Corporate Social Responsibility and the Influence of Non-Governmental Organizations

- Tactics, mechanisms and legitimacy

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Table of Contents

ACKNOWLEDGMENTS ..... **III**

1. INTRODUCTION AND BACKGROUND **1**

1.1 PRESENTATION OF RESEARCH QUESTIONS AND CASES 3
1.1.1 The Cases *4*
1.1.2 Working Model of thesis *8*
1.2 BACKGROUND; NGOS, GLOBALIZATION AND SUSTAINABLE DEVELOPMENT 9
1.2.1 Globalisation – governance challenges and new political actors *10*
1.2.2 NGOs and the sustainable development framework *12*
1.2.3 Multilateral attempts to regulate TNCs towards sustainable development *13*
1.2.4 The NGO response to the TNC challenge *15*
1.3 METHODOLOGY 16
1.3.1 Operationalizing the approach *16*
1.3.2 Using Case study as a method *17*
1.3.3 Data-gathering and sampling *19*
1.3.4 Analytical approach and challenges *20*
1.3.5 Credibility of research - reliability and validity *23*
1.4 THE STRUCTURE OF THE THESIS 25

2. **THEORY** **27**

2.1 THEORETICAL FOUNDATION – CONSTRUCTIVISM AND RATIONALISM 27
2.2 EXPLANATIONS OF NGO INFLUENCE 29
2.2.1 NGOs and behavioural power *29*
2.2.2 NGOs and power through affecting structures *32*
2.3 DETERMINING EFFECTS OF NGOS TACTICS ON TNCS CSR MEASURES 34
2.3.1 Background for employing the spiral model – CSR as norms and discourse *35*
2.3.2 The Spiral Model *36*
2.3.3. Norm-socialization, phases and NGO tactics *38*
2.4 NGOS AND LEGITIMACY 39
2.4.1 NGOs as legitimate actors of governance? *39*
2.4.2 Legitimacy for whom? *41*

3. NORWATCH – DISCOURSE AND CASES **43**

3.1 FIVH AND NORWATCH 43
3.1.1 Targeting business – how it came about *44*
3.2 BACKGROUND AND CONSTITUTION OF NORWATCH 44
3.1.2 Goals and mandate – conflicting views *45*
3.1.3 The underlying values and discourse *46*
3.2 STRATEGIES TOWARDS BUSINESS 47
3.2.1 Methods *47*
3.2.2 Routes of influence *49*
3.3 NORWATCH AND CASES OF WATCHDOG ACTIVITY 50
3.3.1 NorWatch and Statoil *50*
3.3.2 NorWatch and Hydro *52*
3.3.3 NorWatch and the Varner Group *54*
3.4 NORWATCH SUMMED UP 56

4 AMNESTY INTERNATIONAL NORWAY – DISCOURSE AND CASES **57**

4.1 BACKGROUND AND CONSTITUTION 57
4.2 AIN AND BUSINESS 58
4.2.1 Discursive position *58*

4.2.2 Targeting business – a new and agreed upon venture? ... *59*
4.2.3 Goals and mandate in the business approach ... *60*
4.3 STRATEGIES TOWARDS BUSINESS ... 61
4.3.1 Methods – Partnership and confrontation ... *61*
4.3.2 Routes of Influence ... *62*
4.3.3 Partnerships and cooptation ... *63*
4.4 AMNESTY AND CASES OF BUSINESS INTERACTION ... 64
4.4.1 Amnesty International Norway and Statoil ... *64*
4.4.2 Amnesty International Norway and Hydro ... *66*
4.4.3 Amnesty International Norway and the Varner Group ... *67*
4.5 AIN SUMMED UP ... 68

5. EXPLORING PERCEPTIONS OF NGO INFLUENCE ... 69

5.1 PERCEIVED INFLUENCE OF NORWATCH ACTIVITY ... 69
5.1.1 NorWatch and Statoil –limited influence? ... *69*
5.1.2 NorWatch and Hydro – eliciting change? ... *71*
5.1.3 NorWatch and the Varner Group – sustaining an agenda? ... *74*
5.2 THE CASE OF AMNESTY INTERNATIONAL NORWAY – PERCEPTIONS OF INFLUENCE ... 76
5.2.1 AIN's perception of the partnership agreements ... *77*
5.2.2 Mapping the Impact – Statoil and Hydro's views ... *79*
5.2.3 Mapping the Impact – AIN and the Varner Group ... *80*
5.3 SUMMING UP ... 81

6. ANALYSIS: THE INFLUENCE OF NGOS ON CSR MEASURES IN TNCS ... 83

6.1 TACTICS, MECHANISMS AND INFLUENCE; ARE THERE TRACEABLE DIFFERENCES? ... 83
6.1.1 NorWatch and AIN – one tactic or many? ... *84*
6.1.2 NorWatch – power through the public? ... *85*
6.1.3 Amnesty International Norway – power through access? ... *90*
6.1.4 The Power of Norms – socialization and evolution ... *94*
6.1.5 Summing up: assessing the influence with regards to the spiral model ... *96*
6.2 NGOS AND LEGITIMACY ... 102
6.2.1 Representativeness and Accountability ... *102*
6.2.2 Legitimacy as a social construct? ... *105*

7. CONCLUSIONS ... 107

7.1 INFLUENCE THROUGH UTILIZING NON-MATERIAL RESOURCES ... 107
7.2 NGOS AS NORM ENTREPRENEURS: BRINGING NEW ISSUES TO THE AGENDA ... 109
7.3 DIFFERENT TACTICS, DIFFERENT EFFECTS? ... 110
7.4 ARE NGOS CONTRIBUTING TO A MORE JUST WORLD? ... 112
7.5 THE WAY AHEAD ... 113

8 REFERENCES ... 115

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1. INTRODUCTION AND BACKGROUND

In November 1995, the Ogoni environmental and human rights activist and author, Ken Saro-Wiwa, and eight fellow colleagues, were hung by the Nigerian military regime under General Abacha. Saro-Wiwa led the opposition of the Ogoni people towards Royal Dutch Shell, criticizing them of degrading the Ogoni environment through oil production, with little or no compensation for the locals. The murders generated widespread international disapproval, after non-governmental organizations (NGOs) such as Greenpeace, Amnesty International, and Human Rights Watch made an alliance with the Ogoni cause, claiming Shell should have used their influence to prevent the murders, and initiating world wide campaigns against the company (Wheeler et al. 2002). The NGOs involved in the case, were seen as central providers of information and publicity generating pressure (Wright 2002). This pressure contributed to fundamental changes in corporate strategy in Shell, by marking a new orientation towards concepts of sustainable development (SD) and corporate social responsibility (CSR) (Wheeler et. al 2002, Frynas 2003). The case of Ken Saro-Wiwa can be seen as a milestone with regards to CSR, in that the image of Shell was badly tainted, sending out a message to the corporate world that policies and procedures to deal with related issues were needed.

The Ogoni case illustrates that NGOs have the potential to play a role in governing transnational corporations (TNCs) on issues related to SD. The academic literature increasingly recognizes attempts by NGOs to hold TNCs accountable in an age of globalization where states are seen as failing to provide sufficient regulations on these actors (Bendell 2000, Murphy and Bendell 1999, Newell 2000). Using a variety of tactics NGOs have taken on the challenge to generate norms for environmental and social behaviour, by which TNCs feel bound in their operations (Newell 2000:37). While the early phases of the Ogoni case are illustrative of typical confronting NGO approaches, partnerships between NGOs and TNCs have become increasingly common in the later years (Elkington and Fennell 2000).

Although the growth of the NGO sector is well documented (Princen and Finger 1994), the academic examination into the link between NGO activities and the influence on corporate policies related to sustainable development, is a relatively new endeavour (Murphy and Bendell 2002:216). Little has also been done to understand "how and under what conditions NGOs matter" (Betsill and Corell 2001:65) and what the effects of different NGO approaches are (Berlin 2005). This thesis aims to shed light on these largely unexplored aspects, by examining influence of the Norwegian based NGOs NorWatch and Amnesty International Norway (AIN) on the three TNCs: Statoil, Hydro and the Varner Group. While NorWatch has a highly confronting approach, AIN has in the later years moved towards a more collaborative tactic, and currently engage in partnerships with both Statoil and Hydro.

The goal of this thesis is firstly to map NGO influence on a company level; exploring how NGO activity influences company processes and policies concerning corporate social responsibility. Here it is central to understand differences *within* the NGO movement by looking at various tactics employed by the NGOs and the effects of these tactics on TNCs CSR measures. The study seeks to understand NGO influence by emphasizing the contextual setting which is seen as and important framework for understanding both tactical choices and actual influence. It is also clear that as NGOs have become more prominent on the political scene; their actions have increasingly been called into question for reasons of legitimacy. Academics are becoming increasingly sceptical to NGO actions questioning whether they are accountable and representative agents of governance (Brühl 2002, Lister 2003 and Newell 2001). This criticism is often related to a concern for democracy; in the sense that those being spoken for, are not given a direct a say in the matter (Brühl 2002). Based on the empirical data gathered in this thesis, I also aim to shed light on the legitimacy of NGO efforts to hold TNCs accountable. This, in some ways, represents an ad-on to the main focus of the thesis; however I see it as important to shed on this, as it has relevance for the very foundation of NGO-TNC engagements.

1.1 Presentation of Research Questions and Cases

The main research question of this thesis is;

> *How do NGOs influence CSR measures of TNCs operating in Less Developed Countries (LDCs)?*

This question is formulated widely in order to capture various dimensions of NGO influence on the CSR measures of TNCs. To specify the study further three sub-questions have been developed to guide the investigation.

a. *What are the mechanisms of NGO influence?*
b. *Do different NGO tactics affect TNCs differently?*
c. *Are NGO efforts legitimate?*

As part of the goal is to capture differences within the NGO movement it is firstly relevant to understand different mechanisms through which NGOs influence TNCs, giving rise to question a. Here various explanations of power will create a theoretical framework that may shed light on underlying dimensions of the various tactics and strategies and explain how influence occurs. In question b, I then pose the question of whether different tactics have had different effects on companies in relation to changes in TNCs CSR measures. I combine rationalist and constructivist explanation factors to account for influence and relate this to various phases of norm-socialization. Based on an understanding of these dimensions, I wish to draw the debate up to a higher level and address more fundamental aspects regarding the legitimacy of the role NGOs take towards TNCs (question c). I relate this question to recent academic criticism of NGOs, where concerns for the lack of accountability and representation mechanisms, have been raised. NGOs are seen as lacking represetatativeness and accountability. In section 1.1.2, I provide a working model for the thesis, specifying the approach further. To understand the model fully I first give a brief presentation of the cases that will provide the empirical foundation for this thesis.

1.1.1 The Cases

The research questions will be answered by undertaking case studies of two different Norwegian NGOs. NGOs are here defined as "groups whose stated purpose is the promotion of environmental and/or social goals rather than the achievement or protection of electoral power in the marketplace or political power through the electoral process" (Bendell 2000:16). The two NGOs that will serve as cases are The Future of Our Hands (FIVH) through their independent initiative; NorWatch[1] and Amnesty International Norway (AIN). These two NGOs were chosen as they both work towards Norwegian TNCs with operations in LDCs[2], on issues related to corporate social responsibility – but using very different approaches. NGO approaches can broadly be divided into *outsider* and *insider* strategies, and while NorWatch adheres solely to the first, AIN has since 2001 also incorporated the latter in their work, by engaging in partnerships with business.

Outsider strategies seek to influence TNCs through direct actions, demonstrations, media campaigns etc (Berlin 2005). This category is broad and can be broken down into the sub-categories; *Protesters*, *Modifiers* and *Scrutinizers* representing differing goals and methods (Ählström and Sjöström 2005). While *protesters* seek influence through radical and publicly visible protests and actions, *modifiers* seek to challenge the present social and economic paradigm through demonstrations and appeals. The *scrutinizers* seek to reveal misconduct, and report any misconduct they may find. They seek to influence corporations by informing the public on corporate wrong doings (ibid.). While independence is of key importance in outsider approaches, insider strategies allow for more collaborative issues towards business which may include sharing expertise and policy advice etc (Berlin 2005). Ählström and Sjöström (2005) terms NGOs adhering to this approach preservers and see them as consciously partnering up with business in order to achieve their goals. Furthermore they see a common feature of such NGOs being that they were generally

[1] NorWatch does not characterize themselves as an NGO, but rather as a publicist of news. Although they are independent of the mother NGO Future of Our Hands (FIVH), they have been initiated by this NGO. Since they are largely funded by FIVH, and a direct initiative of their work, I believe they can be termed an NGO. This type of organization is furthermore treated as an NGO in the academic literature (i.e: Newell 2001, Ählström and Sjöström 2005).

[2] I use the term less developed countries when referring to countries late in establishing an industrial base, and non-OECD countries

founded over 30 years ago and have a focus on preservation – preserving nature and preserving humans.

NorWatch was founded in 1995 and aims to shed light on Norwegian companies operations in LDCs, and check whether they act in compliance with human rights demands and demands on health, safety and the environment. The NGO's goal is to independently monitor companies and issue reports on their actions, functioning much as a watchdog. By doing this NorWatch attempts to create public awareness on corporate wrong-doings, by using various internal and external news channels to spread information. NorWatch sees independence as a key aspect of goal achievement, and they do not under any circumstances want to cooperate directly with companies (NorWatch 2005a, Gaarder 2005 [interview]). The organization relies strongly on outsider strategies and more concretely the *scrutinizer* approach. However as will be discussed in Chapter 3, this has not always been the case and earlier they had a dual mandate and also represented a *protester* approach[3]. AIN on the other hand, focuses more narrowly on human rights issues and currently employ a more collaborative approach towards business. The organization has for a long time kept an eye open to what Norwegian corporations have been doing abroad using confronting outsider strategies, somewhat in line with NorWatch's approach. However, in the later years the work towards Norwegian corporations operating in LDCs, has become more formalized and AIN has in moved towards more collaborative insider approaches, consistent with the p*reserver* category. In 2001 AIN entered into partnership agreements with two different Norwegian TNCs, namely Statoil and Hydro. In exchange for financial donations from the companies, AIN has made competence on human rights available through educating the employees on human rights issues with regards to corporate conduct (Slydal 2006 [interview]). However, AIN continues to use outsider strategies and in this way also take a role as *protesters.* It is also clear that there are strong normative connotations in the work of NorWatch and AIN. Both organisations are critical towards parts of the political economic system and hence represent elements of the *modifier* approach.

[3] Ählström and Sjöström (2005) treat NGOs as adhering to only one category at a time. In this thesis the NGOs studied seem to have elements of several of the categories developed. Therefore NGOs are seen as being able to adhere to several of Ählström and Sjöström (2005) categories.

Using these two NGOs as cases, is seen as a good way to explore the influence of different NGO approaches and shedding light on different degrees, or forms of influence. However, in order to assess influence of the NGOs, empirical data is needed concerning *how* TNCs have responded to the work of the NGOs. In this respect NorWatch and AIN's work towards the three Norwegian TNCs; Statoil, Hydro and the Varner Group, will be explored. During the period in which NorWatch and AIN have worked towards these NGOs, much has happened on the political scene. As noted in the introduction the murder of Ken Saro Wiwa elicited a new focus on CSR also outside of Shell, and CSR became institutionalized through multilateral initiatives such as the UN Global Compact. The existence of CSR institutions, norms and networks have changed considerably over the years, and different cases of AIN and NorWatch targeting companies, have hence taken place at different moments in "world time" (Risse and Sikkink 1999:21). Hence seeing NGO influence on TNCs with reference to a contextual framework is central.

Since the thesis is concerned with influence on TNCs CSR measures, a brief introduction is given to the respective companies' work with CSR[4]. First, it is worth noting that I employ to a broad definition of TNC in this thesis as; "a firm that has the power to coordinate and control operations in more than one country, even if it does not own them" [5] (Dicken 2003:17).While Statoil and Hydro are TNCs in a conventional sense, with assets and ownership in a number of LDCs, the Varner Group is a TNC in the broader sense, as they have outsourced their production to LDCs, and are in power to control operations here. In 2005 the Norwegian oil company *Statoil* was represented in 33 different countries, including Azerbaijan, Nigeria and Iran (Statoil 2005). The energy company *Hydro* was represented in 40 different countries, including Iran and Angola (Hydro 2005). In 2004 the Norwegian clothing company *The Varner Group* did not own any factories themselves, but

[4] I adhere to the Commission of the European Communities definition of CSR as: "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (COM 2002:3).
[5] This definition of TNCs expands on conventional definitions where level of ownership and internationally based assets are central. Dicken (2003:17) however, applies a broader definition in order to better capture the "diversity and complexity of transnational networks" something that is followed in this thesis.

import clothes from factories in 25 different countries in the Far East and Turkey (Varner 2004)

This shows that all three TNCs are operating in countries, that may be termed less developed, and where challenges with regards to social, economic and environmental issues may be met. Currently all these TNCs can be seen as having progressive CSR agendas. Both Hydro and Statoil have for several years been visible on several sustainability indexes such as FTSE4Good and the Dow Jones Sustainability Index (Bull 2003). However CSR as an institutional part of all three companies is fairly new. Statoil and Hydro first implemented separate CSR departments in 1998 and 1999 respectively, while the Varner Group hired a CSR manager in 2004 (Larsen 2005 [interview], Oellingrath 2006 [interview], Varner 2005 [interview]).

Statoil and Hydro's CSR agendas seem to coincide substantially. In terms of environmental dimensions both companies emphasize optimal operations where high technological standards are seen as central for achieving efficient production and dealing with challenges of emissions and climate change. Both companies furthermore adhere to the principles of the UN Global Compact concerning human rights, working conditions, the environment and anti corruption. Measures are in place to secure respectable labour conditions, minimum wage, no child labour etc, and demands are also made of suppliers on these issues. Hydro has implemented "the Hydro integrity program" consisting of guidelines, information meetings etc. in order to help managers deal with ethical issues involving corruption and human rights. Statoil correspondingly plans to implement an anti corruption project during 2006. Statoil emphasizes that generating local spin offs is an important CSR measure, and they actively seek to employ local suppliers and partners, in order for their operations to benefit a larger society. Hydro similarly emphasizes "community investment" as an important part of their strategy. Both companies also define economic contributions to various projects and charities as part of their CSR work (Statoil 2005, Hydro 2005). Responsibility is defined as having clear boundaries; both companies state that they do not see functioning as political actors, by intervening in political questions, as legitimate (Larsen 2005 [interview], Oellingrath 2006 [interview]).

The CSR challenges and measures in the Varner Group differ somewhat from Statoil and Hydro, as they don't formally own any production sights. Their CSR work has been focused on achieving control over the supply chain by implementing codes of conduct towards suppliers. The codes concern respecting national laws, adhering to standards on human rights issues and environmental dimensions. All suppliers must accept these standards and be open for inspection in order to deliver to the Varner Group. If the standards are repeatedly broken or inspection denied, the Varner Group could potentially break the agreements with their supplier. This has however not yet happened as the Varner Group sees it as important that time is given for the production sights to implement the standards, which are still relatively new (Varner 2005 [interview]).

1.1.2 Working Model of thesis

The Working model (Figure 1) is developed to conceptualize the analytical approach of the thesis, and incorporates the various dimensions to be explored. Influence can be understood as *effects on CSR measures in TNCs, traceable to NGO activity.* The dependent variable is the effects that occur in TNCs in the field of CSR. Evidence of influence is sought by looking at whether TNCs CSR measures are altered in response to NGO actions. The term CSR measure is chosen, as it can incorporate various dimensions of CSR work within the companies. When speaking of CSR measures I distinguish between the dimensions *process, outputs* and *outcomes,* following Vedung (1997). While *process* is what goes on inside the TNCs, in terms of organizing and defining CSR, *outputs* are the concrete policies or guidelines that emerge from the process. *Outcomes* are the actual results of adopting such policies. By distinguishing between these different aspects of CSR activity, NGO influence can be understood as occurring in various stages.

To explain the various effects on CSR measures, I look at different NGO tactics and the resources/mechanism embedded in these tactics. I here utilize the NGO typology developed by Ählström and Sjöström (2005) that distinguish between *preserver, protester, modifier a*nd *scrutinizer* approaches. The contextual political and societal framework, at the time of

the various NGO-TNC encounters, is seen as important for understanding influence and is referred to as "world time". This is due to a recognition that influence is not an absolute construct, but something that may be affected by contextual factors. For instance an NGO may employ the exact same tactics and resources at two points in time, with different degrees of influence. Due to recent scepticism about the legitimacy of NGO efforts, the legitimacy of NGO action will also be discussed. Further methodological concerns and operationalizations will be discussed in section 1.3.

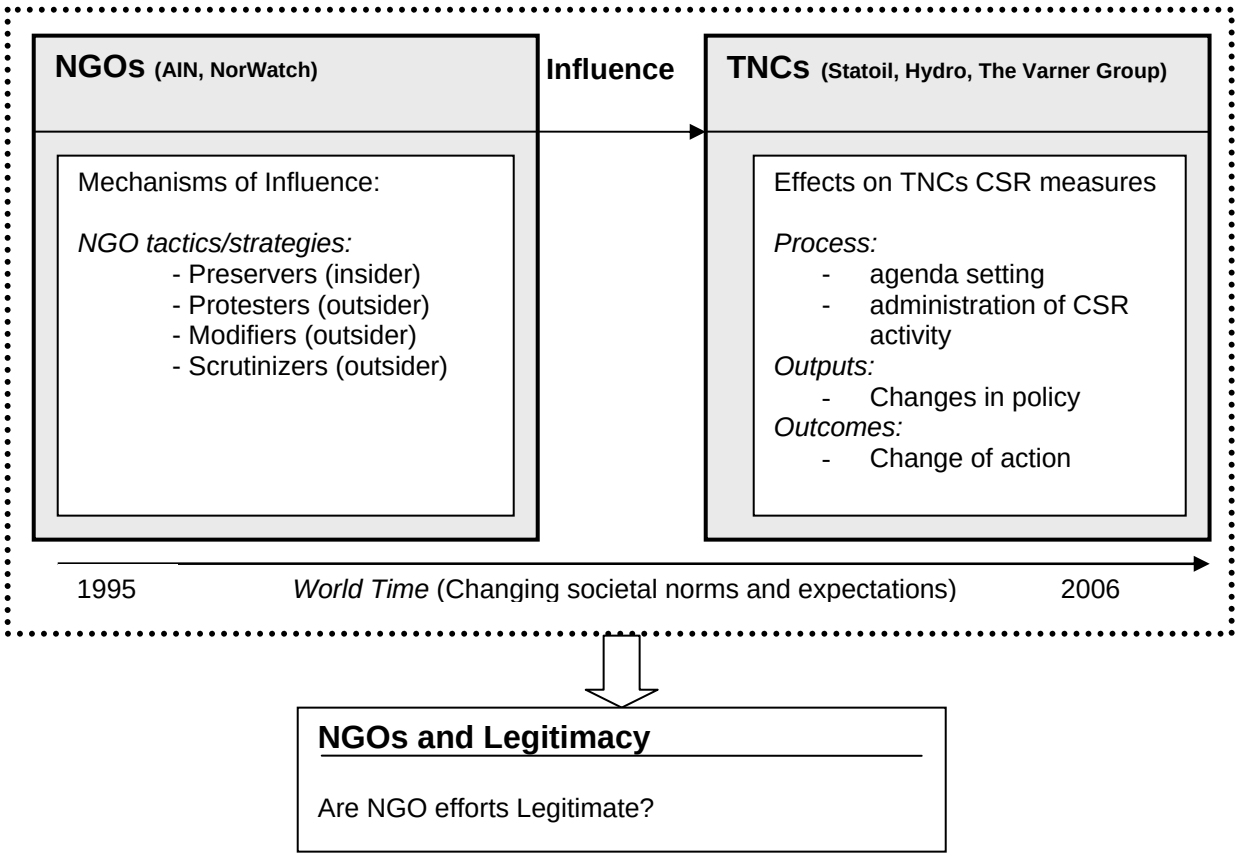

Figure 1: Working Model for Thesis

1.2 Background; NGOs, globalization and sustainable development

Since contextual factors are given a prominent role in this thesis, it is important to account for the framework and background in which NGO activities towards TNCs have emerged.

