formation, succeeded in advancing its stories, rhetorics, and metaphors and thereby not only weathered its legitimacy crisis but also determined the discourse and political outcomes in soft regulation.

Taken together, through their collective emphasis on corporate agency, the case studies capture the dynamics that follow from MNEs’ being “local players in global games” and reconstruct different contexts of engaging MNEs in global governance (Kristensen and Zeitlin 2005). They do so in somewhat different ways, though. While some chapters focus more on the respective enterprises themselves, others relate their case studies to broader multistakeholder contexts. Moreover, the contributors explain corporate agency in different ways as they draw on different aspects, such as corporate governance, culture, and history. Jeffrey Harrod, in his conclusion, relates the different chapters and, against

their insights, conceptualizes MNEs as organizations of governance, both powerful and deeply political yet ultimately indeterminate in their very actions and responsibilities. Given the normative issues that arise from this, the volume thus hopes to speak to the issue of how to better regulate enterprises in global governance. As ambiguities in corporate agency remain and corporate commitment in global governance at least in some instances appears more sporadic and unsustainable than meaningful, our discussions, for the time being, should remain open, both conceptually and in terms of regulation and policy recommendations.

Notes

1. Following Dunning's (1971, 16) seminal definition, the volume defines a multinational enterprise as "an enterprise which owns or controls producing facilities (i.e., factories, mines, oil, refineries, distribution outlets, offices, etc.) in more than one country." While this definition is widely accepted, various terms exist to identify the phenomenon. I use the term "enterprise" since "all multinationals are enterprises but not all are incorporated" (Eden 1991, 219). The addition of "multinational" is intended to indicate that the operations of these enterprises cross but do not transcend state borders as corporate activities still take place within local, nationally defined contexts (Kristensen and Zeitlin 2005). Another important distinction in this discussion and reflected by the choice of speaking of multinational enterprises is to differentiate between an MNE as an "*economic* organization that is able to act under unity of command across its entire sphere of operations, and the *separate legal entities* within the multinational corporate group" (Ruggie 2018, 329, original emphasis).

2. Among others, President Trump himself recently advocated a new sovereignty in his UN speech when he pitched "independence and cooperation over global governance, control, and domination" as if these were mutually exclusive perspectives. "Full Text: Trump's 2018 UN Speech Transcript," *POLITICO*, September 25, 2018, <https://www.politico.com/story/2018/09/25/trump-un-speech-2018-full-text-transcript-840043>.

3. Another instance showing corporate involvement in global governance and a new leadership role for business—whether truly as beneficial as he paints it or not—came from then UN secretary-general Ban Ki-Moon at the Business and Climate Summit in 2015 when he stated, "Business leaders are now in the vanguard of the movement to take climate action." "Business Leaders Call for Pledges and Plans to Reach Long-Term Carbon Target," *Climate Policy Observer*, May 28, 2015, <http://climateobserver.org/business-leaders-call-for-pledges-and-plans-to-reach-long-term-carbon-target>.

4. Criticism on global governance due to its conceptual ambiguity is not new but rather as old as the framework itself and obviously is not limited to discussions on whether MNEs should be studied in such a framework (Latham 1999; Finkelstein 1995). Interestingly enough, though, none of this prevented global governance from obtaining its "near-celebrity status" in the discipline and from conventionally framing MNEs as global governors (Barnett and Duvall 2005a, 1). For this volume, we contend that global governance is constituted through activities by one or multiple actors aiming to provide collective regulation and public goods. For MNEs, this includes self-regulation and regulation along the supply chain (May, this volume), as well as multistakeholder initiatives, industry-wide regulation, and overall any kind of engagement with stakeholders that establishes MNEs as "political actors."

5. Barnett and Sikkink (2008, 71) frame the initial engagement with MNEs in transnationalism a little more skeptically as they argue that the “particular research agenda did not prosper in the short term, with the exception of some increased attention to transnational corporations in world politics.”

6. I use the image of images to indicate that while no individual research explicitly draws from and thus directly reproduces them, collectively they nevertheless serve as background and inform our work.

7. In a more explicit tone, and by no means limited to the study of MNEs, Friedrichs and Kratochwil (2009, 710) state, “Everybody knows, but nobody recognizes openly, that no one actually follows the stylized steps of hypothesis formulation, testing and so on. Popperian fantasies about ingenious conjectures and inexorable refutations continue to hold sway despite the much more prosaic way most scholars grope around in the formulation of their theories, and the much less rigorous way they assess the value of their hypotheses.”

8. The section title popular culture reference is drawn from a Bad Religion song. However, despite his master plan, the lyrics continue, even the businessman cannot see “his species’ slow decay.”

9. It should be noted that Risse (2002, 256) qualifies his distinction by stressing that these actors only *primarily* pursue their respective motivations, adding, “It is useful to think of this distinction as a continuum rather than sharply divided classes of actors.”

10. Writing almost twenty years later but still drawing from the same “as if” logic, Raymond Vernon emphasized the same behavioral assumption toward MNEs. However, at the same time, he foresaw criticism from disciplines less focused on simplifying reality: “Economists, as a rule, have no trouble with . . . abstractions; the idea of the firm, singlemindedly devoted to maximizing profits, fits neatly into the framework of economic theory. Practically everyone else, however, will recognize that an institution as complex and diverse as a multinational enterprise cannot be said to have a clear, unambiguous will” (Vernon 1971, 6).

11. Kollman (2008, 397) outlines the need for a new research agenda more broadly by arguing that “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.”

12. The quote can be considered open-ended since it remains unclear whether the acknowledgment has to come from enterprises and their managers, from scholars studying MNEs, or from both at the same time. Also, note once more the teleological determinism and the assumed “there-is-no-alternative-logic” as globalization and the alleged decline of nation-state governance that comes with it assumingly not only *necessitate* a new role and responsibilities for MNEs but also leave these actors with no other choice but to accept these responsibilities. For a critical discussion on political CSR challenging the notion that there is no alternative to it, see Whelan (2012).

13. Others who have advanced similar ideas and argued for the need to disaggregate MNEs in the field of IR and IPE include, among others, Avant (2016), Haufler (2010), Cutler (2008), Woll (2008), and Amooore (2006).

14. One should add, in the words of Kostova et al. (2008, 1001), that such activities include MNEs’ “manipulate[ing], negotiat[ing], and partially construct[ing] their institutional environments” mostly because they are “fragmented, ill-defined, and constantly evolving” by default.

15. For the broader distinction between routine and crisis and the theoretical origin in pragmatist and interactionist thinking, see Strauss (1993, 191–245) and his argument that both contribute to the “continual permutation of action.”