Over the past decades NGOs have become increasingly visible in international politics (Josselin and Wallace 2001) and although the NGO movement is extremely diverse, Bendell (2000:19) argues that there is an indication that NGOs often adhere to a common discourse[6] based on a critique of economic globalisation and a promotion of sustainable development.

1.2.1 Globalisation – governance challenges and new political actors

In terms of NGO activity, the globalisation debate seems to be important in two senses. First, with reference to Benedell's argument; NGOs may often share a common critical view of globalisation, a view that may provide a premise for their work. Secondly, forces of globalization are seen as diminishing state power to regulate economies (Stopford and Strange 1991, Strange 1996, Ruud 2001) allowing for alternative actors as NGOs to take a role in governance (Bendell 2000, Murphy and Bendell 1999, Newell 2000).

Although the term globalization has become a buzz-word there is a growing acceptance that an internationalization of the global economy is taking place, marking a fundamental change in the political economy (Dicken 2003). Many argue that globalisation is more than this, and that it also entails western cultural and social norms penetrating the lives of people all over the world (Newell 2000). The growth in international economic trade, production and finance has created multiple changes at the level of states, international institution, social movements and the private sector (Newell 2000:32). Globalisation has provided enormous opportunities for business to operate across national boarders. This has lead to a substantial growth in TNCs over the past years. In 2005 there were 70 000 TNCs with 690 000 affiliates existing in the international arena. Their stock of foreign direct investment (FDI) was estimated at 9 trillion dollars. Among the top 100 TNCs worldwide, only 4 were based in developing economies (UNCTAD 2005:4). With this surge of FDI, it is clear that the role of TNCs in the global economy has increased dramatically in the recent years (Hansen 2002) and that the North is clearly taking the lead. The growing importance

[6] Hajer (1995:44) defines discourse as "a specific ensemble of ideas, concepts and categorizations that are produced, reproduced and transformed in a particular set of practices and through which meaning is given to physical and social realities".

of TNCs and the acceleration of international economic activity have raised concerns about the environmental and social aspects relating to this process. Governments are seen as reluctant to impose measures on TNCs in fear that they may relocate, resulting in governmental deregulation and liberalization strategies. A common concern is also that mobility of transnational capital leads TNCs to relocate to areas where environmental and social regulations are weak such as in LDCs (Newell 2000). There are however disagreements as to whether FDI is positive or negative (see Zammit 2003). While some see TNCs as an important provider of capital through FDI with the potential to pull states out of poverty, others contest this positive view of FDI and see it as a process enforcing the North/South division and as an obstacle to sustainable development (ibid).

Because of these complex challenges in the global political economy, many academics have documented the increasing influence of non-state actors, as NGOs, in governance structures (Risse-Kappen 1995, Hall and Biersteker 2002, Josselin and Wallace 2001, Murphy and Bendell 2002, Newell 2001). There is now talk of *government* having evolved into *governance,* where governance refers to "regulatory mechanisms in a sphere of activity which function effectively even though they are not endowed with formal authority" (Rosenau 1992:5). Governance can as such refer to "the totality of steering mechanisms employed, regardless of the seat of responsibility" (Lafferty 2004:7). It can be seen as existing of several layers of interaction between different authorities, where different regulatory forms as laws, conventions and social norms are evident (Edwards 2000:3). In a time of globalisation, NGOs can be seen as taking part in a new form of governance for holding TNCs accountable that differs from the traditional state-led regulation. In such governance systems NGOs can be seen as one of many agents of governance, consistent with Utting's (2005:1) conception of NGOs taking part in a "re-regulation" on TNCs. The mechanisms of such governance follow a different pattern than that of state governance, as private actors have no formal authority. In this respect NGOs often "employ informal channels of political engagement, such as norms, moral codes and knowledge, rather than law and forced compliance" (Newell 2000:38).

1.2.2 NGOs and the sustainable development framework

As noted Bendell (2000), argues that a commitment to sustainable development provides a second dimension of a common NGO discourse. The sustainable development framework must be understood in connection with concerns of globalisation. Environmental and social issues are currently global in scope, and economic patterns can be seen as inhibiting strong national measures to control such effects. Many NGOs have adopted the language and rhetoric of sustainable development and committed to working towards goals of sustainability (Murphy and Bendell 1999).

The Sustainable Development concept gained popularity through the World Commission on Sustainable Development's report *Our Common Future* from 1987 (Lafferty and Langhelle 1999) where it was defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED 1987:43) [7]. Despite much controversy as to what sustainable development entails both in theory and in practice, there is now a general acceptance that it involves acting upon ecological, social, economic and political issues in an integrated manner (Murphy and Bendell 1999). It has been embraced by the United Nations Conference on Environment and Development (UNCED) held in Rio in 1992 and Johannesburg 2002. In Rio more than 150 countries signed Agenda 21; "a programme of action for sustainable development worldwide" (UN 1993:3) making sustainable development a clear political goal across the world (Lafferty and Langhelle 1999). The concept was still central at the Earth Summit in Johannesburg ten years later, although the focus here moved towards voluntary "type 2" pledges, where partnerships between various actors were seen the way forward (Zammit 2003).

The focus on sustainable development is relevant to this thesis in two ways. First of all as a discourse, SD has clearly become an important concept for promoting norms for environmental and developmental politics globally (Lafferty and Langhelle 1999) also for NGOs (Bendell 2000). The SD framework has also emphasized that industry has a key role

[7] The concept of sustainable Development embodies two important dimensions: "the essential need of the world's poor…[which] should be given overriding priority; and the idea of limitations…on the environments ability to meet present and future needs" (WCED 1987:43).

to play in achieving the goals of sustainable development[8] and it is in relation to the UNCED process that the concept of CSR can be said to have emerged (WBCSD 2006, Rowlands 2001). Sustainable Development alongside globalisation may form a starting point from which NGOs target industry as an explicit actor. However, in a broader sense, the SD framework may also have impact on the way in which NGOs work. The NGO sector has been welcomed to participate in the UNCED process, and have been vast in numbers. Already in Agenda 21, Chapter 27, NGOs were recognized as important "partners" in implementing the goals of sustainable development and in Johannesburg ten years later "partnership approaches" involving among others NGOs, were seen as a central way forward. This focus may influence both how NGOs approach business, but also how business responds to NGOs and include them in their activity.

Although globalisation and sustainable development are important frameworks for understanding NGO emergence, it is not sufficient to understand the role NGOs are taking towards TNCs explicitly. As shown in section 1.2.1 states are seen as losing power to regulate TNCs, but as argued below also multilateral attempts to regulate these actors can be seen as having failed to a large extent.

1.2.3 Multilateral attempts to regulate TNCs towards sustainable development

The UN work to regulate TNCs started as a response to an emerging critical perception of the work of TNCs among others by the G77[9]. This prompted the economic and social branch of the UN (ECOSOC) to establish a new program aimed at monitoring and controlling the activities of TNCs, which came to be known as the United Nations Centre on Transnational Corporations (UNCTC) (Hansen 2002). The UNCTC focused on establishing a series of draft recommendations or "codes of conduct" as a framework for

[8] In *Our Common Future* a whole chapter is dedicated to the role of industry in achieving sustainable development (WCED 1987) and in Chapter 30 of Agenda 21 the business challenge to SD is also identified (UN 1993).

[9] Group of 77 was established by LDCs in 1964 at the UN Conference on Trade and development to voice LDCs in the international debate on economic and social development for the next two decades (Hansen 2002).

TNC activity (Rowlands 2001:144). The codes called for TNCs to respect local norms, national sovereignty, disclose information to host governments, abstain from corruption etc. and in return the TNCs would be guaranteed equal and fair treatment (Hansen 2002). Partly as an alternative to the UNCTC codes, the OECD members agreed to a set of voluntary Guidelines for Multinational Enterprises, which similarly promoted a set of norms. As with the UNCTC codes, the OECD codes were voluntary - however the codes were much more limited than the code promoted by the UN, both in terms of the scope of responsibility of TNCs, and in terms of the rights of states. The ILO also engaged in normative activity through the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, aimed mainly on labour practices (ibid.)

In the 1980s the focus on the environmental impacts of TNCs reached a climax after the Bhopal accident in India, where the chemical company Union Carbide killed thousands of people. After this the UNCTC added environmental responsibility to their code of conduct and drafted an elaborate set of recommendations for TNCs, intended to be included as a separate chapter in Agenda 21. Parallel to this the OECD included an environmental chapter in their Guidelines (Hansen 2002).

During the course of the 1980s there was a clear shift in the UN approach to regulating TNCs (Hansen 2002:162). From trying to regulate FDI, the UN changed their approach and emphasized facilitating the access of developing countries to FDI and deregulation. This must largely be seen in connection with a "conservative backlash" where conservative OECD governments, such as the US, stressed a neo-classical economic reasoning, emphasizing market driven mechanisms, and opposing international economic regulation of TNCs (ibid). As a result various regulatory initiatives stagnated during the 1990s, one being the UNCTC codes of conduct which failed to be adopted at the Earth Summit in 1992 and was removed completely from Agenda 21 (Rowlands 2001, Hansen 2002). The UNCTC's suggestions were calmly dropped as they were seen as too controversial due to their regulatory tone (Hansen 2002:163). Instead TNC coalition organizations such as the Internatinoal Chamber of Comerce (ICC) and the World Business Council for Sustainable Development (WBCSD), emphasizing corporate self-regulation, basically set the agenda

for the business engagement at the Earth Summit in Rio (Rowlands 2001).With such actors at the forefront the Rio Earth Summit has been seen as marking a “watershed in the business response to sustainable development” (Murphy and Bendell 1999:4). In the following years and in Johannesburg ten years later this voluntary approach was emphasized further through “type II” pledges (Zammit 2003).

Through both the Rio and Johannesburg conferences, business and TNCs were able to present themselves as part of the solution to the sustainable development challenge, and as a legitimate actor on the world scene. Their viewpoint was that business can contribute more effectively towards sustainable development through corporate self-regulation than through external regulation. In this setting the term Corporate Social Responsibility (CSR) became important, emphasizing that business are expected to account also for social and ecological performance, and take such issues into account in business decisions and operations (WBCSD 2006). As a result the UN approach changed from being focused on regulations to emphasizing voluntary approaches, the most famous being the UN Global Compact (UNGC). These approaches have no monitoring mechanisms or sanctions for those who fail to comply with the ten principles of the UNGC, and the initiatives have hence been criticized for not being sufficient to regulate TNCs (Zammit 2003).

1.2.4 The NGO response to the TNC challenge

Many NGOs share a critical perception of the business self-regulation discourse and also see the lack of monitoring and sanctioning mechanisms in the current UN initiatives as insufficient to meet the sustainability challenge of TNCs (Hansen 2002). The focus on corporate self-regulation has in this context been criticized for being nothing more than a PR-jippo and a case of “greenwash” (Greer and Bruno 1996), whereas the UN initiatives are similarly criticized for being nothing more than “bluewash” (Utting 2002:88). The changed UN agenda is seen as reflecting increased corporate influence at the UN, driving it towards privatization and commercialization. This must also be understood as part of the framework in which many NGOs have seen it as important to take on, and keep the debate on TNC activity alive (Hansen 2002:166).

The ways in which NGOs target business varies greatly and as shown in section 1.1.1 various typologies of NGO actions have been developed. While traditional NGO-business relations were typically founded upon conflict, there is now an increasing emphasis on partnership approaches (Murphy and Bendell 1999), coinciding with a reorientation at the UN. However, it is worth noting that many NGOs still take a strong stand against partnership approaches and that there are still a wide range of methods employed by NGOs. While targeting business directly through partnerships is one route, others routes are more indirect, and seeks to influence TNCs by utilizing public pressure, or by pressuring governments to impose stricter regulations.

1.3 Methodology

This section outlines the design for the study, related to Figure 1, presented in section 1.1.2. As noted, research on the influence of NGOs on TNCs is a relatively new, and it is a complex field. This makes it necessary to make some strategic choices as to the focus and limitations of the study. In this section methodological choices and challenges will be presented and discussed.

1.3.1 Operationalizing the approach

As noted the goal of the thesis is to study NGO *influence* on TNCs CSR measures. According to Betsill and Corell (2001) many academics attempt to study NGO influence without accounting for what it entails and without thinking carefully about the types of evidence needed in order to indicate NGO influence. According to Betsill and Correll (2001) there are two dimensions of NGO influence, a) NGO strategies/ activities/ resources and, b) how the targeted actors respond and change according to this information. The goal of this thesis is to analyze the interplay between these to dimensions and see how TNCs respond to various NGO tactics, with the resources, strategies and activities embedded in these. In gathering evidence it is central to understand how the NGOs work; the tactics they use, the methods they use, and the message they promote. However it is entirely possible

that NGOs are extremely active in working towards TNCs, without there ever being any influence. Therefore it is important to somehow measure the success of these activities. Do the effects in TNCs CSR measures reflect the objectives of the NGO, and is this traceable to the NGO activity? Here it is important to know what kind of evidence one is looking for; which in this thesis is changes in CSR measures within the respective companies. How can changes in CSR measures be calculated?

Measuring NGO influence on CSR measures is tricky, because CSR means different things to different actors. Earlier in this paper the European Commissions definition of CSR was used, which in general entails incorporating social and environmental dimensions into business practice; going beyond legal requirements by investing in human capital, the environment and stakeholder dialogues (COM 2001). The measures I intend to map must hence be related to such aspects. However, NGO influence can materialize in a number of ways. With reference to Vedung (1997) I operationalize measures by distinguishing between *process, output* and *outcome* which was presented in the working model (Figure 1). Making this distinction was seen important to account for not only direct effects of NGO activity, but also more indirect effects such as agenda setting which may affect a *process* of defining and discussing CSR within the company, and potentially elicit more concrete CSR *outputs* and *outcomes*. This is relevant as CSR is a concept with a strong normative foundation. Influencing TNCs on CSR may not only imply getting them to implement concrete measures, but also to challenge what TNCs see as their corporate responsibility.

1.3.2 Using Case study as a method

I have chosen to undertake a qualitative case study to obtain information relevant to this thesis. A case study allows for an empirical inquiry that "investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" (Yin 2003:13). Since studying NGO influence is a fairly new endeavour, exploring specific cases was seen as the best approach. A multiple case study approach was chosen where the two NGOs, NorWatch and Amnesty

International Norway, were selected. These were chosen as they both see working towards Norwegian TNCs on issues of CSR as part of their mandate, and they can hence be viewed as comparable cases. Although there is some difference in the NGO mandates (NorWatch focuses on both developmental and environmental issues, while AIN focuses mainly on Human Rights issues) this is not viewed as hampering comparability as all these aspects are seen closely intertwined, and fundamental to the CSR framework. The second reason for choosing the two NGOs is that they employ different tactics in their work, allowing the research to shed light on the effects of different tactics within the NGO movement.

As discussed gathering *evidence* of influence is central, and in this respect three TNCs that both NGOs have worked with/towards, were chosen to obtain information. Statoil, Hydro and the Varner Group were selected as all three TNCs have been in contact with both NorWatch and AIN. The three TNCs can hence be treated as sub-cases that allow for triangulation; gathering evidence from multiple sources and allowing for a more robust insight into various forms of NGO influence. It is worth noting that the NGOs have targeted the TNCs on a number of different occasions, but only a selection of these can be treated the thesis. This is particularly the case for NorWatch that has published stories on the three companies over many years. The cases selected were those perceivably put the most effort into by NorWatch.

The approach of the thesis can be classified as *exploratory,* which allows taking a wide approach to the subject matter and does not demand defining strict variables and hypothesis in advance (Yin 2003). The exploratory efforts relate to making sense of a phenomenon, based on empirical data. The study must therefore be regarded as exploratory on empirical dimensions and not in terms of theory. Theory is rather used as a framework to make sense of the empirical data. In exploring the empirical data, the approach also has elements of an evaluation study, as it is an “after-the-fact” assessment of the influence of NGOs on corporate behaviour (Vedung 1997). Although some of the cases, such as the partnership approaches may be ongoing, they were initiated several years ago and influence may hence be observable. As an evaluation study it seeks to map what kind of influence has been

visible and what the effect of this is. To evaluate the efforts I distinguish between influence on *process*, *output* and *outcome.*

1.3.3 Data-gathering and sampling

In order to assess influence, information was gathered from both NGO and TNC sources. Interviews were conducted with central individuals in all five units studied. Information was sought both on NGO tactics and working methods, as well as information on the specific cases of NGO-TNC contact. With regards to assessing influence it was important to get both the TNC and NGO perspective on influence. Empirical data was also gathered through secondary sources as NGO and TNC websites, TNC annual reports, NGO news publications, as well as external news-paper articles. Gathering evidence from these different sources was seen as important in terms of getting a nuanced view of the cases and interactions (triangulation).

Interview objects were chosen with reference to their position in the NGOs or TNCs. In the NGOs, employees familiar with the work towards TNCs in general, and the three case TNCs in particular, were interviewed. In the companies, people with an understanding of CSR work, as well as the companies' relation to NGOs, were approached. When possible, several representatives from each unit were interviewed in order to guard against drawing conclusions based on views not commonly shared. In three of five units (NorWatch, AIN and Statoil), two or more people were interviewed, while only one interview was obtained in the each of the two remaining units (Hydro and the Varner Group). In the NGOs the selections must be seen as largely representative as these organizations have a limited number of employees working towards TNCs. Two former employees of NorWatch; Harald Eraker and Tarjei Leer-Salvesen, in addition to the current leader of NorWatch, Pia Gaarder were interviewed. This group represents many of those who have been involved with NorWatch activity. In AIN Beate Slydal who is in charge of the partnership agreements, and the vice president of AIN, Jon Peder Egenæs, were interviewed. In the companies, employees in the CSR departments or with knowledge of the companies' CSR work were interviewed. They were selected as they were believed to have the most specific

and deepest knowledge on NGO-TNC relations. However a general weakness in this assumption is that such a group may view CSR issues differently than the company as a whole. Due to time constraints and the scope of the thesis, such selection criteria were however seen as necessary. In Statoil the head of the CSR department, Rolf Magne Larsen, and employee of the CSR department Sebastian Bringsværd, were interviewed. In Hydro, Ivar Oellingrath of the CSR department and formerly involved in the Utkal case, was interviewed. An interview was also conducted with a representative of the Varner Group who wishes to be anonymous in the paper. The representative has substantial knowledge on the Varner Group's work with CSR. Ideally a larger sample should have been interviewed within the TNCs. Attempts were made at this, but proved difficult. Although interviewees were very accommodating in answering questions, much time was used to locate the right people and in finding time to meet, due to hectic schedules on their behalf. The CSR departments are also relatively small, and getting many people to take time out of busy schedules proved difficult.

Prior to conducting interviews an interview protocol was made consisting of approximately 8 open ended questions. The questions differed somewhat as to whether it was representatives for companies or NGOs who were being interviewed. They were however, formulated with reference to the research questions and the cases of potential influence between NGO and company. In NGOs, additional questions concerning discursive positions, strategic tactical choices and working methods were posed. In companies extra questions were asked regarding CSR work and policy. The interviews took the form much as a conversation and the interviewees were largely able to steer the focus. All interviews were between 45 minutes and an hour long, and were recorded with consent of the interviewee, and later transcribed. Those wishing to approve the empirical material in written form were also given this opportunity.

1.3.4 Analytical approach and challenges

The analytical approach of the thesis is given in Figure 1. The thesis aims to analyze influence of NGOs on TNCs CSR measures by looking at the tactics NGOs employ and the

resources and value positions embedded in these (subquestion a and b). It also seeks to use findings to engage in a discussion on whether NGOs are legitimate agents in their efforts to hold TNCs accountable, based on the empirical evidence (sub-question c). These aspects are however dependent on the effects of influence being determined. Determining influence involves two central analytical challenges; 1) how do we know if changes in the companies are related to actions taken by the NGOs, and 2) how de we determine influence when evidence is gathered from sources that may have different perceptions of influence.

Regarding the first challenge, Betsill and Corell (2001:71-72) argue for the idea of *process tracing* which involves building a logical chain of NGO activity and the effects of this activity on the TNCs. It requires looking to both how the NGOs targeted the TNCs and how the TNCs responded. Hence the empirical chapters (3, 4 and 5) seek to map the tactics, methods and discursive positions of NorWatch and AIN and relate this to their work towards the three specific companies. By drawing on various perceptions of the interactions, I attempt to build a logical chain of what has happened in the various cases. Perceptions of influence are also accounted for in an attempt to map the influence of the NGOs. Betsill and Corell (2001:78) also argue that counterfactual analysis should be considered. This involves asking what would have happened if the NGOs had not attempted to target the TNCs. This question is primarily addressed in discussing NGO influence in Chapter 6.

Relying on perceptions of influence to assess influence is termed “perception method” and is criticized for not measuring “true” influence (Berlin 2005). This refers to the second challenge outlined above, and is highly relevant especially as I interview individuals representing different sides of the same story, and where one can expect that different views on influence may occur. For instance, it seems likely that NGOs such as NorWatch that employ a confronting approach, will not always be greeted positively, and that TNCs may be reluctant to admit influence, or even see influence clearly. To clearly account for different perceptions I make clear reference to my interview objects, in the empirical chapters. This is seen as important to clearly show whose perceptions are being voiced. The analytical chapter is strongly based on the perceptions presented here. Here I take a step

back and try to understand the various perceptions. Hence I do not refer as explicitly to specific interview objects in this section.

Attempting to assess influence based on two sets of actors who may have different discursive positions, also touches on a more philosophical paradigmatic discussion on what can really be known about the world. How can we know anything, if constructions exist side by side and are equally valid or "true"? If NGOs and TNCs present differing constructions with reference to the same thing, how can we know if one is more right than the other? Such questions reflect a constructivist approach to science that allows for multiple perceptions to exist side by side. The fact that NGOs and TNCs are different is important to understand. Rather than finding objective truth one must make sense of the interactions through attempting to understand the different sides of the story. (Schwandt 1994). Focusing on constructivist aspects does however not need to be antirealist; "one can reasonably hold that concepts and ideas are invented…yet maintain that these inventions correspond to something in the real world" (Schwandt 1994:126). Since subjects are seen as being affected by values and meaning, one must focus on understanding and interpreting "the processes by which these meanings are created, negotiated, sustained, and modified within a specific context of human action" (Schwandt 1994:120). Attempting to understand NGOs influence on TNCs does not have to be about finding an ultimate truth but rather to "construct something that works cognitively, that fits together and handles new cases, that may implement further inquiry and invention" (Goodman and Elgin 1988:163). Hence by mapping different perceptions of influence, and seeing this in light of underlying discourses, I believe it is possible to shed light on influence.

Part of the analysis furthermore involves seeing the empirical evidence in light of a theoretical framework. I here employ a set of theoretical positions that shed light on NGO mechanisms of influence, through looking at different understandings of power and norm-socialization. I also review some of the theoretical positions on NGO legitimacy. The theories presented are largely within the framework of international relations theory; however I use both constructivist and rationalist approach in combination to generate a comprehensive picture of influence.

1.3.5 Credibility of research - reliability and validity

A methodological account is not complete without discussing the validity and reliability of the study. According to Yin (2003) there are three aspects of validity[10]; 1) *construct validity;* whether an operationalization measures the concept it is supposed to measure, 2) *internal validity;* whether (causal) inferences made are correct and 3) *external validity;* whether a study's findings are generalizable beyond the immediate case study. Reliability refers to whether the "measurements" of the study are replicable and to be trusted.

I have chosen to operationalize influence as changes in *process, output* and *outcomes* in CSR activity in TNCs, traceable to NGO actions. Prior studies have been criticized for not defining what influence is, and how it is to be measured (Betsill and Corell 2001) and efforts have been made to avoid this pitfall. Efforts have also been made to operationalize what is meant by different NGO tactics, and what such tactics entail. The most critical element in terms of construct validity is that although I attempt to account for indirect influence, this might not be operationalized in a way that makes it sufficiently measured in the thesis. As shown, outsider NGO tactics often rely on mobilizing the general public to create public debate, hence influencing companies takes an indirect route. Although I am aware of this I only provide limited information on how the public has responded to NGO efforts, and again put pressure on companies. This aspect was not neglected, but rather it is hard to trace such mechanisms. The best way of obtaining this information was seen as asking interview objects about their perception of these mechanisms. In addition external news sources were explored, as their potential publication of NGO criticisms towards companies could be seen as indicating whether the issue got attention in the public domain.

The internal validity of the study poses a challenge, as making causal inferences of NGO tactics on TNCs is clearly tricky. NGOs operate in a contextual setting where similar actors advocate the same message simultaneously. Hence, arguing that a change occurs in the company because of one NGO's activity is something I am cautious of. To avoid making

[10] There has been an academic debate as to whether the concepts of reliability and validity are useful within qualitative research (Golafshani 2003). Although the concepts of validity and reliability in themselves are somewhat contested, the need to assess the rigor and credibility is widely recognized. Some have wished to alter the concepts in accordance with new criteria. Although I recognizing this debate; I still choose to follow Yin's recommendation/definition of the more traditional validity or reliability concepts.

incorrect causal inferences I keep an eye open for other potential contextual sources of influence and obtain information from both an NGO and a company perspective. I also try to build a story concerning what has happened in the various cases, showing both how NGOs have worked and how the company responded to the information. Here counterfactual analysis, or asking whether observed changes in the company would have occurred without the NGO, is useful. Furthermore the goal of the thesis is not to find strict causal mechanisms, but rather to analyze the empirical data by utilizing various theoretical positions to shed light on influence. Hence I believe the design of the research allows me to shed light on important aspects of NGO influence on TNCs that must be regarded as internally valid.

External validity refers to the generalizability of the study. Choosing two case NGOs that have both unique and common features was done in order to shed light on whether different tactics wield different influence. Both NGO tactics and NGO influence is something that is largely embedded in a context. NGO tactics cannot be understood without reference to the NGO resource base, discursive positions etc. Likewise influence on TNCs CSR measures cannot be understood without understanding the corporations positions on CSR, "world time" etc. It is also clear that the three TNCs studied only reflect a selection of the NGOs' work towards TNCs in general. Studying the NGO effects on other TNCs may hence have generated somewhat different results. Not only the uniqueness of the NGOs and the companies threaten generalizability, but also the fact that cases of interaction has taken place largely within a Norwegian public domain. Hence also the uniqueness of the Norwegian value- and political system may hamper generalizability. It has for instance been shown that Norwegian corporations are largely proactive when it comes to CSR compared to companies in other countries (Bull 2003). As a result the Norwegian experience with NGO influence may not be universal. Even so, the study may generate some important findings that can be studied further. As the influence of various NGO tactics on CSR measures is largely unaccounted for in the academic literature, an exploratory study like this one may provide interesting findings to be tested further. However, it is worth noting that I seek to illustrate a case and understand it in a broad sense, not generate universal truths. The findings generated may furthermore be more

generalizable to some cases than others. The empirical data is also supplemented by theory which is seen as strengthening external validity (Yin 2003).

Reliability refers to the gathering of data and how replicable these data are. In essence, if another researcher were to follow the approach of this thesis, he/she should arrive at the same results and conclusions. Case studies are often criticized for lacking reliability and being dominated by subjective interpretations. Guarding oneself against subjective interpretation is extremely difficult however attempts have been made to present the cases in a broad sense, and giving the reader substantial insight in the empirical data. It has also been important to keep in mind the background the various actors come from. The data are not seen as representing ultimate truths, but as being products of their environment. This is also true for some of the secondary literature used that originates from the NGOs, companies or other news sources.

1.4 The Structure of the Thesis

Chapter 2 provides the theoretical foundation of the thesis. Here a theoretical framework for understanding NGO influence on TNCs is presented. I then present NorWatch in Chapter 3 and Amnesty International Norway in Chapter 4. Here I focus on their discursive positions, their mandate and their strategies towards business, as well as instances in which they have engaged with the three TNCs in question. While this is largely descriptive, Chapter 5 gives an account of how the both the NGOs and the companies perceive influence in the various encounters and engagements. In Chapter 6 the empirical data is analyzed in light of the theoretical framework, attempting to answer the research question posed. Here I attempt to shed light on the mechanisms of NGO influence, the effects of different NGO tactics, and the legitimacy of NGO efforts. The thesis ends in Chapter 7 where the conclusions of the paper are presented.

2. Theory

In this section the theoretical framework of the thesis will be accounted for. The goal here is to present some perspectives to help explain the mechanisms and effects of NGO influence to guide the investigation further. The vantage point here is that NGOs as non-state actors are seen as taking on governance functions to hold TNCs accountable for the social and environmental effects they are generating, by influencing them on issues regarding CSR. The role of non-state actors in governance has become widely acknowledged within the international relations discipline, and also presented briefly in Chapter 1. This is an important framework, but not sufficient to account for *how* NGOs influence corporations and how this varies with NGO tactics.

The first section seeks to explain mechanisms that NGO use to influence corporations. Here the concern is to theoretically account for how different NGOs may produce different effects. I start by accounting for the theoretical foundation which is strongly linked to both rational and constructivist views. I then move on to explore various aspects of the power concept that may provide useful understanding of how NGOs influence TNCs, in section 2.2. Section 2.3 provides a framework to assess NGO influence on TNCs CSR measures, by looking at how NGOs can be powerful in relation to different stages of norm-socialization. Section 2.4 provides a theoretical foundation for calling NGO legitimacy into question.

2.1 Theoretical Foundation – Constructivism and Rationalism

There are several ways in which to understand influence and the social interaction that occurs between NGOs and TNCs. In order to understand influence in a wide sense, I draw on both constructivist and rationalist perspectives within international relations theory. Although these are separate schools of thought, academics are increasingly using them in an integrated or supplementary way (Landlot 2004, Risse and Sikkink 1999, March and Olsen 1998). The main distinction between the two schools is that rationalists traditionally focus on individualism and materialism and reduce actors' behaviour to an exchange of

resources driven by an expectation of consequences (March and Olsen 1998, Landlot 2004). Constructivists, on the other hand give attention to the mutual constitution of social structure and agency where ideas and norms are seen to shape identities and discourses, which again guide behaviour because actors come to see it as appropriate (Finnemore and Sikkink 1998, Dryzek 1997). Actor's preferences are given from social interaction and context (Risse and Sikkink 1999). Both schools of thought provide a foundation for understanding the influence of TNCs on NGOs as they are both concerned with how actors affect and influence each other. While influence in the rationalist sense will focus on material factors, influence in the constructivist sense will focus more on the diffusion and socialization of norms. When accounting for why actors change accordingly, rationalists will argue that it is due to a calculation of consequence, while constructivists will argue that it is due to an action perceived as appropriate (March and Olsen 1998).

Constructivist explanations are often used to explain the role of NGOs, as NGOs have no formal power to coerce actors into taking concrete measures. NGOs have been regarded as norm-entrepreneurs attempting to socialize norms in a broader societal framework (Finnemore and Sikkink 1998, Keck and Sikkink 1998, Wapner 2002). Although these perspectives are in no doubt important, such explanations can be understood complimentary to rationalist explanations. Risse and Sikkink (1999) have been positively met in their effort to combine constructivist and rationalist approaches within their "spiral model" (Landlot 2004). The model accounts for socialization of norms going through various stages where both rational choice and constructivist explanations are assigned importance (Risse and Sikkink 1999).

I don't attempt to divide strictly between these two approaches in the theoretical accounts given. The point is rather that both positions are drawn upon as they may both be important in accounting for NGO influence. Both positions are hence seen as valid, and can be used in a complementary manner rather than being mutually exclusive.

2.2 Explanations of NGO influence

To account for mechanisms of NGO influence I aim to use various explanations of power as a foundation. Power is a concept which is strongly linked to influence (Betsill and Corell 2001) and hence highly relevant to this study. Rather than using the power concept to place NGOs within a larger governance system in relation to other actors, I attempt to use dimensions of power to account for differences found *within* the NGO movement. This is relevant as the NGO movement is, as already noted, extremely diverse - entering into different governance arenas with different backgrounds, interests, resources, goals and value orientations (Berlin 2005).

Focusing on power along different dimensions, and attempting to see this in relation to various NGO tactics, can help shed light on different aspects of NGO-TNC relations. Before embarking on this endeavour it is worth noting that power is a widely contested concept and can be understood in several ways (Betsill and Corell 2001). Power can be understood in behavioural terms, where power is something that an actor possesses and uses to get another actor to behave in a specific way. In the later years this behavioural view has been supplemented by an understanding of power as residing in structural dimensions, rather than in specific actors (Neumann 2000). However, different views on power do not have to undermine each other; instead they help highlight how power can work in a number of ways and at a number of different levels (Hardy and Leiba-O'Sullivan 1998).

2.2.1 NGOs and behavioural power

A behavioural understanding of power focuses on the degree to which actions by one person or group has effect on behaviour of another (Lister 2000). Power can in this sense be defined as; "A has power over B to the extent to which he can get B to do something that B would not otherwise do" (Dahl 1957:202-3). Agents are given a prominent role and can be seen as having a capacity or capability to do something that affects another actor (McLachlan 1981). Power in this sense is relevant as it has the potential to be converted

into influence (Betsill and Corell 2001). Such a focus is highly relevant to this thesis which seeks to understand how NGOs attempt to get TNCs to act in a different manner.

The focus on behavioural power takes many forms. In traditional neorealist approaches power is something which is exercised by those with the most effective means, and is observable in "strategic interaction or [at] the bargaining level" (Guzzini 1993:443). Dahl (1957) also contends that power is observable and reducible to specific agents. For him power is highly specific in its meaning; it is a bout prevailing in decision making. Power in this respect cannot be *equated* with power resources although power resources are important. Resources are *potential* sources of power and have different scopes concerning the issue to be affected (Haugaard 2002). Power in this sense is a relational concept which is not only linked to possession. In this sense a resource is only significant if its control is seen to be valued by other actors in the interaction (Guzzini 1993).

How is this relevant in terms of NGO influence? Firstly the resource base of NGOs matter, but only in as much as the NGOs can make use of these resources. Hence a dual focus on resources and NGO capabilities to make use of such resources, seems central. Resources in this setting do not have to be strictly materialistic but can be said to be anything of value "tangible or intangible" which can be exchanged between actors (Lister 2000:230). This is central as NGOs in many cases don't have control over strong material resources; NGOs do not have the means to coerce TNCs by the means of economic sanctions, but often rely on utilizing non-material resources as information, knowledge and expertise in specialized areas (Hall and Bierstieker 2002). A number of academics have in this respect tried to analyze what makes NGOs successful in terms of resources and capabilities (see Berlin 2005). Resources typically mentioned are knowledge, provision of expertise, information, membership base etc, while capabilities to mobilize these resources are diplomatic skill, communicative proficiency, mobilizing the public, engaging in transnational advocacy networks etc. Relevant to Dahl's theorizing is that power is not simply a property of an actor; it is a relation between actors. However, in his view resources and capabilities will only matter in overt decision making processes with observable conflicts.

When power is viewed as a relation between actors, the power resources of the targeted actor also becomes relevant. This is consistent with Dicken's focus on relative bargaining power (Dicken 2003). In this view both NGOs and TNCs must be seen as having a set of power resources that provides them with bargaining strengths. A bargaining strength of the NGO may be that they have the means to damage TNCs reputation. A premise here is that NGOs are actually able to utilize resources in a way that damages company reputation, by for instance informing the public of corporate wrongdoings. This however contends that (TNCs) must either be: 1) vulnerable to outside actors; 2) vulnerable to sanctions from outside; or 3) sensitive to pressure because of gaps between stated commitments and practice (Keck and Sikkink 1998:29). Other bargaining strengths of the NGO may be knowledge and expertise that the TNCs sees a need to obtain.

The relational view of power allows for a consideration of whether NGO efforts affect TNC behaviour,and whether results are in line with NGO demands in some way (Berlin 2005). A number of tactics can be understood as influencing such results, such as: lobbying efforts, protests or persuasion. Nevertehless, the relational power aspect that Dahl (1957) sets forth is criticized for not accounting sufficiently for power in terms of agenda setting.

Bachrach and Baratz (1962) contend that there is a non-decision making aspect of power, where power exercised by elites prevents certain issues and conflicts entering the agenda. In this respect power analysis needs to account for social values and norms, non-decision making and agenda setting. According to Berlin (2005); Bachrach and Baratz (1962) view is relevant to NGO influence in two ways. Firstly it broadens the view of NGO influence by emphasizing that power can also be exercised by pushing issues on to the political agenda and challenging existing perceptions. This aspect hence gives value to NGOs attempt to challenge the foundations and content of the CSR concept. Secondly this view is seen as important because it provides an explanation as to why NGOs are not always successful. Barchrach and Baratz (1962) view elites, such as TNCs, as having already set the frames for discussion. This implies that certain issues may never reach the agenda. An example of this is the current economic system and the prominence of market mechanisms, which seems not to be up for discussion (Berlin 2005).

NGO power in this view depends on NGOs promoting a message in line with existing "values and frames" (Berlin 2005:8). In line with this reasoning, research has shown that historically certain issues and norms have been more compelling than others. Keck and Sikkink (1998:27) argue that in order for activism to be successful it must be possible to establish who bares the responsibility and guilt. Furthermore they argue that certain issues are more easily framed than others, for instance; "problems whose causes can be assigned to the deliberate (intentional) actions of identifiable individuals" are vulnerable to activism "in ways that problems whose causes are irredeemably structural are not". Also issues that involve bodily harm to vulnerable or innocent individuals, especially when there is a short causal chain, have been especially compelling in a historical perspective.

2.2.2 NGOs and power through affecting structures

This argument brings us to yet another dimension of power; as something that is derived of human agency and resides in the societal structures which our world is made up by. There is hence a structural dimension to power where power is not only a relationship between individuals but also sustained by "the socially structured and culturally patterned behaviour of groups, and practices of institutions, which may indeed be manifested by individuals' inaction " (Lukes 1974:22).

Lukes is a central theorist criticizing the behavioural approach to power and stressing the structural dimensions. This view emphasizes that power is shaped by the world we live in and is consistent wit a constructivist line of thinking. Constructivist stress that we live in an "intersubjectively structured political universe" (Keck and Sikkink 1998:5) where structures create meaning and schemes of interpretation, that gives rise to certain identities and rules (March and Olsen1998). Power does not have to be agent based, but rather resides in systems, processes and structures which effect behaviour. Nevertheless, this dimension of power is somewhat confusing because academics as Lukes still assign it to agency in some respects. Simultaneously as Lukes argues that power need not be agent specific, he defines power in terms of agency (see Haugaard 2002). For instance Lukes says; "A may

exercise power over B by getting him to do what he does not want to do, but he also exercises power over him by influencing, shaping or determining his very wants" (Lukes 1974:23).

Although structures may be seen as independent of actors, actors have the ability to shape structures that define the system (Neumann 2000). Since structures are seen as sources of power any intentional attempt to alter or influence such structures must be integrated into power analysis (Guzzini 1993). This more indirect form of power needs to somehow be accounted for as it can be seen as highly relevant to NGOs, who often work as norm-entrepreneurs attempting to challenge conventional ways of thinking (Finnemore and Sikkink 1998). Influence on corporations can here be seen as the "ability to create the implicit preconditions that over time create institutional or systemic based power" (Neumann 2000:10 [own translation]). Rather than calling this ability "structural power", I refer to the ability to affect structures.

A constructivist focus on norms as a "standard of appropriate behaviour for actors with a given identity" (Finnemore and Sikkink 1998:891) becomes relevant here. Through attempting to challenge what is seen as appropriate behaviour, NGOs challenge the way people understand themselves, and the world around them. NGOs can in this respect be seen as trying to "identify and manipulate the ideational codes" in social valuations concerning notions of right and wrong, appropriate and inappropriate (Wapner 2002:38). In this way they try to influence the very structures that are seen as affecting behaviour. NGOs can in this sense be seen as norm-entrepreneurs on TNCs through indirectly challenging their existing discourses or assumptions of appropriateness (Finnemore and Sikkink 1998). However, NGOs' normative agendas will only be powerful after a norm gets a certain root in society. Finnemore and Sikkink (1998:895) refer to this as a "tipping" point, where a critical mass of relevant actors adopts the norm.

This form of NGO power hence relies heavily on embedding norms at a societal level and explains why NGOs often attempt to shape public opinion in order to achieve their goals.

Hall (1997) argues that it the normative progressive social agendas that actors as NGOs adopt is power in the form of a "Moral Authority". Moral authority has the potential to be utilized as a power resource, but this is seen as dependent on the ability to draw on popular ideas and norms. As already noted in the end of 2.2.1 there may be certain aspects that hinder some norms ever coming on the agenda, providing an explanation factor as to why some NGOs' normative claims may not bring about change.

In sum, although it may be wrong to say that NGOs possess structural power, it seems one way of viewing NGOs as powerful, is through their ability to affect a change in structures. By challenging what is seen as appropriate behaviour, NGOs may ultimately lead actors as TNCs to change. It is conceivable that NGO tactics rely on different aspects of power in their approaches. This will be explored empirically later in the thesis.

2.3 Determining effects of NGOs tactics on TNCs CSR measures

A central dimension of this thesis is to look at the influence of different NGO tactics on TNCs CSR measures. In order to address this, a theoretical foundation for conceptualizing different effects of influence is needed. A classical subject in the power debate is that NGOs may be influential at different stages of various processes (Berlin 2005). Power can be exercised both in agenda setting and in giving policy advice. To account for different stages of potential NGO influence I use the "spiral model" developed by Risse and Sikkink (1999). The model was originally designed to understand different phases of norm-socialization of human rights norms at a state level. However Rieth and Zimmer (2004) have utilized the model to understand how CSR becomes integrated in companies.

Applying the spiral model to this study is useful in several ways. First of all it provides a framework to assess NGO influence, and to systemize the effects of various tactics with regards to different phases. It gives room to understand both how structural and relational dimensions of power may play a role in terms affecting CSR activity within the companies. The spiral model allows for a view that potential influence is not restricted to concrete *outputs* or *outcomes*, but that influence can occur in the process of defining CSR within the

company. The model furthermore provides a framework from which to understand TNCs responses to NGOs, as it ascribes various logics of action to the respective phases in the model. Rationalistic explanations are combined with constructivist explanations to understand why and how companies respond.

2.3.1 Background for employing the spiral model – CSR as norms and discourse

The implication of using the spiral model in this thesis is that CSR is viewed as a having a strong normative foundation. CSR norms are seen as going through a process of norm-socialization consisting of several stages, before becoming integrated in the company (Rieth and Zimmer 2004). Norm socialization can be defined as "the process by which principled ideas held by individuals become norms in the sense of collective understandings about appropriate behaviour which then leads to changes in identities, interests, and behaviour" (Risse and Sikkink 1999:11). This perspective entails that in order for CSR to become integrated in companies there has to be some form of norm-advocacy or pressure towards the companies. In light of this, NGOs can be viewed as norm-entrepreneurs on the companies, where they advocate a CSR agenda consistent with their value-orientation and discourse.

While Rieth and Zimmer (2004) talk of one CSR norm I find this to be misleading. CSR is a concept consisting of many norms. The normative foundation does not only involve social and environmental norms in isolation, but it promotes a view that companies have a *responsibility* in promoting these norms. As such I believe that CSR is better understood as a cluster of norms. What complicates matters is that the normative foundation of CSR is not universally shared, and different actors see it as entailing different things. Rather than talking about *one* CSR norm going through *one* socialization process, it seems more logical to talk about CSR as a cluster of norms where different norms may be socialized at different points in time, and where some norms may never be socialized at all. I believe this better accounts for nuances in CSR approaches.

This way of viewing CSR also sheds valuable light on the interaction of NGOs and TNCs. If CSR consisted of one norm, the importance of the NGOs as norm-entrepreneurs would diminish once the CSR norm was socialized, and CSR had become institutionalized in the companies. Instead it is conceivable that NGOs may remain important in bringing new aspects of CSR to the agenda, in an attempt to challenge the content of CSR. Such endeavours must be seen in relation to discourse. NGOs and TNCs come from backgrounds consisting of different values and ideas, and may see the content of the CSR concept as very different, something which is also noted by academics (Rieth and Zimmer 2004).

2.3.2 The Spiral Model

The Spiral Model contends that TNCs go through four[11] different phases of norm socialization when internalizing CSR norms. In each stage there is a dominant logic of action, although this is not absolute.

Phases:

1.Denial	2. Tactical Concessions	3. Acceptance	4. Rule consistent behaviour

Logic of action:

Consequences	Arguing	Appropriatness

Figure 2 A simplified Spiral Model (based on Rieth and Zimmer 2004)

The model is causal in that it seeks to explain variation in the extent to which TNCs move along the path of norm socialization. However, it does not assume evolutionary progress and progress may not always occur. Figure 2 presents a simplified version of the spiral model. Socialization of norms can, according to Risse and Sikkink (1999:11-14), be

[11] The original spiral model operates with five phases of norm-socialization (Risse and Sikkink 1999). I however follow Rieth and Zimmer (2004) who have made a simplified version of the spiral model, to account for socialization of CSR norms.

attributed to three social actions (ideal types); instrumental adaptation, argumentative discourse and institutionalisation. According to Rieth and Zimmer (2004:15) these correspond to different logics of action which are important in different stages of norm-socialization. The *logic of consequences* and the *logic of appropriateness* are defined by March and Olsen (1998). Whereas the logic of consequence attributes behaviour to expected costs and benefits of particular actions (rationalist focus), the logic of appropriateness sees behaviour as driven by an actors calculation of what is appropriate to do in a given situation (constructivist focus). The logic of arguing was developed by the German IR community as a third logic of action that emphasizes argumentation and truth seeking behaviour, where actors no longer hold fixed interests but are instead open to persuasion and arguing in order to achieve a consensus (Risse 2000). In relation to the spiral model a logic of consequence entails a process of strategic bargaining, a logic of arguing entails communication, persuasion and argumentation, while the logic of appropriateness entails processes of internalization (Rieth and Zimmer 2004:15). A logic of consequences is important in early phases of norm-socialization followed by a logic of arguing, whereas a logic of appropriateness will dominate in the later phases of norm-socialization.

Phase 1 is called *Denial* and here the TNC is confronted by an NGO with claims that they are not behaving in a responsible manner. Such encounters may often be activated by a particularly violation of the norm in question. Here NGOs may use a number of tactics and lobby a number of actors to put pressure on companies through a discursive moral persuasion and by "shaming" the company in question. The company will typically deny the norm, and refuse to accept its validity (Rieth and Zimmer 2004). However the fact that the company feels they must deny charges, suggests that socialization of the norm is underway. This being said, there is still not enough pressure or opposition to be able to mount a major challenge to the regime (Risse and Sikkink 1999). In this phase the logic of consequence will dominate. The transition to stage 2 depends on strength and mobility of the NGO, along with vulnerability of the norm violating company to pressure.

Phase 2 is termed *Tactical Concessions.* In this phase the norm-violating company will seek cosmetic changes if criticism continues. The company will here justify their behaviour

for instrumental reasons and might also start engaging in conversations with their critics to harness the opposition and regain their reputation. They still deny responsibility for these problems. However, reputational concerns keep talks between NGOs and TNCs alive, and may be oriented towards reaching a common understanding. The TNCs no longer denies the norm and may increasingly engage in discussions on what norm-consistent behaviour might be. (Rieth and Zimmer 2004). In this phase both the logic of appropriateness and the logic of arguing will dominate, with the latter gaining prominence. This phase is seen as the most crucial, as it might break the upward spiral process as the company responds with repressing demands (Risse and Sikkink 1999).

In phase 3, *acceptance,* the company no longer denies the validity of the normative claims, although there may be instances where they don't comply with the norm. In this stage, TNCs regularly refer to committing to norms on a rhetoric level. Furthermore concrete measures are taken to guide corporate decisions and the norm is internalized in corporate policy. Arguments and rhetoric on the subject are furthermore consistent. Here the logic of appropriateness will dominate. (Rieth and Zimmer 2004).

Phase 4, *rule-consistent behaviour,* refers to the norm being fully internalized in the company, and the company's behaviour as a result becoming rule-consistent. The company has visible strategies and policies on CSR related issues, which is integrated in company conduct. Here the logic of appropriateness will dominate.

2.3.3. Norm-socialization, phases and NGO tactics

The model originally emphasizes the pressure from a network of actors, rather than single NGOs in pressuring companies towards norm-socialization. Hence understanding the framework in which NGOs function as norm-entrepreneurs becomes important. The model is not concerned with the effect of various tactics. However it is conceivable that different NGO tactics may be important in different stages of norm-socialization, something that must be mapped empirically. However, in the power debate above it was emphasized that NGO influence may be important with regards to different *phases.* For instance it was

shown that power can be exercised both in shaping the public debate, in agenda setting and in terms of concrete policy advice. This suggests that tactics of NGOs, and the mandate and goals embedded in these, may be of importance in the different stages outlined above. This is something to which I return in the analysis (Chapter 6).

2.4 NGOs and Legitimacy

For a long time much of the literature on NGOs was inherently positive, and NGOs were seen as representing advantages in taking on various roles and functions (Lister 2003). During the later years however, criticisms have been raised against NGOs for lacking among other things accountability and representation (Lister 2003, Edwards 2000, Newell 2001, Brühl 2002, Lehr-Lenhardt 2005).

Such concerns are often seen on a societal level and in relation to "the right to be and do something in society – a sense that an organization is lawful, admissible and justified in its chosen course of action" (Edwards 2000:5). Relating this conception of legitimacy to NGOs, the question becomes whether NGOs are legitimate actors of governance? There is however also a subjective dimension to legitimacy that is emphasized within the social sciences where legitimacy is viewed as "the normative belief by an actor that a rule or institution ought to be obeyed" (Hurd 1999:381). This understanding of legitimacy is largely linked to power and may supplement an understanding of why NGOs matter. The two dimensions are however interlinked, but suggest that NGO legitimacy should not be viewed in a vacuum, and that one should pose questions such as; legitimacy for whom? (Lister 2003).

2.4.1 NGOs as legitimate actors of governance?

The growing significance of private actors such as NGOs within governance structures has raised concerns about the legitimacy of these actors in relation to representativeness, accountability and Northern domination. This criticism must be seen as related to a concern for democracy; because often times those being spoken for, are not given a direct a say in the matter (Brühl 2002).

A critical aspect regarding NGOs as actors in governance is the challenge of representativeness. There are no democratic mechanisms ensuring that NGOs are in fact acting on behalf of public interest. Even NGOs with a significant number of members only represent a fragment of the population, who may not have the same views on TNCs operations as the broad public. In this sense there is a danger of NGOs becoming elitist (Lehr-Lenhardt 2005), where a small group speaks on behalf of public interest. Legitimacy of NGOs furthermore rest on their ability to be accountable to the people who they represent. This implies that those affected by a decision should participate in the decision making process, something that is clearly not the case in the work of many NGOs, especially when Northern NGOs are speaking the cause of beneficiaries in the South (Lister 2003).

The threat of Northern domination in NGO work deserves an elaboration as it is highly relevant to this thesis, where Norwegian based NGOs are speaking the case of populations in the South. It is clear that the most powerful and resource rich NGOs are situated in Northern countries, and that historically most instances of NGO driven business change it is the activity of these NGOs have been of key importance. Using the marketplace to boycott and protest, this market power is often limited to countries with well organised consumer politics. Getting the message across to consumers and also advocating boycotts, demands considerable resources (Bendell and Murphy 2002:259-61). When Northern NGOs target TNCs operations in the South, there is a danger that they implicitly promote western norms for good environmental and social conduct, which might not be consistent with the norms of the host-countries. Cases of Northern NGOs negotiating on behalf of developing country communities, seems to clearly face a problem of legitimacy. In order to avoid “ethical imperialism” (Bendell and Mruphy 2002:261) it seems necessary that northern NGOs somehow ensure they are in fact voicing the views of the South, as they often claim to do.

The legitimacy of NGOs may also be threatened by the limited capacity which they have. Although the NGO sector is large and NGO networks may exist, they are not a unified movement who spread their aggregated resources in a manner that covers all fields in a

proper way. In this context it is clear that TNCs vulnerability to NGO action varies (Newell 2001). For instance, consumer boycotts may work well on large brand apparel corporations, but boycotting a company which is more hidden from the public eye, such as a weapon producing company, may be less effective. There is a clear possibility that companies can avoid NGO and consumer pressure to a large extent. This is also true for medium size and smaller corporations who in sum also face major SD challenges. Due to the resource limitations of NGOs, it therefore seems unlikely that they can monitor and pressure for change in the business sector as a whole. This shows that there are limitations to NGOs as instruments of governance for sustainable development, as it is the sum of industrial actions that must be dealt with.

2.4.2 Legitimacy for whom?

Legitimacy can also be a concept that explains "why and when a system of rule is acceptable and why people adhere to such rules" (Brühl 2002:375).In this sense legitimacy can be seen as having a subjective quality (Hurd 1999, Lister 2003). The legitimacy of NGOs only has meaning in relation to the normative and societal framework in which it exists (Lister 2003).

This contends that NGOs' legitimacy is based on different aspects with different stakeholders (Lister 2003). It is hence not only the characteristics of the NGO that creates legitimacy, but also the stakeholder's perceptions of this legitimacy. In this thesis TNCs perceptions of NGO legitimacy may as a result provide an additional factor to understand influence of the NGOs. What is seen as legitimate behaviour of the NGO will then strongly rely on what the TNCs see as important. This may be both refer to democratic concerns as outlined above, but it may also be related to different characteristic of the NGOs such as value-orientation, and working methods.

3. NorWatch – Discourse and cases

In this section the case of NorWatch will be explored. In order to understand influence on the specific companies; Statoil, Hydro and the Varner Group, it is important to understand the background NorWatch is founded upon and the discourse they build their activity on. Specific cases where NorWatch has targeted the three companies will also be presented here.

3.1 FIVH and NorWatch

NorWatch is an independent initiative under the Future in Our Hands (FIVH), but came about as a direct initiative of FIVH in 1995 (Eraker 2005 [interview], FIVH 2005). Because of the link to FIVH, the mandate and work of this organization was important at the outset of NorWatch and therefore needs to be explored further before going into NorWatch's work.

FIVH clearly fits the definition of NGOs adopted in this paper, working towards environmental and social goals rather than for economic or electoral power. The organization was founded by Eric Damman in 1974, and currently holds over 20 000 members that are viewed as important both in terms of finances and for reaching out with the FIVH message (FIVH 2005). FIVH was founded on a set of values and have a declared political program, although they explicitly state that they are not a political party. Their activity contemplates around three main issues that are seen as closely interlinked; 1) poverty and distribution, 2) nature and the environment, and 3) quality of life. This is based on a set of values where a) humans are seen as having equal value, b) all people are seen as having an equal right to self development and a safe life (justice), c) nature and the biological diversity is seen as crucial to secure livelihoods today and in the future (ecology and future) (FIVH 2002).

Their goals clearly coincide with the goals of sustainable development. There is an underlying point of view that there is a social, an environmental and an economic

dimension that are all interrelated. These must all be acted upon to secure sustainability for future generations, and in terms of obtaining equal distribution in the present structure. However it seems that the view on the economic dimension may be understood as somewhat more extreme in FIVHs view. For them the economic system is strongly seen as enhancing underlying injustices so that it must be substantially changed (ibid). Energy, climate, consumption, food security, biological diversity and biotechnology are all seen as important issues, in accordance with the sustainable development framework.

3.1.1 Targeting business – how it came about

Working towards/ or targeting business was not an explicit part of FIVHs mandate before NorWatch, and NorWatch came about much as a coincident. The idea developed as the result of one FIVH employee, Harald Erakers' interest in the topic of Norwegian companies operating abroad. Although he was hired to work with something different, he took on a case of a Norwegian mining company that was about to start mining for gold in an ecological sensitive national park in Ecuador. This was a case that already had some momentum and continued to get attention as Eraker worked with it. As the work progressed the leaders of FIVH came to see this work as positive and as a concrete way to illustrate the North-South problematic and environmental challenges relating to Norwegian corporations operations abroad. As a result, FIVH wanted to make this activity more permanent and established NorWatch in 1995 to work specifically with these issues (Eraker 2005 [interview], FIVH 2005).

3.2 Background and constitution of NorWatch

NorWatch has undergone several changes since Harald Eraker first started his work with NorWatch. To understand the role NorWatch has taken towards companies, it is important to understand some of the changes that have occurred within NorWatch, and what NorWatch was at its inception compared to today.

3.1.2 Goals and mandate – conflicting views

The overriding goal with NorWatch is to shed light on Norwegian corporations operating in the South, a goal that has been constant. NorWatch has aimed to take on a watchdog role and exposing the "shadow side" of Norwegian operations abroad, functioning as a spokesperson for those suffering because of Norwegian operations, be it nature or people. The key resource is seen as information, where the goal is to spread this information to a broad public through journalistic methods, informing them about what is going on with Norwegian corporations or investments abroad. The thought is that exerting this pressure can impact corporations. Affecting the company's stakeholders is also seen as important. In this respect NorWatch has aimed criticism towards the government, for their lack of willingness to exert pressure on companies in which they own shares (Eraker 2005 [interview], Gaarder 2005 [interview], Leer-Salvesen 2005 [interview], NorWatch 2005a). NorWatch has in the later years also come to incorporate information on Norwegian investment, exporting and importing ethics in their work

Although the goal has remained the same, the mandate of NorWatch has undergone changes. Up until 2001 NorWatch's mandate was twofold, encompassing 1) journalistic and documentation work, and 2) activism in the sense that NorWatch was to be "politically action oriented" in line with the traditional FIVH focus (Leer-Salvesen 2005 [interview]). However, this double sided mandate was perceived as a burden for the NorWatch employees (ibid). It was difficult fulfilling both a journalistic and activist role, something NorWatch employees also perceived the targeted corporations as being confused by. A challenge was that with the twofold mandate NorWatch was not completely independent of FIVH, and at one point there was a major confrontation where FIVH tried to stop a story NorWatch was printing. NorWatch published the story despite this, and the conflict escalated to the point where the three employees of NorWatch left in protest. After this, a board decision was made that NorWatch work solely after the principles of the

"Redaktørplakaten" [12] securing the two new employees of NorWatch journalistic freedom and independence from FIVH. The result was that the campaigning aspect of NorWatch was left completely up to FIVH (Leer-Salvese 2005 [interview], Gaarder 2005 [interview]). NorWatch must however still be seen as strongly connected to FIVH, as the mandate and funding is given by them.

As a result of these changes, the journalistic emphasis is strong in NorWatch today, and NorWatch is hesitant to call itself an NGO. In a sense NorWatch is today an independent news service provided by FIVH. Nevertheless, both because the mandate of NorWatch is given by FIVH, and because NorWatch fits the definition of NGOs in this thesis, it seems appropriate to treat them as an NGO. Similar organizations are furthermore treated as NGOs in the academic literature (Newell 2001, Ählström og Sjöström 2005).

3.1.3 The underlying values and discourse

As the mandate of NorWatch is given by FIVH the discourse they adhere to, and the embedded values, clearly coincide. Both units see social and environmental issues as integrated much in accordance with the SD framework. Since NorWatch is explicitly concerned with business operations abroad, it is important to map norms and views connected to this.

As the founder of NorWatch, Harald Eraker (2005 [interview][own translation]) stated "What was different about NorWatch is that we just started, we didn't have any deep ideological thoughts or structure debates about who should say what – we just did it". However, voicing the opinions of people affected by Norwegian corporations, and serving as a watchdog, involves taking a critical attitude towards TNC conduct, and to the underlying societal and economic structures. Here one can see clear links between NorWatch and the political platform of FIVH where fair distribution, ecology and quality of life are seen as important. The current leader of NorWatch, Pia Gaarder (2005

[12] "Redaktørplakaten" (editors poster) is a declaration developed by among others the Norwegian press association concerning the duties and rights of editors (Norsk Presseforbund 2006).

[interview]), however states that NorWatch does not have a basic hostility towards business and industry, and sees it as important to face a reality where business is increasingly operating across the globe and relocating to LDCs. Nevertheless NorWatch is critical to the current political economic system, and especially the lack of formal regulations on TNCs. According to Gaarder formal regulations are seen as the ultimate solution. However, until this is in place, it is important to use the pressure of popular opinion to pressure the companies into extending what they perceive as responsibility. It is possible that at the inception of NorWatch the views on companies operating inn LDCs may have been somewhat more hostile.

In sum, NorWatch's work towards TNCs stresses the importance of taking norms related to seriously, but also challenges the very notion of what appropriate business practice is in a public arena.

3.2 Strategies towards business

NorWatch sees working on shaping the popular opinion as most important pressure towards TNCs. But what methods are used to attain this, and through what routes does NorWatch seek to exert pressure?

3.2.1 Methods

The first systematic work NorWatch did was to build up a substantial archive with key data on Norwegian corporations in order to get a picture of where companies were operating, where they had sub-contractors and outsourced activity etc. By going through annual reports, quarterly reports, annual accounts, internal and external newspapers; an archive with key data on over a thousand Norwegian companies was gathered. This archive contained information on where production facilities were located, the ownership structure between the Norwegian company and the local facility, information on workers, production etc. NorWatch supplemented this information with information obtained from local news papers, local NGOs, labor unions etc., located in areas where Norwegian corporations were

present. Building this archive took several years, but in the process hints and tips started coming in from all over the world (Leer-Salvesen 2005 [interview]).

NorWatch would follow up on stories either by visiting the facilities, or by doing desktop research based on telephone interviews and e-mail contacts to get more extensive facts. When visiting production facilities abroad it was important to make agreements with the Norwegian headquarters in advance to ensure that permission for admission would be given. NorWatch was rarely denied access as long as an agreement was made in advance (ibid.). In addition to visiting the facilities, it was seen as highly important to gather information from other local sources such as, local NGOs, local libraries, local governments, local inhabitants, and local workers. Based on such fact-finding, stories would be formulated and publicized in NorWatch publications. Currently NorWatch publishes the news stories on the organizations' web-page and through Folkevett (magazine published by FIVH). In addition; reports on specific topics are occasionally published. Until 2003 NorWatch also published newsletters regularly (NorWatch 2005a). The focus of each story would be completely dependent on what was found in fact-finding efforts; whether it was the lack of health and security measures at a factory, suppression of labor unions, untreated effluents etc. NorWatch's work was, and remains, strongly dependent on the information the employees are able to obtain. NorWatch can only to a limited degree make strategic plans as to what to focus attention on, because this depends on what contacts are made and what information becomes available (Gaarder 2005 [interview]). The employees of NorWatch currently have journalistic backgrounds, and their competence lies in obtaining information and writing stories based on this (ibid.).

Before the mandate of NorWatch changed companies were also approached more directly. Here NorWatch wanted to affect the outcome of the cases more concretely and would approach the companies with their views and opinions on what should be done. Here employees of NorWatch were in more direct contact with company representatives (Leer-Salvesen 2005 [interview]). This is less evident in NorWatch today although company representatives may be contacted for information purposes.

3.2.2 Routes of influence

One important thing to explore further is the routes of influence NorWatch uses to pressure business. As described earlier independence has been seen as extremely important for NorWatch. This is not only in terms of journalistic freedom from FIVH, but also independence from other external actors such as business. As a result of this, and as a result of the mandate to monitor business and serve as a voice for those affected by Norwegian industry, partnerships with business have never been an option. This is strongly perceived by NorWatch as co-opting their agenda and ability to exert influence.

The main route NorWatch uses to influence business is by mobilizing public opinion. This represents an indirect way to affect companies, as the public is used as a medium. Currently NorWatch does not set goals that imply that by a certain time a certain company should have made specific changes. Instead their work is about informing a wider Norwegian public about what is really happening when Norwegian companies go abroad. Informing the public and showing an alternate reality than the companies are presenting, is believed to serve as an indirect pressure on companies, as their reputation may take damage, and they may feel a need to respond. This route of influence is seen as extremely important within the NGO academic literature (Murphy and Bendell 1999, Newell 2001). Bringing attention to these issue in Norway, rather than in the host country, is seen as much more effective to pressure companies, as it is the North that the strongest public pressure is seen to lie (Murphy and Bendell 1999). NorWatch has also exposed the lacking willingness of the Norwegian state, to pose demands to Norwegian companies in which they have a substantial share. This is done by highlighting this ownership structure and connecting it to business wrongdoings through various publications. Again, the public is the medium for creating pressure on governments, which again put pressure on corporations. However, it is important to remember that before 2001 NorWatch also had a more traditional activist role. This involved more direct contact with the companies and confronting them directly.

In terms of categorizing NorWatch within the NGO typology used in this paper (Ählström and Sjöström 2005), the organization does not seem to fit clearly into a single category. NorWatch's main endeavor of monitoring companies is consistent with the *scrutinizer*

approach. Nevertheless, the organization used to have a more direct approach consistent with the *protester* category. In addition, the work of NorWatch has strong normative connotations, related to their discursive position. Here there is skepticism towards the current political economic system which they ideally believe should be different. Hence also elements of the *modifier* approach can be found in the work of NorWatch.

3.3 NorWatch and cases of watchdog activity

Having established how NorWatch works, and what norms and values this work is founded upon, I now turn to specific cases of watchdog activity, where NorWatch has actively targeted the three companies in question.

3.3.1 NorWatch and Statoil

Statoil is one company that has been monitored by NorWatch since the launch of the organization. One reason why Statoil has been of particular interest, and why offences made by Statoil are seen as severely disturbing, is that a large share of Statoil is owned by the state. In this way Statoil can be seen as representing the Norwegian state in some ways. NorWatch has found several examples of Statoil not acting exemplary in terms of health, safety and environment standards, environmental issues, human rights issues, native population issues etc, claiming that Statoil is no better than other TNCs, despite the common Norwegian perception of the contrary. NorWatch has written one major report on Statoil revealing several cases of questionable conduct, raising critical questions about their operations in several locations. This report called; "*In good hands? An unauthorized Health Safety and the Environment report on Statoil's activities abroad"*[13], was written by Tarjei Leer-Salvesen and published in 1998. In addition to going through Statoil's engagements in countries or areas such as: Angola, Iran, Malaysia, Russia, Poland, Venezuela, Azerbaijan, the Mexican Gulf, Nigeria etc, it addresses Statoil's role as a political actor and as a

[13] Original title: *I gode hender: En uautorisert Helse, Miljø og Sikkerhetsrapport om Statoils aktiviteter i utlandet.* (Leer-Salvesen 1998a).

company initiated by the State. The report is not only critical of specific incidents, but also to Statoil's presence in areas that are environmentally vulnerable with lacking regulations. It is also critical to Statoil's presence in countries with oppressing regimes, where the company is seen as silently witnessing human rights violations. The criticism is raised because NorWatch perceives Statoil as taking to little responsibility in these areas; it is emphasized that Statoil must be seen as a powerful actor, with the opportunity not only to influence environmental and social challenges, but increasingly also inter-state relations (Leer-Salvesen 1998a:8). The report doesn't provide concrete recommendations as to what should be done, but rather voices a critical opinion, both to the company's operations, and towards the State as an owner.

Different articles on Statoil activity have also been published on NorWatch's web pages and in Folkevett. New cases have also been written about Statoil's attempts to enter Iraq (Stenerud 2004a). Recently NorWatch has been on a research trip to Nigeria and they plan to launch articles about Statoil's operations during 2006 (Gaarder 2005 [interview]).

Most of the attention on Statoil has taken place in the earlier history of NorWatch and before the mandate changed in 2001. Although the mandate was more activist oriented at this time no major attempts were taken to go into dialogue with Statoil and challenge them more directly. Nevertheless Harald Eraker did engage in a debate meeting with Statoil's Anne Kristin Sydnes at one point (Eraker 2005 [interview]). After 2001 NorWatch's attention towards Statoil has declined, although there are plans to increase the attention again, through targeting Statoil's engagements in Nigeria.

The issues NorWatch have focused on in their various publications targeting Statoil, have been credited in several Norwegian media channels, such as by the major newspapers *Dagbladet* (Dagbladet 1997, Kruhaug 1997), *Dagens Næringsliv* (Lund 1997, Osmundsen 1999a and 1999b) and *Dagsavisen* (Sandberg 2000). Here, NorWatch's criticism of specific issues such as Statoil's engagements in Malaysia and Venezuela, and also on the overriding debate on what corporate responsibility entails, has been taken notice of. *Dagbladet* furthermore published a critical article written by Leer-Salvesen based on his Statoil report

was published (Leer-Salvesen 1998b). Consistent with NorWatch's declined focus on Statoil, there are less recent publications on Statoil where NorWatch is credited.

3.3.2 NorWatch and Hydro

Hydro is also a company that NorWatch has targeted on several occasions, from the early conception of NorWatch and up until today.

One of the first cases NorWatch started following, in 1996, was the case of Hydro Aluminum in India, a case they still occasionally publish articles on. This became a major case where several NGOs and media showed interest and a case where NorWatch put in substantial resources. The case represents a milestone in terms of Hydro's work with CSR (Bull 2003, Oellingrath 2006 [interview]). The debate centered around Hydro Aluminium's ownership in the Utkal project alongside Canadian Alcan, and Indian IndAl[14] - a planned bauxite mine and alumina factory in Orissa, India (Eraker 1996). The project was 100% export oriented and in the main source of power was to be coal (Rønning 1998). Furthermore carrying the project through would involve forced relocation of several villages inhabited by indigenous people. While Hydro, according to NorWatch, estimated that 750 persons from 4 villages would have to move, NorWatch reported that an unofficial report written by the Norwegian Agency for Development Cooperation (NORAD), estimated that 60 000 people as a result would be directly or indirectly affected in terms of losing land and water resources, and thus their current grounds for existence (Eraker 1996, Gaarder 2004a). The land for the project was secured before a law of 1994 about indigenous people's rights, was passed. This law prohibits large interference of industrial enterprise before councils of affected villages have given their permission (Gaarder 2004a). There was massive resistance to the project and numbers obtained through a survey carried out by NorWatch showed that 92% (in a sample of 2569 inhabitants in 40 villages) were against the industrial plans, whereas a similar survey done by the youth organization of the Norwegian Church Relief, Changemakers, showed that 94% of the respondents were against the project plans (Leer-Salvesen 1999). Many local NGOs fought the project and

[14] Part of the Indian corporation Aditya Birla/Hindalco

the situation reached a climax in 2000 when three local Utkal opponents were shot and killed by the police, in addition to several more being wounded (Gaarder 2004a). In December 2001 Hydro Aluminum decided to withdraw from the project - the official explanation for the withdrawal being slow progress in the project and operational opportunities in Brazil (Bull-Hansen and Knutzen 2001). Hydro's share was bought by the remaining parties, and although the project has not been terminated, the project was substantially weakened (Gaarder 2004a). It is still in the developmental phase and new feasibility studies are currently being undertaken, before a final investment decision is made (Alcan 2006). The future of the Utkal project hence remains unclear.

During the course of Hydro's engagements in Orissa, and also in the aftermath of Hydro's withdrawal, NorWatch has followed the case and published a number of articles on the subject. These have been published in numerous issues of the former NorWatch newsletters, in Folkevett and on NorWatch's web-page. In terms of methods, NorWatch have traveled to Orissa on research trips to gather information and speak with local NGOs and inhabitants. They here worked closely with other Norwegian NGOs; Strømmestiftelsen and the youth organization of the Norwegian Church Relief, Changemakers, as well as local NGOs (Leer-Salvesen 2005 [interview]). At this point in time the activist dimension of NorWatch was much more evident. NorWatch approached the company more actively, and pinpointed specific issues. At one point they were invited to a board meeting to voice these concerns.

The project got widespread media attention. Newspapers as *Dagens Næringsliv* (Marthinsen 2001), *Dagsavisen* (Solheim 2001), and *Aftenposten* (Olsen 2000, Henmo 2000, Myhrvold 1998) picked up on the topic, and cited arguments brought forth by NorWatch. The employees of NorWatch also participated in various debates in newspapers, TV etc (Leer-Salvesen 2005 [interview]). As a result the Utkal case got much attention in Norway and was a publicly debated issue. After Hydro withdrew from the project NorWatch has attempted to follow the situation and track the development to some extent. An interview with the representative of the leading local NGO; Agragamee has been

published (Gaarder 2004a), and attempts have been made to get Hydro to comment on their experiences in Utkal (Gaarder 2004b).

Utkal has certainly been the main area in which NorWatch has targeted Hydro. However, Hydro has also been the target by NorWatch on several other occasions. The most recent incident of NorWatch targeting Hydro is in the case of Hydro in Iran. Hydro hired Norwegian People's Aid (Norsk Folkehjelp) in 2001 to assist in clearing mines in connection with Hydro's exploration activities in the Anaran block in southwestern Iran. This area is seen as one of the most mine infested areas in the world, and is a result of the war between Iran and Iraq from 1980-1988 (Norsk Folkehjelp 2004). The issue NorWatch reacts to is that Hydro is clearing mines along seismic lines, roads and rig areas, necessary for Hydro activity, which to a limited extent benefits the local nomads who inhabit the entire block. In interviews with NorWatch, Hydro has stated that they are not planning to clear mines more than necessary (NorWatch 2005b). NorWatch is expressing hope that Hydro will increase their mine clearing activity to benefit also others. In 2005 Hydro made a promising oil discovery, but apparently still don't plan to expand their mine clearing activity (NorWatch 2005b). In 2004, FIVH crowned Norwegian Hydro "the least ethical company of the year", because of their unwillingness to clear mines also for the nomads inhabiting areas connected to the oil field (FIVH 2004). At this point the mandate of NorWatch had changed, and as a result they were not involved in this crowning.

3.3.3 NorWatch and the Varner Group

The Varner Group is a company NorWatch, by the current editor Pia Gaarder, has been targeting solely after the mandate of NorWatch was changed. NorWatch's focus on the clothing sector followed an increased international focus on this sector where American TNCs, such as Nike, Gap and Disney, already had been heavily criticized and exposed for the way they handled their under suppliers. In 2004 Gaarder went on a research trip, in order to locate and speak with under-suppliers of Norwegian clothing chains and shed light on production of Norwegian clothing in the South. An original purpose with this trip was to visit some of The Varner Group's factories; however NorWatch was denied access, the

official reason being that the Varner Group was in the middle of implementing codes of conduct for their suppliers, and that this was not a good time for NorWatch to visit (Gaarder 2005 [interview]). The research trip resulted in a hard copy report publication[15] where much information about Varner was publicized despite the fact that the actual factories had not been visited. The report sheds critical light on the supply industry and brutal facts pertaining to this, such as; the freedom of companies to change suppliers at any time, the small wages workers are awarded etc. The report also argues that ethical codes of conduct are not sufficient. Although codes of conduct are argued to be better than nothing, they are not seen as enough, because they don't question the general structure of this system, where almost all profit remains in the North, while workers in the supply chain (the South) are working for minimum wage (Gaarder 2004c). Although Gaarder of NorWatch sees the situation as having improved somewhat during the last years, she still perceives terrible injustice in the system as a whole. Furthermore she points to the challenges of supply chain management, in that it is extremely challenging to maintain control over the entire supply chain. Although company codes of conduct may be effective in the first parts of the supply chain, it is hard to control what demands suppliers make of their under suppliers, and what the conditions in the last joint of production may be (Gaarder 2005 [interview]). As one of Norway's largest clothing groups, the Varner Group was heavily profiled in the NorWatch report, and facts about the company and location of subcontractors were given. The fact that the Varner Group was unwilling to let NorWatch visit the company's subcontractors was also emphasized (Gaarder 2004c).

In the aftermath of this report a number of follow up articles have been published. Here the Varner Group was criticized for not following Levi Strauss, Nike, Pumas and Norwegian Stormbergs examples of making the names and addresses of subcontractors publicly known (350 subcontractors in the case of the Varner Group, according Gaarder (2005)). The Varner Group has also been somewhat exposed in other media such as in *Dagsavise*n (Dagsavisen 2005) and *Vårt Land* (Bjaaen 2005) where NorWatch has been sited.

[15] Norwegian title "Mektige merkeklær: Leverandørkjedens jerngrep" (Gaarder 2004c)

3.4 NorWatch summed up

NorWatch is an organization that has clearly undergone change during the time they have been in existence. While their goals to expose Norwegian companies with activities abroad have been constant, the way of achieving this has differed somewhat; where they have moved from having a dual activist and journalistic mandate, to currently being solely journalistic. The cases reviewed show that NorWatch has targeted companies over many years and that they address both specific incidences, but also have a clear normative message on what corporate social responsibility in the business sector entails. With reference to "world time" it is also interesting to note that NorWatch's targeting of such issues have also taken place happened at a point in time when CSR must be seen as far less established than what it is today.

4 Amnesty International Norway – Discourse and cases

In this section the foundation and work of Amnesty International Norway (AIN) will be presented. Understanding the background and constitution of the NGO, as well as their discursive position, is important in order to understand their influence. This chapter also explores in what way AIN has been involved with the three companies; Statoil, Hydro and the Varner Group.

4.1 Background and constitution

Amnesty International *Norway* was founded in 1964 as a national branch of Amnesty International (founded in 1961). Amnesty International has worked to follow up the UN Universal Declaration of Human Rights which states that all humans have the right to life, personal security, safety, freedom of speech etc. National branches have been founded all over the world, and as a member they also contribute to the organization of Amnesty International centrally. The work of these national branches reflects the mandate and goals of the international organization (Amnesty 2006).

Amnesty International Norway is today the largest Norwegian organization working with human rights within the country. AIN currently has 50 000 members who are the financial basis of the organization, and have voting rights at the annual meeting which is the highest decision making organ. AIN clearly fits the definition of NGOs in this paper; working towards environmental or (and) social goals rather than for economic or electoral power. The organization has a set of stated values being: International solidarity, effective actions on behalf of individuals, global reach, human rights as universal and undividable, independence and neutrality, democracy and mutual respect (Amnesty 2006). AINs vision is a world in which all humans benefit from human rights.

AIN works in a number of ways and on a number of issues, but human rights norms are always at the centre. As the organization in many ways was founded to follow up the UN Declaration of Human Rights and an important aim has been to get various states to ratify the conventions. As a result many people associate AIN with heavy campaigning against

states, campaigns to release political prisoners etc. The overreaching goal is however to create a stronger human rights culture with global reach in order to stop and prevent human rights violations. In this respect their work takes a number of routes and in general raising awareness and providing education is seen as key elements. (Amnesty 2006). AIN has also targeted business in order to highlight the responsibility they have in terms on human rights. In the later years this has developed into partnerships being established between AIN and the two companies Statoil and Hydro.

4.2 AIN and business

AIN's decision to start targeting business was a conscious strategy. The background was that AIN perceived the effects of globalization as making TNCs increasingly powerful both economically and politically. Furthermore it was clear that also Norwegian TNCs were becoming increasingly present in countries that violate human right norms. As a result business was seen as an important group to target, and work with, in order to reach the overriding goal of AIN (Slydal 2006 [interview]).

4.2.1 Discursive position

AIN's outlook on business is that business is more than an economic actor. When corporations contribute economically to regimes that violate human rights without taking a stand against such violations, they are indirectly seen as supporting these regimes. When such regimes become beneficiaries of FDI, they may also become less susceptible to international pressure. In AIN's view, TNCs have the ability to set certain premises when they enter a new country, something that gives them a form of political power. This implies that corporations have a responsibility to ensure human rights beyond their core business. Going into new countries implies that the corporations come in touch with governments; AIN believes that in this process the corporations must actively market themselves as adherents to human rights norms. In addition, promoting human rights issues at more basic levels in the companies is also central (Slydal 2006 [interview]).

This position shows that AIN is not hostile to business working in these countries per se, but believes that business ventures like this involve an extended responsibility. In fact it is AIN's general attitude not to encourage or discourage boycotts, because they see it as dangerous for countries to become isolated and banned from international trade and the international community (Egenæs 2006 [interview]). In fact the general secretary, Petter Eide has stated that international presence is often of key importance to improve human rights situations (Stokland 2002). The key concern of AIN towards business operations in LDCs is therefore related to the limited role companies take in influencing human rights violating regimes (Egenæs 2006 [interview]).

AIN's work towards business, reflects an opinion on what corporate social responsibility entails in practice. Responsibility is not only what is directly related to the business venture, but also the role companies take in relation to the political context in which they operate. AIN is promoting a discourse that entails that corporations have an extended responsibility in the face of globalization, where keeping order in their own back yard is only one dimension of CSR, and attempting to effect the political situation of the countries in which they operate, is another.

4.2.2 Targeting business – a new and agreed upon venture?

Targeting business became an explicit part of AINs work when they signed an historical partnership agreement with Statoil in 2001, followed by a partnership agreement with Hydro the next year (Stokland 2002, Fjeldstad 2001). This departed from AIN's more typical line of confrontation and action, and AIN is the only national affiliate to have initiated a deal of this character, making it unique in an Amnesty context. It is however worth noting that targeting business was not new to Amnesty, and that they had been critical to business actions earlier in more of a watchdog sense. This line of work has not stopped, and exists side by side with the partnership agreements within the organization (Slydal 2006 [interview]). Hence, the partnership agreements do not imply that other information and campaigning work towards business has stopped.

This being said, there was originally some skepticism in the Amnesty family towards the partnership agreements. However after many rounds in the board and the secretariat, a number of measures have been taken to secure independence and avoid cooptation[16], and hence the agreement has become accepted (Egenæs 2006 [interview]). Since the members of AIN have voting power, they could have stopped this work if they did not agree with it. Also the board of Amnesty International (headquarters) gave a go-sign for the partnership agreements. Although other affiliates have also worked with the business sector, the content of AIN's partnership with and focus on human rights education, can in many ways be seen as pioneer work (Slydal 2006 [interview]).

4.2.3 Goals and mandate in the business approach

AIN's business approach seems to encompass several goals. First of all the goal is to influence companies to internalize awareness on human rights within the organization. This implies creating awareness and pressuring companies to take human rights issues seriously at the core of the business by incorporating human rights issues in: educational programs, risk analysis, choice of partners and suppliers, corporate policies and codes of conduct (Slydal 2006 [interview]). It also implies influencing business to extend their view on what responsibility for human rights entails. AIN believes that with presence in human rights violating countries, companies need to send out signals to governments that human right abuses are not acceptable conduct.

Secondly, AIN sees the partnership approach as a way to enhance their more general work with human rights. Considering that Amnesty, as a human rights organization, is prohibited in countries with extensive human rights violations (such as China and Iran), getting business as supportive players can strengthen AINs work on improving human rights conditions in areas like these (Slydal 2006 [interview]). The companies in this respect have

[16] Cooptation here refers to a common criticism of NGO partnerships where the NGO agenda and independency is threatened by the agreements with the companies, because the companies are seen as "purchasing" the NGO's silence.

access to an arena, which AIN does not. Getting business to take a stand towards host country governments therefore becomes a way for AIN to indirectly target governments.

4.3 Strategies towards business

As noted, AIN employs several strategies towards business. The methods and routes of influence they employ differ, and will be explored further in this section.

4.3.1 Methods – Partnership and confrontation

Both partnership agreements and more confrontational tactics are viewed by AIN as a appropriate ways to influence business. AIN's partnership approach has been taken in relation to two companies, namely Statoil and Hydro. The exact form of the partnership varies somewhat from the two companies. However the main characteristic is that the companies pay AIN a yearly fee of 1 million NOK in exchange for education on the human rights topic. An extensive electronic educational package has been developed for this purpose. It is available in English and Norwegian and entails three parts; 1) Information on what human rights is (where the concept comes from and controversial issues related to the concept), 2) Information on human rights issues connected to the corporate realm (do corporations have a responsibility? why should they engage in this topic? what can they do?), and 3) scenarios on different themes (discrimination, indigenous people, and HIV) where the person sitting in front of the screen engages in a role-play, attempting to solve a situation. The educational bit also involves giving seminars or sessions for different parts of the companies, either thematic or country specific. The sessions are interactive, and AIN tries to encourage the participants to come with ideas and views, and take an active part in discussions (Slydal 2006 [interview]).

The agreements also involve regular meetings with the respective CSR departments. Here technical issues regarding the agreement can be discussed, but also more political issues pertaining to the companies' role with regards to specific issues may be discussed. Meetings at the top level of the company have also taken place. (Egenæs 2006 [interview])

Besides the partnership approach AIN also does more traditional information work, where they publicize articles and take direct action on certain cases. This is done towards any company where they feel it is justified. The partnership agreements do not function as a guarantee that such actions will not be taken against the companies involved in the partnerships. Action may be taken to expose corporate wrong doings to a larger public (Slydal 2006 [interview]).

As a result of their differing tactics it is hard to classify AIN as a specific kind of NGO according to the typology in section 1.1.1. Through their partnership efforts they can be termed p*reservers.* However since they use tactics were they publicly expose companies they can also be termed *protesters.* Although AIN face up to a reality where TNCs are operating in LDCs, they are critical to the current economic political situation to some extent and can as such be termed *modifiers.*

4.3.2 Routes of Influence

When it comes to the routes by which AIN seeks to influence business, this also differs according to the methods they employ. The idea behind the partnership approach is that getting access to the inside of a company gives a better opportunity to influence the company's CSR agenda. According to Egenæs (2006 [interview]) a central question when going into the partnerships, was whether this would give increased possibility for influencing the companies, or if the same thing could be obtained without the partnerships. It was first when AIN decided that a partnership would give greater means for influencing the companies that they decided to pursue this approach. The main assumption is that a partnership allows easier access to the company because the barrier between AIN and the companies are smaller. AIN employees know the first names of the people in the CSR departments, and vice versa. AIN also has the opportunity to contact the companies directly with specific issues etc. It is seen as valuable to have this direct access because it gives AIN an arena where they can voice their opinions, and where they can expect to be heard (ibid.). AIN attempts to use this arena to influence company attitudes and concrete measures

directly, by challenging existing views and by providing new knowledge. This is seen as the potential mechanism for influence.

However, it is important to bear in mind, that attempting to influence companies CSR agendas is also an attempt to influence host states. Working with business and attempting to widen their understanding corporate responsibility, is also a route to exert influence on foreign states on human rights issues

The more confrontational approach is clearly based on creating pressure through public awareness. Informing the public on negative company actions has the potential of creating a bad name for the company, thus pressuring them to deal with the problem.

A third mechanism for influence is pressuring the Norwegian State to impose regulations or take other actions towards companies. AIN has not done this in order to target specific companies. However as member of KOMpakt[17], AIN participated in sending a letter to the new government in connection with the Soria Moria negotiations[18]. Here it was suggested that the government should formalize codes of conduct for companies regarding human rights (Slydal 2006 [interview]). AIN hence tries to influence the government to take action towards companies some extent. They are especially critical to the government relying so much on voluntary initiatives, and therefore try to pressure government to implement non-voluntary measures.

4.3.3 Partnerships and cooptation

In general, the NGO partnership approach has often been criticized as leading to cooptation of NGOs, where companies are seen as purchasing public silence from the NGOs. AIN has been highly aware of this potential problem and they have seen it as very important to remain independent. There are a number of conditions in the agreements that are meant to secure independence and prevent cooptation. Firstly; AIN remains free to criticize the

[17] A collaboration of different actors, such as NGOs, companies, research institutions, government officials etc. who have a consulting function towards the government on issues of CSR
[18] Negotiations in relation to forming a new government, fall 2005.

companies publicly. Secondly; AIN is free to break the agreement at any time, with a 7 day notice, if the companies act in a way that is not justifiable with AIN's values. AIN has made clear that the organizations role is not to function as a consultant and that it is in no way responsible for a company's decision to enter, or not enter, a country. The organization is furthermore not to function as a guarantor that the companies are not committing human rights violations. This is largely connected to the fact that AIN do not have the means to monitor companies' actions in all the countries where they are present. Last, but not least, AIN sees it as highly important not to become dependent on the money that the partnership generates. This could in practice make termination of the partnership difficult, even if it were politically the best thing to do. Employing staff is therefore not to be dependent on the money generated by the partnerships. To avoid this, AIN has established guidelines saying that the amount of money from external actors is not to exceed a total of 5% of the yearly budget (Egenæs 2006 [interview], Slydal 2006 [interview]).

4.4 Amnesty and cases of business interaction

How have AIN strategies played out towards business? This section accounts for AINs work towards Statoil, Hydro and the Varner Group. The cases show that although Statoil and Hydro have similar partnership agreements, they have played out differently in practice. It also becomes evident that the work towards the Varner Group has been very limited in scope.

4.4.1 Amnesty International Norway and Statoil

The partnership between AIN and Statoil is historical, in that it is the first of is kind. It came about as a result of mutual interest, and was signed in 2001. Some situational factors are important to take notice of. The murder of the Nigerian author and human rights activist Ken Saro-Wiwa in 1996 brought CSR, and the human rights dimension of this, to the forefront. The case got major attention and also Statoil came under scrutiny for their engagements in Nigeria, both in Norway and internationally. Demands were thrown at

Statoil to withdraw from Nigeria, or at least to send a letter to the government condemning the murders. Statoil refused both demands, stating that they were not willing to get involved in political processes (Ryggvik 1996). In the light of this occurrence, Statoil with the CEO at the time; Harald Norvik, started engaging in meetings and dialogues with AIN. These dialogues eventually lead to the partnership agreement being signed in 2001 (Slydal 2006 [interview]).

The partnership agreement today consists of an educational element as well as meetings between AIN and the company. A prerequisite for the partnership was a mutual understanding, that engaging in business abroad was not bad per se. The electronic educational program has been made available to all employees on the Statoil Intranet and is promoted as a voluntary offer (Slydal 2006 [interview]). Other courses and seminar have been limited, but there are several on the future agenda. Among other things, plans are being made for country specific seminars to be held, as well as involvement of AIN in other parts of the internal educational apparatus (Larsen 2005 [interview]). There have been occasional meetings between AIN and the CSR department, and also between AIN, the corporate management and the CEO. These meetings have an open agenda and can both be used to discuss technical aspects of the agreement, but also more political issues or cases. These meetings serve as an arena where AIN can voice their opinions on what Statoil should, or should not be doing, and how they can do things differently. It becomes a forum for mutual dialogue where representatives from Statoil also get the chance to explain their positions.

On a few occasions AIN has asked Statoil to take a stand in relation to specific issues. This happened in the Leyla Mafi case in Iran in 2004, where a mentally retarted 19 year old girl was sentenced to death for sexual relations. As Statoil is heavily engaged in Iran, AIN saw the company as having a responsibility in attempting to prevent the situation. They asked the company to use their contacts and simply pose the question; whether it was true or not, that an underage girl was to be executed. Statoil decided not to follow this appeal and as a result AIN publicly criticized them (Fagerheim 2004), as they are entitled to do within the partnership agreement. A similar case took place in 2003 where Nigerian Amina Lawall

was sentenced to hanging and AIN asked Statoil to take action, an appeal they declined (ibid).

4.4.2 Amnesty International Norway and Hydro

The partnership between AIN and Hydro was signed the year after the agreement with Statoil. Slydal (2006 [interview]) sees it much as a coincidence that the Hydro agreement came about later than the Statoil agreement, as dialogues had been taking place for the same amount of time. Hydro had at this time been encountering human rights related challenges through their engagements in Utkal.

The partnership agreement between AIN and Hydro is very similar to the Statoil agreement. Education on human rights issues as well as dialogue with the CSR department and top leaders, are central elements. As with Statoil, the electronic educational package is a voluntary offer to employees. However in Hydro, AIN has regularly been invited to give courses and seminars in different parts and levels of the company. For instance AIN has on several occasions held seminars at a program Hydro calls; *Leadership Fundementals*, which gathers leaders from the companies operations worldwide. AIN contributes at such seminars several times a year and have among others given country specific seminars on China, Angola and Iran (Slydal 2006 [interview]). Meetings between the CSR department and AIN, as well as more sporadic meetings at the top leader level, have also taken place (ibid.).

AIN also asked Hydro to take a stand in both the Leyla Mafi case in Iran, and in the Amina Lawall case in Nigeria. In the case of Leyla Mafi, Hydro did not take a public stand, but nevertheless contacted the Norwegian Ministry of Foreign Affairs and the Norwegian Embassy in Teheran to ask them to follow up on the case. Also in the Lawall case no public stand was taken. However Hydro did post a link to AIN's petition to free Lawall, on their intranet pages, so that employees could sign it (Slydal 2006 [interview], Oellingrath 2006 [interview]). Although AIN saw these efforts as positive they saw them as too limited and

Hydro has been publicly criticized by AIN for not taking a stronger stand (Fagerheim 2004).

4.4.3 Amnesty International Norway and the Varner Group

There have been two main cases where AIN has been involved with the Varner Group. Firstly, when the Varner Group started working with developing and implementing ethical codes of conduct, they undertook a stakeholder analysis, where AIN was seen as an important actor. As a result AIN was asked to come with advice and opinions on what they saw as the ethical responsibility of the Varner Group, when producing clothing in third world countries, and how this responsibility could be reflected in the ethical codes of conduct. This case of interaction was initiated by the Varner Group. AIN responded by giving some advice on what agreements with suppliers should entail, and input as to what was lacking in their current agreements (Slydal 2006 [interview], Varner 2005 [interview]).

Secondly, in 2004, AIN approached the Varner Group, to initiate a T-shirt initiative with the store Carlings. This was mainly a business proposal to try to gain financial funds by marketing the Amnesty logo in stores (Egenæs 2006 [interview]). However, Carlings would in this case also function as a medium for reaching out to young people with the Amnesty logo and the message this represents. An important thought behind the agreement was therefore also to profile Amnesty and create engagement among young people (Amnesty 2004). A prerequisite for the deal, was that the t-shirts were produced in an ethically sound manner, something Carlings could prove, by using one of their producers in Turkey that was often visited by inspectors to ensure conditions. The agreement was initially to produce five sets of t-shirts with different motives, under the term Human Rights Collection. The initial agreement was to last for a year, but the deal was anticipated to be prolonged. However, shortly after the initial T-shirts were put out for sale, the agreement was terminated by the Varner Group. The Varner Group was reluctant to comment this incident, and simply said “it had nothing to do with the case of Amnesty, but with other things” (Varner 2005 [interview]).

This shows that AIN has only had limited contact with the Varner Group. Nevertheless the case also shows that AIN is seen as an important stakeholder and knowledge provider on human rights issues. It also illustrates that the NGO has a cooperative style towards companies, and show willingness to share their competence in order for human rights issues to be improved in other parts of the world.

4.5 AIN summed up

As NorWatch, AIN employs various tactics to influence business. The partnership is a new venture, and differs from AIN's more traditional activist focus. The partnership must not only be understood as an attempt to target companies, but also as an attempt to influence human rights violating regimes. AIN takes threat of cooptation seriously and have taken measure to guard against this. The partnership approach is currently limited in scope as it only applies to two companies; namely Statoil and Hydro. Education on human rights is at the core of the agreements, but efforts are also made to challenge the companies directly on what CSR entails, and how far responsibility stretches. AIN continue to use outsider strategies, in combination with insider approaches, in an attempt to achieve their goals.

5. Exploring perceptions of NGO influence

Before discussing the influence of AIN and NorWatch on Statoil, Hydro and the Varner Group, it is important to gather what the different actor's perceptions of influence are. Here the NGOs opinions will be compared and contrasted with the opinions of the respective companies. It is important to remember that these actors come from very different backgrounds, something that may shape their opinions. Therefore it is important to account for both sides of the story, and also allow for a difference in perception.

5.1 Perceived Influence of NorWatch activity

The cases of interaction between NorWatch and the three companies have been of fairly different character and have had different effects. Perceived influence is therefore viewed company by company.

5.1.1 NorWatch and Statoil –limited influence?

NorWatch and Statoil have fairly consistent views on the influence of NorWatch with regards to Statoil – both sets of actors perceive this influence as being limited.

In NorWatch, Statoil is perceived as having been uninterested in their work and very defensive in those few instances where they have responded to NorWatch's claims. One of the main stories published on Statoil was the un-authorized report written about Statoil activities across the world (Leer-Salvesen 1998a). NorWatch sent a copy of the report to Statoil, but perceived them as being non-approving of the purpose behind the report, without giving a clear message as to why this was. As a result NorWatch believes that within Statoil the report was little read, and that it did not go much further than the information department. NorWatch sees the reason for the lacking response as lying in the nature of the report. The report touches on many issue areas briefly, without going deeply into any specific cases. Furthermore it does not provide Statoil with any concrete recommendation, but it is just as much directed towards the government as a partial owner

of Statoil (Eraker 2005 [interview]). The main message to Statoil seems to be that the company needs to take more responsibility than what they currently do.

Representatives from Statoil's CSR department, also see the direct effect of NorWatch as being limited. The current CSR director of Statoil, Rolf Magne Larsen, states that he has taken little notice of NorWatch's activities towards Statoil since the 90s, and the only time he has been in direct contact with them was at one point in this period (Larsen 2005 [interview]). Larsen was however not CSR director at the time the unauthorized report was written. However his view is that currently, very little notice is taken of NorWatch's work unless it is published in larger media. He states that Statoil is only concerned with NorWatch to the extent that hey may have to consider submitting a response to claims made in the media. Furthermore he believes that the effect of an NGO as NorWatch, that does not approach the company directly ,is limited (something NorWatch no longer does because of the change in their mandate).

However, Sebastian Bringsværd, also employed in the Statoil CSR department, makes a distinction between a direct impact, and an indirect impact through reputational effects. He states that NGOs that don't cooperate with Statoil have influence in terms of putting the company's reputation at stake, something the company may be vulnerable to. In this sense NorWatch may have had indirect impact through agenda setting, in terms of the companies CSR work. However, Bringsværd sees it as extremely hard to measure this type of impact. He realizes that there is an indirect mechanism that may serve to impact the companies, but states that the company (naturally enough) perceives their NGO "partners" as having more influence than those they are not in direct contact with, such as NorWatch (Bringsværd 2005 [interview]). So although it may be hard to trace concrete output and outcomes from NorWatch's criticism of Statoil, it may have had an effect on the public debate and indirectly influenced the company in this way. This is however not something the company feels they can see clearly in the case of NorWatch.

During 2006 NorWatch is working actively with Statoil's engagements in Nigeria. This work entails focusing on one specific case, and it will be interesting to see if this generates more reactions from Statoil than the previous attempts.

5.1.2 NorWatch and Hydro – eliciting change?

The main case in which one can discuss influence between NorWatch and Hydro is through the Utkal case, which turned out to get a lot of publicity. It is however important to be cautious of making causal claims in terms of this influence.

For NorWatch, Hydro was clearly a company they felt they had some luck in reaching out to. With regards to Utkal they felt they had an important role in voicing the local people's opposition and concerns, thus bringing Hydro continuous news from the field that they may otherwise not have been given from their local partners. Leer-Salvesen (2005 [interview]) believes that in this context, NorWatch gave Hydro quite a few surprises. At this level he felt that they were taken seriously and that the information NorWatch provided Hydro with, was reacted upon.

However, on the more overriding issues concerning the nature of the project and the rights the indigenous peoples etc., Leer-Salvesen felt that Hydro did not care what their opinions were. As a result he does not believe that NorWatch was in any way the cause of Hydro's withdrawal from the Utkal project. He believes the bigger reasons why Hydro withdrew were the local protests in India, leading to the project being postponed several times, at the same time as Hydro was meeting increasing demands to provide raw material. However, an important part of the Utkal case was seen as informing the Norwegian public and creating public pressure which again could influence the company. Leer-Salvesen states that this may have been the most important way in which they exerted influence. Through playing an active role in various public forums, NorWatch helped to put Utkal on the Norwegian political agenda, and in affecting and shaping the "universe" that was discussed (Eraker 2005 [interview], Leer-Salvesen 2005 [interview]). The Norwegian public debate was

something NorWatch perceived as affecting Hydro's reputation greatly, and something to which Hydro had to respond.

It is rather unclear what NorWatch's exact opinions were on the solution in Utkal; should the project never have been undertaken, or did it simply need to be done in a better manner? It is clear that they were very critical to the project in general, but exactly what they saw as the solution is less clear. It seems that NorWatch did have some concern that a withdrawal of Hydro would simply lead to another company purchasing Hydro's shares, and carrying the project through more brutally than Hydro. Hence, if Hydro could react to the demands of the indigenous peoples in a good way, this might prove to be the best solution. However, both Eraker (2005 [interview]) and Gaarder (2005 [interview]), point out that the argument that Hydro would simply be replaced, has not been proven. After Hydro's withdrawal their shares were purchased, but the project was severely set back. While the project is still planned to be carried through, no final decision has yet been made (Alcan 2006) It hence seems somewhat unclear what NorWatch actually wanted Hydro to do.

When attempting to follow up on the Utkal case in the later years NorWatch has perceived Hydro as a highly "closed" company (Gaarder 2005 [interview]). NorWatch has attempted to get them to comment on their experiences with Utkal, but have met closed doors. What is Hydro's view on NorWatch's influence in the Utkal case?

Ivar Oellingrath, currently employed in the CSR department at Hydro, and earlier leader of the Utkal project, openly states that Hydro at times has had a very "tense" relationship with NorWatch (Oellingrath 2006 [interview]). In his opinion, NorWatch's influence came through creating "noise" making operations difficult, rather than coming with constructive input. As Hydro's policy is to talk to their critics, dialogues and meetings were held. In these arenas Hydro perceived NorWatch as being a rather "unserious" actor. This was because Hydro saw NorWatch as automatically adopting the views of local extreme NGOs, at the same time as being hostile towards the company's views and knowledge. Hydro disapproved of NorWatch basing their information on sources without viewing these sources in a critical light, hence not necessarily creating an accurate picture of what the

larger population wanted. In relation to this Oellingrath points out that a striking phenomenon in Utkal, was that the locals initially were largely unorganized. They were basically concerned that their foundation for livelihood would disappear, but lacked organized representation, something he believes made them very vulnerable towards outside actors speaking their case. Furthermore NorWatch was seen as having a very narrow focus. When looking at the municipality level where Utkal was located, Hydro perceived much goodwill for industrial development and hopes for increased welfare in this area, although those directly affected were clearly against it (ibid.)

Hydro perceived other NGOs such as the Norwegian Church Aid, and even FIVH with Steinar Lem, as having a more constructive approach. They allowed for greater discussion on critical topics, and also gave room for disagreement. Hydro believes that if NorWatch had allowed for a more nuanced and constructive view, maybe more good could have come out of the situation. However, it is realized that this is a conscious strategy on behalf of NorWatch, but from a company perspective, a confrontational line in this manner is hard to view as constructive (Oellingrath 2006 [interview]).

Oellingrath emphasized that NorWatch played no decisive factor in Hydro leaving Utkal. Hydro was pressured to increase the production of aluminum and when Utkal kept being postponed, access to these raw materials needed to be secured elsewhere. However, it is acknowledged in Hydro that the negative attention the Utkal case received did make the involvement in Utkal burdensome. Oellingrath does confirm that NorWatch played a role in creating this attention. He believes the timing of the conflicts in Utkal coincided with a period of large international attention towards CSR, indigenous people, increasing demands from society and NGOs- resulting in the attention getting out of proportion; “The timing was good for the NGOs, but maybe not so good for us” (Oellingrath 2006 [interview]). Furthermore it is clear that NorWatch was only one of the NGOs creating this attention; “We were stuck between a rock and a hard place in all possible ways; between Indian high politics, Indian local politics, international pressure, international attention on indigenous people etc” (ibid.). Furthermore, all these groups had somewhat different agendas making the whole situation highly challenging. Oellingrath is somewhat doubtful of whether

Hydro's withdrawal was the most beneficial solution for the locals. He also interpreted comments from NorWatch as indicating that this was not perceived as the best solution by them either (ibid).

For Hydro the experiences from Utkal represented a turning point in terms of CSR. Through the challenges they met here, they saw a need for a more systematic approach to dealing with similar issues in the future. Largely as a result of this, a CSR department was established to create policies to deal with similar issues, and to integrate such concerns more fully in the everyday operations. Hence, CSR as it is in Hydro today was largely introduced by the Utkal project (Oellingrath 2006 [interview]).

Another case mentioned in Chapter 3, is the more recent case of the Norwegian People's Aid commercially clearing mines for Hydro in Iran. Hydro has done little to follow up on NorWatch's arguments and the company states that they do not see extended mine clearing as part of their social responsibility, something NorWatch clearly disagrees with. As a result NorWatch does not see their exposure of Hydro on this issue as having had results yet, but they intend to follow up on the case, and raise further debate in the public space (Gaarder 2005 [interview]).

Hydro also sees NorWatch as having little impact on this matter, mostly because this is perceived as a non-issue within the company. Oellingrath states that as Hydro sees it, no one else has ever asked them to clear these mines (Oellingrath 2006 [interview]). Articles published by NorWatch are however suggestive of locals being critical towards Hydro on this issue. It also suggests that the issue has not been unproblematic in the Norwegian People's Aid either (Stenerud 2004b)

5.1.3 NorWatch and the Varner Group – sustaining an agenda?

Targeting the Varner Group has only taken place after the mandate of NorWatch changed. The criticism towards the Varner Group hence materializes through various publications.

Pia Gaarder in NorWatch has a clear perception that the Varner Group takes notice of what NorWatch has been writing about them. She particularly sees the corporate social responsibility manager of the Varner Group, as engaged and taking NorWatch's claims seriously. However, she questions to what extent the CSR manager's activities are integrated in the whole of the Varner Group (ibid).

The main goal for NorWatch has not been to achieve highly specific outputs in the Varner Group. Rather the goal has been to create a debate where the structural problems of the clothing sector, with suppliers in LDCs, are brought to the forefront (Gaarder 2005 [interview]). NorWatch's targeting of the Varner Group started at a point when the company had already started working with CSR issues, something that shows that NorWatch's actions have not been decisive in putting CSR issues on the Varner Group's agenda. However NorWatch's goal is to heighten awareness, and bring attention to structural injustices, and challenge the Varner Group's perception of what CSR is - a message Gaarder believes they have communicated (Gaarder 2005 [interview]). Nevertheless NorWatch's publications have made some pretty concrete demands towards the Varner Group; like the fact that they need to disclose production sights. These articles have also been picked up by larger media, exposing the company to a broader audience.

The Varner Group expresses a belief that NorWatch has had an impact on the work the company does with CSR (Varner 2005 [interview]). Although, in NorWatch's case, it is not measurable in concrete policy outcputs, the pressure they exert, alongside other NGOs are important in putting, and keeping, issues of CSR and codes of conduct on the agenda. However the concrete input to their policies and strategy has come from other NGOs, such as Initiative for Ethical Trade (IEH) who have played an important role in helping the Varner Group implement codes of conduct. The Varner Group representative interviewed perceives NorWatch's confrontational approach as somewhat intimidating. In time however she has come to see that NorWatch and the Varner Group to a large extent have a common agenda. NorWatch plays a role in heightening awareness in the Varner Group, around issues that they might not have thought much about. However, the representative sees it as important that NGOs as NorWatch have an understanding of what is realistic and unrealistic for the Varner Group to achieve. Although NorWatch is perceived as somewhat

provocative, the representative sees value in this approach as long as it comes from a realistic point of view. When it comes down to it she believes that this pressure helps the Varner Group perform even better (Varner 2005 [interview]). When the representative was asked whether she sees NorWatch as having a realistic view of Varner Group's roles and actions, she hesitantly answered yes. But she emphasizes that this has changed, and that she sees NorWatch as having become more realistic over time. This is largely a result of dialogue having taken place, where the different parts have sat down and explained where they are coming from (ibid.). For the Varner Group, part of being realistic in this sense, implies understanding that the business world is complex. For the Varner Group it makes little sense to engage with NGOs that claim companies should not work in China as a principle, as this is not realistic from a business vantage point. The representative further believes that in pulling out of countries as China, the company would not be able to exert pressure on governments to improve the situation. However she also states that the influence they are able to exert on governments is limited, and that it is mostly in the factory that they have the ability to improve conditions (Varner 2005 [interview]).

In sum, NorWatch's confronting line is seen as provocative, but as having value when it comes from a realistic viewpoint. NorWatch is seen as important in bringing new issues to the agenda, as well as putting pressure on the company to continuously have a high profile on their CSR work. It is however difficult to measure their influence in concrete effects.

5.2 The case of Amnesty International Norway – Perceptions of Influence

The work of Amnesty International Norway towards Statoil and Hydro is similar, while their work with the Varner Group is different. Hence I will treat the perceptions of influence of the partnership agreements as one discussion, and influence on the Varner Group separately.

5.2.1 AIN's perception of the partnership agreements

There are several dimensions to the AIN partnership approach. Education is at the forefront, but it is seen as a means both to increase competence on the area, and in challenging views on what CSR is, and how far responsibility stretches. This last aspect relates to AIN's wish to use the partnerships as a means for the NGO to enhance their work on improving situations in human rights violating countries, as the companies have access to political leaders in these countries, that AIN does not.

The educational programs are seen as having somewhat different effects in the two companies. In both companies the web-based learning package remains voluntary. In AIN there is a general concern, that these remain largely unused and that they as a result have limited effects. AIN is highly critical towards the companies for not sufficiently encouraging employees to use these programs. They believe that if the programs are not mandatory, it is crucial that the top leaders strongly encourage using the program, so that the message is taken seriously. The potential effect of the program lies in creating awareness within the company and making human rights issues something everyone identifies with.It is unclear to what extent this is achieved because of the limited use of the program (Slydal 2006 [interview], Egenæs 2006 [interview]).

However, the educational aspect of the agreement is perceived to reach out to more specialized groups, through courses and seminars held by AINs representative Beate Slydal. This has however largely been limited to Hydro although Statoil is planning similar courses in the future. Slydal (2006 [interview]) is highly positive to the effects of these seminars. The sessions are designed to actively involve the employees in discussion, and Slydal is amazed at the enthusiasm and ideas that these seminars generate. They also show that some people have little awareness on what corporate policy on human rights issues are, and become surprised that stronger measures aren't in place. These courses are also seen as having an effect in creating awareness and leading to better decisions made in the field (ibid.). Hence the educational bit of the program seems to be mostly integrated in Hydro, but only towards specialized groups.

Slydal states that the educational effects of the agreements go both ways. Through dialogues AIN gets an increased understanding of the complexity of issues that the companies face. They understand better that solutions are not always obvious, but in an arena where the companies and NGO engage in discussions, they are often able to find solutions that both parts are happy with (Slydal 2006 [interview]).

AIN believes the partnership agreement has also had some effects on a policy level. Especially in Hydro AIN has been used as a discussion partner in terms of policies, and with regards to reporting procedures (Slydal 2006 [interview]).

The other dimension of the partnership entails challenging perceptions of how far responsibility stretches. This is largely done through discussions with the CSR department. Here AIN perceives limited success and see the companies are very reluctant to widen what they see as their legitimate operational space. Egenæs (2006 [interview]) states that it is hard to say that AIN has had measurable success before this claim is responded to and the operational space is widened. Furthermore, access to these arenas are seen as having a more subtle effect in terms of raising awareness, and gradually challenging perceptions on these issues within the company. As the threshold between AIN and Statoil and Hydro are lowered, AIN can function as a constant reminder of human rights norms and the extent of responsibility related to this. The dialogue is perceived as somewhat closer with Hydro than Statoil, because they occur more frequently (Slydal 2006 [interview], Egenæs 2006 [interview]).

AIN is however very frustrated that it remains so difficult to get the companies to see themselves as political actors and having an extended responsibility in terms of this. When challenging them to take stands in specific cases, they have had limited success. Despite this, there are some signs that things are changing. Hydro did link a petition to free Amina Lawall on their intranet pages and they also contacted the Norwegian Government to ask them to take the case seriously. Even though AIN's concrete goal was not achieved the claims are not simply brushed off. However, using the companies as a means to affect leaders in human rights violating countries, must as of yet, be seen as having a limited effect.

5.2.2 Mapping the Impact – Statoil and Hydro's views

Representatives from both Statoil and Hydro, show a positive attitude towards the partnership agreements with AIN. Oellingrath of Hydro (2006 [interview]) states that the educational program has been useful, and it is believed that those who have participated in it, have a higher awareness and competence on these issues that are transferred to the field. He also sees it as important to emphasize that Hydro is not only a company, but a unit consisting of individual people with their own opinions. When these individuals are made aware of the role Hydro plays, and can play, in terms of human rights and CSR, this may have an effect. Larsen of Statoil (2005 [interview]) also sees competence raising through education as important, but points out that challenging conventional ways of thinking is also highly valuable.

Both Statoil and Hydro assign value to AIN challenging existing perceptions, and broadening perspectives in terms of what CSR entails, although they still may disagree on certain issues. Oellingrath (2006 [interview]) states that the partnership has pushed them to think critically about what CSR is in terms of legitimate operational space. However the partnerships also provide an arena where Hydro is able to explain company positions to AIN, giving them a better understanding of the challenges the company faces. As a result both Hydro and Statoil, perceive AIN as being able to see the complexity in business operations, and the fact that CSR issues can be extremely challenging within this framework.

Despite seeing awareness raising and broadening of perspectives as important, both companies openly admit that when it comes to taking a stand on specific issues they cannot adhere to AINs wishes. Both companies agree that this is outside their legitimate operational space. Oellingrath sees such disagreements as unproblematic because the partnership allows room for disagreements. He therefore does not see it as problematic when AIN criticizes them in larger media. Furthermore he states that although Hydro does not want to take a public political stand, they will try to influence critical situations through other channels. He also states that making a link to the petition to free Amina Lawall would

never have happened if it weren't for the partnership with AIN (Oellingrath 2006 [interview]).

Both companies also state that they view partnership agreements as the one with AIN, as more constructive than NGOs on the closed confrontational track. Cooperative partnerships are seen as being productive. Oellingrath emphasizes that when there is room for disagreement, as there clearly is with AIN, confrontations are seen as fruitful. Although both companies prefer partnership agreements they do understand that the confrontational approach adopted by other NGOs may function as an eye opener that something should be done differently (Oellingrath 2006 [interview]). However mapping such impact is much more difficult than mapping the impact of partnership agreements (Bringsverd 2005 [interview]).

5.2.3 Mapping the Impact – AIN and the Varner Group

AIN has had limited contact with the Varner Group and as such AIN sees themselves as having limited impact here. This is because AIN has never explicitly aimed to have a particular impact on them. They have been open to giving the company input to their work with producing codes of conduct, as this is something they have experience with, and knowledge about. In this respect they may have had some impact on the content of CSR codes of conduct (Slydal 2006 [interview]).

Due to the limited interactions between the two, the Varner Group also sees AIN as having limited impact on their CSR work. However, as AIN was used to give input in the start phase of the work on ethical codes of conduct, input at this stage was useful. As a result one can say that AIN has had some impact on the CSR policy level. More specific impact than this, is however not perceived.

5.3 Summing up

In accounting for NGO influence perception from both NGOs and TNCs seem to be fairly consistent. It is clear that the different approaches of NorWatch and AIN are important in different respects, as they deal with companies in very different ways. This clearly affects both how companies and NGOs view influence. It is also clear that influence varies in the different cases reviewed.

6. Analysis: the influence of NGOs on CSR measures in TNCs

Based on the theoretical insights and the empirical evidence gathered, what can be said about NGO influence on the CSR measures of TNCs operating in LDCs? I start the discussion by attempting to analyze the effects that have occurred in companies in relation to the work of the NGOs. Here I distinguish between influence in relation to *process, outputs* and *outcomes*[19].

The first section seeks to analyze influence on CSR measures in terms of the different tactics the NGOs have used. Embedded in these tactics are various mechanisms of influence, reflecting different discursive positions and resources. Section 6.1 is devoted to sub-question (a) (*what are the mechanisms of NGO influence)* and (b) (*what are the effects of differing NGO tactics)*. These two questions are closely related and will hence be analyzed simultaneously with reference to the theoretical framework on different forms of power, and norm-socialization.

In the second section I seek to shed light on the legitimacy debate concerning NGO activity. With respect to the empirical evidence gathered, can anything be said regarding the legitimacy of NGOs in influencing the companies' CSR measures?

6.1 Tactics, mechanisms and influence; are there traceable differences?

Embedded in the work of NorWatch and AIN are different value orientations, resources and strategic choices concerning tactics. How does this affect the influence they are able to exert on TNCs? To what extent does the work of AIN and NorWatch depend on different mechanisms? Do these mechanisms reside within the tactics the NGOs chose; or are they a

[19] I will not indicate the concepts in italics in the analysis, I rather use the concepts as an integrated part of the language.

result of the other aspects of the NGO activity? These questions will be sought answered by analyzing the influence of NGOs by relating the findings to various views on power. Here resources, capabilities and norm-socialization will be emphasized in relation to the different tactics and strategies. The section will be summed up by viewing influence in relation to the spiral model of Risse and Skikkink (1999).

6.1.1 NorWatch and AIN – one tactic or many?

One thing that has been made clear when reviewing the cases, is that both AIN and NorWatch employ various tactics side by side in their efforts to exert influence on TNCs. It seems that none of the NGOs fit neatly into one of the categories in Ählström and Sjöström's (2005) NGO typology. This complicates attempts to map how different tactics influence companies differently. Nevertheless, I will try to distinguish between the various tactics in the discussion.

To recap shortly NorWatch adheres strictly to outsider strategies, where they use elements of both the *scrutinizer* and *modifier* approaches. The main endeavour is monitoring companies, but in these efforts lie a strong normative foundation concerning what acceptable corporate conduct is. In this normative foundation there seems to be some inherent criticism of the dominant economic paradigm, in line with the *modifier* approach. It is furthermore clear that the tactical choices of NorWatch have developed over time and that NorWatch used to employ also *a protester* tactic in addition. Today this aspect is left completely up to the mother NGO – FIVH, and NorWatch works solely through journalistic methods.

AIN on the other hand employs insider and outsider strategies in combination. Like NorWatch the organization has been through a strategic reorientation, and the partnership agreements are a relatively new venture. In addition to employing a *preserver* insider approach, elements of *modifiers* and *protesters* are used. AINs work towards business is rooted in a belief that the enormous power possessed by TNCs is crucial to deal with, and that TNCs must use their power in a way that benefits society. The NGO also seems to be

somewhat critical of the current economic paradigm, although they see it as important to be realistic and face up to the current reality where TNCs are dominating.

The subsequent sections focus on tracing different forms of mechanisms and effects to the work of the two NGOs. Another important question that rises in light of the strategic reorientation of the NGOs; is whether there are any conceivable reasons why both of the NGOs studied have gone through reorientations at approximately the same time?

6.1.2 NorWatch – power through the public?

The goal of NorWatch is not to directly approach the company to gain influence; but rather to mobilize the power of public opinion by providing information on corporate wrong doings. NorWatch seeks to reveal misconduct continuously, hence functioning much as a watchdog. Their power resource is information, but in order to utilize information as a power resource, NorWatch must be capable of publicly disclosing this information in a way that threatens companies' reputation. The empirical data have however shown that the effect of their efforts have varied greatly with respect to the three companies studied.

The Utkal case seems to provide the most evident case of NorWatch's influence. Although one cannot say that NorWatch was directly responsible for Hydro leaving Utkal - or for the CSR department being established as a consequence - NorWatch was very influential in terms of the public debate they contributed to. Although NorWatch was only one of several non-governmental actors following the case, they were central providers of information to the Norwegian public, and this information was cited in various news-channels. Both NorWatch and Hydro agree that NorWatch was influential in forming the public debate in Norway, hence generating "noise" around the project. The strong criticism Hydro met in Utkal, became their greatest challenge (Oellingrath 2006 [interview]). This was largely due to a broad spectrum of criticism however, and not solely to NorWatch's actions as an individual NGO. Nevertheless, the public debate that took place is something Hydro admits being affected by, and the company sees that NorWatch was influential in contributing to this. NorWatch hence contributed to the case becoming problematical for Hydro,

particularly in relation to their dealing with indigenous people's rights. In addition to creating public debate, the Utkal project took place prior to the change of NorWatch's mandate, and NorWatch had more of a direct activist approach at this time.

The concrete discussions that came out of this direct approach were seen a less influential by both sides, although NorWatch believes some of the information they provided from the field, was listened to. Nevertheless, Hydro was perceived as largely uninterested in listening to NorWatch's *opinions* on the matters. Hydro explains this by the fact that they perceived NorWatch's claims as largely un-nuanced. This made it difficult for Hydro to engage with NorWatch directly. NorWatch's attempts to directly influence Hydro seem less effective than the attempts to exert influence through creating public debate. It was through disclosing information to the Norwegian public, that influence was achieved. An important factor in reaching the broad public was that national media picked up on NorWatch's stories. NorWatch hence showed that it was powerful in terms of threatening the company's reputation, but that this clearly depended on their capability to get this message out to a broader public. Through becoming a visible provider of information in the public arena, NorWatch indirectly created consequences and obstacles for the company. The pressure was intended to create reputation concerns for the company, causing it to change due to a logic of consequence (Rieth and Zimmer 2004).The influence NorWatch had was indirect, but still traceable to agency and behaviour.

However there was also another dimension to NorWatch's influence, in the Utkal case. The information NorWatch presented had strong normative connotation as to what "good" corporate conduct could be seen as being. In this respect NorWatch contributed to challenging notions of acceptable corporate conduct of TNCs in a wider societal setting. The fact that Hydro saw the Utkal case as bringing about a need to establish a CSR department, must be seen to indicate that the debate NorWatch contributed to creating, effected the basic notion of what Hydro saw as appropriate, or at least necessary, behaviour. This seems to reflect that Hydro was affected by a form of structural power that NorWatch contributed to. In this respect it seems that NorWatch largely affected a process within Hydro, to define more clearly how to deal with CSR issues. This process led to clear outputs in Hydro, in the sense that clear guidelines and policies, were established within the

company. In the case of Utkal there was also a concrete outcome in terms of Hydro withdrawing completely form the project. However, one must be cautious of making to strong causal inferences. It is important to bear in mind that NorWatch was only one of several actors who contributed to Utkal becoming problematical for Hydro. NorWatch can furthermore not be seen as the direct cause of Hydro implementing a CSR department, or withdrawing from Utkal.

Part of NorWatch's success, in creating attention around Utkal seems to be that they were able to act on norms that Keck and Sikkink (1998) have noted to be particularly compelling to the public. Local people were directly affected by the project. It was easy to establish causal links to the companies in charge of this, and the project also involved violent encounters where indigenous people ended up being murdered. The case furthermore happened at a point in "world time" where corporate conduct and relations to indigenous people were high on the agenda, something which Hydro clearly saw as being part of the reason for the case getting so much attention (the murder of Ken Saro-Wiwa had taken place shortly before the Utkal project was embarked upon).

We can conclude that NorWatch exerted clear influence in relation to the Utkal case. But were they able to influence Hydro in the manner they had hoped? As the project became problematical for Hydro, and business opportunities opened up elsewhere, the company ended up leaving. Is this what NorWatch intended to achieve? This question is relevant, as the encounter took place before the change in NorWatch's mandate. At this point NorWatch also had goals to influence the case in a more direct manner. It seems somewhat unclear exactly what NorWatch saw as the best outcome in the Utkal case, but that it was largely about giving the locals a voice seems clear. In relation to the goal of creating a better life for the locals of Utkal, it is unclear whether Hydro's withdrawal contributed to this, especially as it is highly likely that the project will proceed without Hydro. It seems that NorWatch was not able to influence Hydro to act directly in accordance to their wishes, but they were important in creating an agenda. This indirect form of influence, which was important on a process level in terms of agenda setting, is clearly the best way in which to view the influence of NorWatch in Utkal.

After the mandate changed, NorWatch has relied solely on these indirect mechanisms of influence. Today NorWatch's goal is largely about creating a public debate to elicit change, rather than achieving concrete outputs in TNCs. The indirect nature of NorWatch's influence, where disseminating information and attempting to influence structures and discourses, is consistent with their other attempts to influence business explored in the thesis. However, in the remaining cases reviewed, the effects of using these mechanisms are more subtle and difficult to trace.

More recently, Hydro has been criticized by NorWatch for using the NGO Norwegian Peoples Aid to clear mines in Iran in a way that does not benefit the locals. The company seems to take little notice of these claims, and see the prescribed conduct as beyond their scope of responsibility. Statoil has also been targeted, among others through the unauthorized report written by Leer-Salvesen (1998a). Statoil has also seen the influence of NorWatch as fairly limited, and has not taken much notice of the NGO in the later years. The company perceives NorWatch as being somewhat "business hostile" and as difficult to engage with. In these cases, the influence of NorWatch in the form of traceable CSR outputs is difficult to detect.

This does not have to mean, that NorWatch are not influential in these cases, but again it has been in a subtle and indirect way. Due to NorWatch's tactical choice, goal-attainment might be better measured by the extent to which they are able to influence public opinion and create an agenda. Both the cases towards Statoil and the case against Hydro in Iran were picked up by the broader media. This in itself bares the potential for crating harm to the companies' reputation, potentially influencing the companies to act due to a logic of consequence. When NorWatch's information reaches the public arena they are bringing attention to the CSR discourse and challenging what acceptable corporate behaviour is. In terms of Statoil, NorWatch was active at a time when CSR was just entering the public arena. The information NorWatch published on Statoil may have strengthened the need Statoil saw for implementing such measures. This in many ways represents attempts to challenge structural frames or cultural setting, and is highly challenging to measure (Wapner 2002). But it is interesting to note, that both Statoil and Hydro acknowledge this

form of indirect influence as important. It is conceivable that NorWatch were influential in the companies' processes of defining and debating CSR within the companies in an indirect manner. Nevertheless, in the case of Statoil, this is not something either side sees clearly. The case of Hydro in Iran may be too early to assess the effects of. Criticism here is fairly recent and may in time generate more visible effects. However, even if influence in this manner may have occurred in the case of Statoil, and Hydro in Iran, it is clearly less than that for the of Utkal case. There seem to be several factors that may account for this. The unauthorized report issued on Statoil was spread on a number of cases. The criticism was not concrete, and it raised issues that can be understood as pertaining to structural challenges within the current economic system. NorWatch was in this respect perceived as holding a business-hostile opinion. However, as Keck and Sikkink (1998) have noted, attempts to challenge such dimensions have historically proven difficult. This is also consistent with the view on non-decision making power (Bachrach and Baratz 1962), where some issues may never reach the agenda. It seems that the pattern of the current economic system, where TNCs operate in LDCs, is not an issue that is up for discussion. It is also important to note, that the unauthorized report written on Statoil (Leer-Salvesen 1998a), was also largely aimed at the State as a partial owner. It was not a direct attempt to elicit concrete responses, or changes, but rather bringing critical issues to the public agenda, questioning not only corporate conduct, but the role of stakeholders.

Another aspect that distinguishes the Utkal case from the remaining cases explored, was that in advocating the Utkal case, NorWatch was part of a larger network. Academics as Keck and SIkkink (1998) and Risse and Sikkink (1999) see networks as an important factor in bringing about change. The fact that several NGOs were advocating the Utkal case may have made the message stronger and the effects greater.

In relation to the Varner Group, NorWatch has been met with a more positive attitude, and their efforts are recognized as important. This is interesting as Varner is a company that NorWatch has approached only after the mandate changed. The approach solely focuses on disseminating information and contributing to public debate. Also in the Varner Group little direct impact is however visible. CSR was already on the agenda at the point NorWatch

started targeting the company. Despite this, the Varner Group openly admits that actors such as NorWatch are important in sustaining an agenda and also in bringing it forward. Due to their tactic the effect is again not perceived in concrete outputs, but rather in shaping public expectation through information. When NorWatch publicly criticizes the Varner Group for not disclosing their production sight and this is published in the media, this is clearly something that is taken notice of. The company in the same instance defends the position taken in order to minimize the damages, consistent with a logic of consequences. This shows that claims are taken notice of and clearly reach the agenda, although concrete outcomes are not yet observable. NorWatch is influential in an indirect manner, where they seem to influence the processes of defining and working with CSR behind company walls, but that there is limited influence in terms of concrete output and outcome.

The fact that companies feel the need to defend themselves against the information NorWatch publishes, may be the strongest indicator available that NorWatch has some degree of power and influence on their targeted companies. According to Risse and Sikkink (1999) defending oneself against certain claims, is a sign that the message is taken notice of. When something is being taken notice of, it may elicit further responses, although it may also go no further. Such influence may be very subtle but with reference to Risse and Sikkink (1999) this may be considered a form of power. Being part of a larger network may make agenda setting easier; however, this is not to say that NorWatch doesn't play a role on their own. Although shaping public expectations and challenging the CSR discourse is subtle and difficult to detect, one should not underestimate this type of influence.

6.1.3 Amnesty International Norway – power through access?

AIN differs from NorWatch in the sense that they see insider approaches as creating an appropriate arena for influencing companies. A premise for undertaking partnership approaches was that it was believed to allow for greater influence, than the traditional outsider approaches. Hence the arena in which AIN seeks to influence companies is very different than NorWatch and relies on different resources and different mechanisms.

However AIN continues to use outsider approaches subsequently, which follow more the same patterns of NorWatch.

The greatest distinction between the outsider approach of NorWatch and the insider approach of AIN, is that AIN has direct access to the people working with CSR within the companies. A prerequisite for the partnership entering into force seems to be that it was useful to both parts. For the company the expertise and knowledge of AIN was of key importance, but it was also important that AIN was not inherently business hostile and opposed to operations in LDCs, as this would have limited the benefit of the partnerships. The knowledge and expertise of AIN was seen as an important resource that could help both Statoil and Hydro deal with human rights, by educating employees in general, and giving input/advice to CSR departments, in a period where both companies had already been faced with substantial challenges concerning human rights in LDCs (the case of Ken Saro Wiwa and Utkal respectively). Larsen of Statoil openly states that their increasing internationalization combined with the large focus given to the Nigeria case brought about a need for a new competence to deal with such problem issues, that were not relevant earlier on (Larsen 2005 [interview]). Similarly, Oellingrath of Hydro states that challenges in Utkal showed the need to integrate CSR more wholly into business practices (Oellingrath 2006 [interview]). Although not empirically proven, one can also question whether another desired outcome of engaging with AIN, was that the "brand name" of AIN was something that might work well in terms of reputation.

It is also obvious that there were clear incentives for AIN to engage in the partnerships. First of all they saw access to the inside of the company as important in terms of reaching their mandate to improve human rights situations globally. AIN views TNCs as having substantial power in the global political economy that makes it important to challenge how these actors think and act when operating in countries with human rights violations. Education is here seen as a mechanism through which information can be disseminated within the company, raising awareness and potentially influencing decisions made in the field. However, in addition to seeing partnerships as a way to improve direct corporate conduct, it was seen as a way to affect regimes that violate human rights. This also largely makes sense as AIN mandate is derived from the UN Declaration of Human Rights, which

is largely directed towards states. When companies operate in human rights violating regimes they come in direct contact with political actors that AIN may never gain access to. AIN is denied access to major rights-violating countries as China, where Hydro has activity, and in Iran where both Statoil and Hydro are active. By attempting to influence the company to take a more proactive role towards host governments on human rights issues, AIN could also reach across to these actors. The partnership agreements also include financial funds which the NGO sees as valuable. For AIN there hence seems to be several dimensions to the partnership approach. With their expertise and Moral Authority, AIN can be seen to possess human-rights resources which give them access to the corporate arena where they can both work to influence concrete measures, but also challenge perceptions of what CSR entails in order to put pressure on human rights violating regimes.

It seems that rational choice logics are a premise for going into these partnerships. It is clear that both parties needed to see the partnership as useful in some sense. The partnership agreements create an arena where both actors have a set of resources that can be exchanged, bearing the potential to exercise power in a relational sense. What is then the effect of the partnership and how can the mechanisms of influence be understood?

The greatest resource AIN has to contribute with is expertise. This has however only been utilized to a limited extent. The educational component remains largely voluntary making it appropriate to question how vast this form of influence really is. In Hydro leaders have been engaged in the educational program and the response from these have been perceived as positive. In Statoil however, the educational component has not been utilized to the same extent. Although only a small number of people, or specialized groups, seem to have been incorporated in the educational component, the effect of awareness-raising should not be underestimated. Slydal (2006 [interview]) has noted, that when holding seminars, employees have been highly motivated and engaged in the topic. As these have often been leaders, they have the potential to disseminate such views further By engaging in various meetings, AIN has also contributed with knowledge at a higher level where policy issues have been discussed, hence having the potential to render influence in terms of policy decisions. By bringing attention to issues of human rights, AIN may be contributing to creating a stronger corporate identity concerning human rights where the employees

increasingly come to see such issues as appropriate and important. Effects of this are also hard to measure in terms of concrete output, but this does not mean that they are not present. To get a clearer picture of this, employees involved in these programs could be interviewed in a future study. In AIN, as in NorWatch, much of the effect seems to lie on a process level rather than in terms of concrete outputs.

In terms of challenging conventional ways of thinking about CSR on a strategic level: has there been effect? This aspect of influence must be seen in relation to AIN's wish to influence host-governments, in the countries in which the companies operate. This can be seen as consistent with the *modifier* approach, where AIN wishes to challenge conventional ways of thinking. With access to top leaders and CSR representatives, meetings are often used to discuss the content of CSR, and challenge existing perceptions of what companies see as their "legitimate operational space". Here AIN's goal is clearly to challenge business discourse on CSR and attempt to get companies to see the political role they have. Although little effect is visible in terms of concrete output, discussions have taken place and the company representatives become aware of new or contested issues. The companies furthermore assign value to being challenged on conventional ways of thinking. It has also been shown that the companies have responded to some extent, by contacting Norwegian Authorities and by implementing a web link to AIN's petitition. This has however been largely restricted to Hydro. Furthermore the actions taken are much smaller in scope than what AIN had aimed for. The outcomes have hence been limited, and not in line with AIN's goals. Nevertheless, Hydro has responded to some extent, showing that AIN is bringing attention to new issues, hence creating an agenda and a process of debating what CSR is. This may materialize into more concrete outputs and outcomes, over time.

When challenging the companies on the content of CSR, AIN is in many ways challenging the company discourse on CSR. Here AIN has the capability to influence the dominant CSR discourse from the inside of the company, which distinguishes AIN from NorWatch. Although the effects are not drastic it may influence ways of thinking and hence what companies see as appropriate over time. It is largely at a process level that AIN can be seen as having influence. Their strategy relies heavily on a persuasive approach; persuading companies to see extended responsibility as appropriate and acting due to a logic of

appropriateness. However as the companies are giving AIN access to arenas where such measures are being discussed back and forth, a logic of arguing is also evident. When it comes to cases where AIN sees Hydro and Statoil as taking to little responsibility they have exposed them in the media – utilizing an outsider approach similar to NorWatch. Here they use the media to inform the public, attempting to create reputational consequences for the company. This could be seen as a form of bargaining power the AIN might use in order to get the companies to respond. From their side however, the companies respect he NGOs' decisions to go public, and believe that the company cannot assimilate all NGO demands within partnerships, and that there must be room for disagreements. Hence, concrete outputs and outcomes remain limited in the case of the partnership agreements, and influence must be seen on a process level; where AIN challenge perceptions of CSR and contribute to a stronger corporate identity related to human rights issues through the educational programmes. It is however important to be aware that this may generate further effects in time.

The case of AIN and the Varner Group is a case of more limited relevance to the thesis problem. There has been no real attempt from AIN to influence the company. However, the fact that AIN was approached to give input on codes of conduct, does confirm that an important resource of AIN is expertise. The faith that the companies show towards AIN in the field of human rights seems indicative of them having a form of Moral Authority in the field, which can explain why they are seen as a valued partner or stakeholder.

6.1.4 The Power of Norms – socialization and evolution

One of the most obvious findings of the analysis is that there is a strong normative foundation in the work of both NorWatch and AIN. Although the main resources NorWatch and AIN utilize are information and expertise respectively, these resources are shown to have strong normative connotations. Both NGOs are strongly challenging what the companies see as corporate social responsibility and also the *extent* of this responsibility in line with the *modifier* approach.

Today CSR is a concept clearly integrated into the three companies. At the outset of NorWatch this was not evident to the same extent, and as noted, very specific incidents lead to the partnerships between AIN and Statoil and Hydro entering into force. Without denying that NorWatch may have had an impact on CSR also in earlier implementation phases, challenging companies on CSR today is different today than it was ten years ago. None of the three companies will today dispute that issues as; human rights, corruption and pollution etc are highly important for a company to deal with, also (and maybe especially) when working in less developed countries. This part of the CSR agenda must be seen as highly integrated into the three companies. Although misconduct may occur, policies and guidelines are in place concerning issues of corporate social responsibility. Hence the period of putting the concept of CSR on the agenda of these three companies must be seen as largely passé.

Does this mean that the role of NGOs as agenda setters is also passé? The finding here seem to indicate the contrary. AIN and NorWatch are currently not advocating the establishment of CSR, but rather challenging the content of the concept. In this sense CSR must be seen as a normative concept consisting of many different norms that may be internalized by companies in different periods of time. An important part of both NorWatch and AIN's tactics is challenging the scope of what corporate social responsibility is. AIN is largely advocating a view that companies need to see themselves as political actors, and take the responsibility this entails. NorWatch's advocacy varies more in terms of the cases they are addressing. In the newer cases it is being argued that Hydro must clear mines to benefit not only production, but also the nomads of the area; and that the Varner Group must disclose information on the location of their production sites etc. The effects of this type of advocacy may be too early to really assess. But it shows that CSR is a dynamic concept that the NGOs are trying to affect in line with their belief on what the responsibility of TNCs are.

Can the fact that CSR is now largely accepted by the three companies also explain the strategic shift in tactics seen in both NGOs? In the case of AIN it seems clear that CSR needed to be accepted in both Statoil and Hydro in order for the partnerships to enter into

force. The reorientation also took place at a time when partnerships were increasingly becoming focused on in the political arena. In the Earth Summit in Johannesburg this was made explicit when the “type II” pledges became the focus of the debate. In NorWatch it is a little more difficult to ascribe such changes to a reorientation in the broader society. In their case it seems it was the challenge of trying to use journalistic methods and an activist orientation simultaneously that caused a change in orientation. However, one can question whether it has become more difficult to find grave violations of “good” corporate conduct as time has progressed and CSR has become integrated with the companies. Maybe this has resulted in focusing more on the content of the CSR concept rather than concrete violations? Maybe it is more appropriate to attempt to utilize the public on such issues, rather than activist methods? This is however purely speculation and must be investigated further. It could be the case that as corporate CSR agendas have progressed, companies have also become more aware of what must be actively covered up.

6.1.5 Summing up: assessing the influence with regards to the spiral model

Based on the discussion given so far; is it possible to trace patterns of different forms of influence to the various tactics? In order to assess this I use the spiral model developed by Risse and Sikkink (1999) (see Figure 4 page 98).

It seems that a crucial part of NGO influence, is acting as norm-entrepreneurs and putting new issues on the agenda. Agenda setting can be argued to be important in the early phases of norm-socialization, in both phase 1 where companies start taking notice of new claims, and phase 2 where companies may start discussing the claims more concretely. Up until this point, NGOs may also be important in gathering and framing information to bring attention to the issue. Agenda setting is important as it is a prerequisite for norms becoming fully socialized, and more concrete measures being implemented. Nevertheless, there is also the possibility that they will never become socialized. Hence in many of the cases reviewed (Hydro in Iran, Varner disclosing factory locations, Statoil and Hydro taking stronger stands in political issues), it is unclear whether the normative claims of AIN and

NorWatch will have impact in concrete outputs and outcomes over time. The Utkal case however shows that agenda setting does have the potential to elicit processes where CSR norms become socialized and integrated in the company and materialize into concrete outputs.

In attempting to bring new normative aspects to the debate, AIN and NorWatch employ different mechanisms. AIN attempt to promote norms via persuasion and argumentation, while NorWatch aims to creating pressure through the public, eliciting a logic of consequence response. AIN however also employs this solution if they feel that they are not met in their direct efforts.

A prerequisite for partnership agreements related to CSR, ever coming into place, seems to be that CSR is seen as appropriate by the company. Whether it is seen as appropriate because of reputation concerns or because of being morally correct is not clear, and perhaps not that important. The partnership agreement with AIN was initiated at a time where the two companies had come to see CSR as necessary to integrate into the company more fully. Hence partnership approaches may be seen as important in putting the CSR agenda into effect in a stage 2 of tactical concessions by discussing what the agenda should be, and in a stage 3 of acceptance by helping the company implement concrete measures. A prerequisite for partnerships is also that there is some element of common ground between NGO and company so that the interaction can be fruitful. This also illustrates that there are clearly some elements that are not up for discussion with TNCs, such as the existing economic paradigm. Another prerequisite is that partnerships are beneficial to both parts. The output from AIN's approach is subtle and the dissemination of information in the form of knowledge and expertise is at the core.

NorWatch are also influential in stage 3 of the spiral model, but for different reasons than AIN. They are not important in terms of helping to implement or internalize measures; rather they are important in sustaining the focus on the CSR. This because stage 3 does not yet imply rule-consistent behaviour and violations of norms may still occur. In this sense NorWatch as a *scrutinizer* continues to bring attention to corporate wrong doings.

What complicates matters in terms of assessing influence in relation to the spiral model is that CSR can be seen as a dynamic concept, consisting of several norms that may become internalized at different points in time. Hence, although AIN engages in partnership approaches to help internalize the company focus on human rights issues, they may simultaneously play a role in bringing new aspects to the agenda (in earlier stages of the spiral model). It is evident that simultaneously as AIN gives education to employees, they also bring new norms concerning CSR to the agenda. An example of this is their focus on TNCs as needing to see their political responsibility. The TNCs on their side, accept having a responsibility in terms of human rights (stage 3), but at the same time as they deny having a role to pressure governments on human rights issues (stage 1). Hence NGOs may be influential in the socialization of different norms at the same time. These norms may furthermore be in different phases of norm-socialization. The fact that AIN is engaged in partnership agreements (that were only made possible due to acceptance of some CSR norms) the NGO has the opportunity to bring new norms to the agenda from the inside. NorWatch may also be influential in several norm-socialization processes at the same time. Simultaneously as they monitor that existing policies are being followed, they challenge the basic premise of the policies.

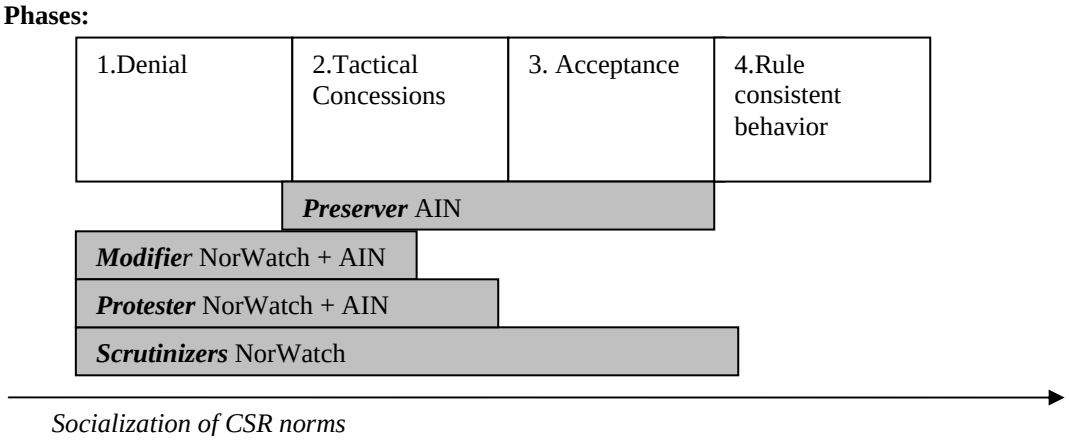

Figure 3: NGO tactics and stages of Influence; the cases of NorWatch and AIN

Figure 3 conceptualizes what has been discussed so far, by attempting to place the tactics employed by NorWatch and AIN within the spiral model. This must be seen as largely

related to the two case NGOs, and not as universally valid for any NGOs employing such tactics. As *modifiers* NorWatch challenge the content of the CSR concept and the extent of what social responsibility is. Here agenda setting is the central stage in which they seek to influence TNCs. Although this work may elicit further action, their contribution as *modifiers* is largely in the early phases of norm-socialization. I have indicated that such actions are influential as far as the stage of tactical concessions (phase 2), as there are cases in which NorWatch will still talk or discuss matters with companies (i.e. the Varner Group). Before the change of mandate, NorWatch also employed the *protester* approach which was also important for agenda setting. Dialogues at this point were more frequent, but had limited effect. As a *scrutinizer* NorWatch are also important in sustaining CSR on the agenda and ensuring that the company follows up on its stated policies through monitoring company action (stage 3). This shows that through the sum of NorWatch's tactics they play a role in most phases of the norm-socialization process by both challenging and sustaining the CSR agenda.

AIN is important both in bringing new norms to the debate and in helping to implement CSR measures. Through the *preserver* approach, AIN is influential in phase 2 and 3 of norm-socialization, by being a partner in implementing and developing the work on CSR as well as disseminating awareness within the company. As a *modifier* they also challenge the content of the CSR concept, but from the inside of the company. While Ählström and Sjöström (2005) who developed this typology state that the *modifier* approach is an outsider approach, I see AIN as fronting such an approach also through an insider partnership tactic. However, if AIN had only promoted the *modifier* approach, it seems unlikely that the partnership would ever have been initiated. AIN also uses outsider approaches when attempting to create an agenda, by making their views publicly known and consistent with a *protester* approach (although the protests must be seen as mild). By using insider and outsider strategies in combination they have the potential to play a role in a large part of the norm-socialization process, from agenda setting (stage 1 and 2), tactical concessions and as advisors on implementing CSR measures (stage 3).

Is there any way to say that any of the tactics are more influential than the others? This is difficult to determine as the routes of influence are different, and also due to the fact that

NGOs rely on different resources and methods. Based on the empirical data there is no way to say that the influence obtained is simply reducible to tactic. The way in which NGOs work by combining different tactics, and utilizing different resources, is important here. It is often difficult to separate the tactics completely as they are used in combination and seem to reinforce each other. As shown it has been very difficult to determine the concrete impact of NGO activity in terms of concrete CSR policy outputs. In some cases, such as Utkal, it is clear that NorWatch elicited a process that materialized into more concrete outputs. However it is difficult to trace CSR policies back to efforts of the concrete NGOs. Although the NGOs seem to be important in creating an agenda which may be discussed in internal company processes, it is difficult to know how exactly this is influential when policies are made. The issues brought up are clearly taken notice of and may indirectly affect policy. However none of the NGOs are influential in the sense that they draft policy suggestions. It is also clear that when NGOs have attempted to influence concrete actions in TNCs, there has been limited effect. Revisiting the analytical model (Figure 1) presented in Chapter 1, it has proved difficult to determine concrete NGO influence in terms of concrete outputs or outcomes, and much of the influence seems to be on a process level. This seems true for both the insider and outsider strategies reviewed in this paper. The Utkal case has however shown that this can materialize into more concrete outputs and outcomes.

In attempting to compare the effectiveness of the different approaches of NorWatch and AIN, it seems that the influence of the insider approach of AIN is easier to trace in the TNCs. This is because AIN's approach does not rely on the public arena in the same way that the work of NorWatch does. The approach seems to ensure a minimum of influence, as the partnership has a concrete aim. However it is difficult to see concrete outputs of this approach. The influence of NorWatch is extremely difficult to assess as it is subtle and diffuse. However the Utkal case seems to be the most dramatic case of NGO influence explored in this paper. In contrast, other cases show that NorWatch is not taken much notice of. The outsider approach of NorWatch may hence be more dramatic when it has effect, but there are instances where effect is hard to see. As discussed, issues related to "world time" and collaboration with other NGOs, are important in understanding why the

Utkal case became what it did. This seems to suggest that when NGOs are effective in drawing attention to popular norms and initiating public debate, this can clearly lead to change. Insider approaches rely much more on argumentation and persuasions, and changes do not seem to be so dramatic or abrupt. Maybe using these two in combination is particularly effective? Although AIN has not been effective in getting TNCs to take a political role, using the media in addition to insider approaches, allows for multiple mechanisms by which to challenge NGOs. It is also important to be aware that the story of AIN and NorWatch's influence on the studied TNCs is a story in progress. Norm-socialization takes time, and it is still unclear whether the newer claims of NorWatch and AIN on the extent of corporate responsibility, may have effect over time.

In the methodological section I also stated that an important question to ask is whether the companies would look the same today even if AIN and NorWatch had not existed? Based on the empirical data I believe the answer is mainly no. The work of AIN has certainly had effect on Hydro and Statoil although it might be subtle. The educational program may not have existed without AIN. The effect on Varner is however clearly limited. In terms of NorWatch, the Utkal case clearly made a difference in Hydro, something NorWatch indirectly contributed to. In Varner and Statoil the effects are less evident, and the answer less obvious. The effect of AIN in NorWatch may be subtle and indirect, but their efforts in giving voice to people in the South affected by Norwegian corporations; and their efforts in challenging public discourse on what corporate social responsibility is, is something that should not be underestimated. All TNCs admit that they do take notice of what NGOs do, and see NGOs as affecting their approach to business. NorWatch and AIN are clearly important in this sense, but estimating the impact of NGOs in isolation is clearly challenging.

Here it is important to note that both NGOs try to challenge the normative discourse of CSR at a broad societal level. They want to challenge views of good corporate conduct in the wider society, not only in the TNCs. Both NGOs have in this respect also targeted the state to impose stronger measures on TNCs. The effect is seen as little by both NGOs, but has not been widely investigated in the thesis. It however shows that the NGOs see CSR as

a societal concern, not only a narrow company responsibility. In their efforts it therefore becomes important to challenge the basic foundations for CSR at a societal level,

6.2 NGOs and legitimacy

The direct effects of NorWatch and AIN in isolation seem to be relatively subtle. To argue that these actors in any strong way influence TNCs towards sustainable development is difficult to document. However, these subtle effects should not be underestimated and may be important in raising public awareness and generating increased expectations of companies. Questions remain in the academic literature however, as to the overall legitimacy of NGOs as an instrument of governance. In Chapter 2 of the present thesis, issues of accountability, representativeness and Northern biases were raised in this context. The concern for these legitimacy aspects was seen as strongly linked to a concern for democracy. It was here pointed out that questions of legitimacy are raised with regards to how NGOs work, and in terms of the norms they promote. Is this criticism overstated, considering how difficult it seems to be to achieve strong outcomes? It is clear that TNCs are rational actors who actively challenge both the methods and the norms the NGOs promote. Does the empirical data gathered in this thesis shed any light on the legitimacy aspect?

6.2.1 Representativeness and Accountability

A critical view of the legitimacy of both AIN and NorWatch is related to concerns over representativeness, accountability and Northern biases. Both NGOs wish their work to benefit the people of the South, in the areas/countries in which the companies they engage with operate. However, both AIN and NorWatch answer mainly to their members situated in Norway. AIN's agenda has to be approved by the general assembly where all members have voting rights. Hence, they are held accountable by some 50.000 members in Norway. Their mandate is furthermore founded in the UN declaration on Human Rights which has been ratified my numerous countries. This in itself may serve as a legitimating factor. NorWatch as a part of FIVH has to answer to the members of this organization estimated at

about 20 000. How then do NorWatch and AIN take the views of the people of the South into account?

In the case of AIN it seems that the partnership approach takes place without a strong link to the publics of the South. In this sense it seems fair to ask if the normative foundation of the partnership approaches really represents views of the inhabitants in LDCs. For instance; is AINs argument that TNCs need to take stronger political roles consistent with the wishes of the inhabitants in the host countries? AIN has made some attempts to take these views into account among others through visiting Azerbaijan. The local inhabitants here perceived Statoil doing considerable good; but they also wished that the company would be more critical of the sitting regime (Egenæs 2006 [interview]). It is also worth noting that AIN are part of the world-wide Amnesty International networks that are seen as an important Moral Authority in the field of human rights across the globe (Hall and Bierstieker 1997)

NorWatch obtains much of their information from the people in LDCs affected by Norwegian corporations. They actively gather information from a variety of sources in the field, and hence must be said to have a strong link to the people they represent in the South. However NorWatch has been criticized by the companies for not being critical enough towards their sources of information in this respect. This was especially evident in the Utkal case, where Hydro criticized NorWatch for adopting the views of local NGOs which Hydro perceived as extreme in their views and almost militant. Hydro saw this as especially characteristic of NorWatch and contended that other NGOs, such as the Norwegian Church Aid, were much easier to have fruitful discussion with, although they also took a confronting line. In the Utkal case it also seems reasonable to ask whether the outcome, in terms of Hydro withdrawing from the project, really was the best solution. Was this the outcome the locals really were fighting for?

Furthermore is it right to listen to only those people directly affected and not those situated in the larger Utkal region? Won't the people immediately affected always be sceptical, even if this were to happen in Norway (i.e the establishment of the Gardermoen airport)? Is it

plausible that the Utkal case could have brought benefit to the people of the larger Utkal region? In Hydro there was a perception that although those directly affected were negative, people in the greater Utkal region were more positive. Would it have been better if Hydro had stayed and contributed to the working out of an acceptable solution for all parties? Currently it appears likely that the plant will be established despite the fact that it was severely set back by Hydro's withdrawal. These questions may not have clear answers, and maybe the people in Utkal saw Hydro's withdrawal as beneficial. Nevertheless these concerns point to the complexity and paradoxes in the issues the NGOs have been advocating and clearly indicate that any solutions to such problems are highly complex. This understanding is supported by the fact that employees of NorWatch themselves are uncertain as to whether Hydro's withdrawal was, in the end, the best solution.

There are also legitimacy aspects in some of the norms that the NGOs advocate. For instance it is not obvious to everyone that TNCs should take on political roles and attempt to pressure host governments. A critical element here is that companies lack democratic election systems, and hence taking on a political role may be problematical. However one must note that there are nuances in terms of TNCs taking a political role, where taking on clear government functions, such as implementing health care systems and schools, is very different than using power to pressure the governments to take certain issues more seriously. The companies themselves are clear on the fact that they believe there must be clear boundaries between what is seen as the role of the state and the role of the company. The companies see crossing this line as outside of their legitimate operational space. Even though this issue is not black and white, it seems reasonable to question the claim. How can one for instance ensure that a widening of legitimate operational space is only used to promote "good" norms? If it is acceptable for companies to pressure governments on certain issues, how do we know that this will always occur in a way that benefits the larger society? Also NorWatch's view on the extent of responsibility may be questioned; is it really legitimate to ask Hydro to clear mines to benefit a larger society in one of the most mine-infested areas in the world. Maybe, but this is not universally given.

In a governance perspective it is clear that AIN and NorWatch have limited means to influence the business sector as a whole. Although NorWatch's work covers many

companies beyond the scope of the present thesis, monitoring all Norwegian companies is mildly put impossible for only two employees; and NorWatch admit that they largely focus their work on those issues they get access to information on and not on a more systematic topical approach. In the case of AIN, working with business is only a small part of their overall mandate, and they use relatively limited means to monitor companies. The partnership agreements only cover two Norwegian corporations. Although these may be two of the biggest, and possibly most powerful, Norwegian corporations, they are also frontrunners in the area of CSR, and hence one could raise the issue whether AIN's competence might be more needed in other companies. This may however reflect the fact that AIN indeed want to reach host governments, and choosing the most powerful TNCs may be seen a strategic choice.

In sum, it is clear that there are some aspects of legitimacy that can be questioned. However, when we look at the effect the NGOs have had on the TNCs, this seems fairly subtle. As the NGOs explored do not pose a strict regulatory force on companies, and in no way dictate or determine their overall behaviour, are these legitimacy aspects as important? Isn't it positive that existing views are challenged, and that attention is given to such issues in the public debate? Isn't it important that the people of the South are given a voice, even though this voice may be affected by Northern biases?

6.2.2 Legitimacy as a social construct?

There certainly are some aspects of NGO activity that can be questioned on these terms. However with reference to the NGO effects on TNCs; is lacking legitimacy a real problem?

In many ways it seems the answer is no. First of all the effects of NGOs are subtle. The other aspect is that influence seems to be largely dependent on a structural dimension of power. It is through a wider set of actors adopting a norm, that NGOs gain power. Legitimacy hence seems to depend on norm-socialization, which is principally a question of the "social construction of reality" (Berger and Luckmann 1967). The empirical data show no cases where TNCs have been "coerced" by NGOs. Influence is driven by other

mechanisms where the validity of claims given in a societal framework seems the most important. In this sense one must not forget that TNCs can be regarded as rational actors who do not react simply when NGOs raise their voice. The empirical data shows many instances where influence of NGOs have been limited, and were TNCs often explain the lack of response as being due to legitimacy reasons. All three companies are clearly reluctant to take on a political role and extend what they term “legitimate operational space”, as they don’t see this as appropriate. NorWatch has furthermore been criticized by both Hydro and Statoil for not using legitimate methods. In Utkal they were seen as posing extreme views rather than seeing complexity. Hence unless a norm is socialized in a broader societal frame it seems unlikely that a company will respond. This however also contends that what is seen as legitimate can change over time.

However one important threat to legitimacy remains. The societal frames that count and determine norm-socialization seem to be in the North. It is the public in the North that have the consumer power to threaten company reputation. When NorWatch and AIN try to form public debate, it is the public debate in Norway. In this lies a clear threat of Northern values becoming pre-dominant in what is seen as appropriate corporate conduct in Less Developed Countries. The publics of LDCs may – if they could be adequately heard – actually have a different view on such normative issues.

7. Conclusions

NGOs are increasingly treated as new agents of governance, also in their efforts to hold TNCs accountable on issues of CSR. In attempts to understand the work of NGOs, many academics focus on typical success stories of NGO influence. I have chosen to approach the topic more widely, and investigate two NGOs in their various efforts to influence TNCs on CSR activity. This has given valuable insight into both successful and less successful NGO efforts. It has shed light on the various mechanisms NGOs use to advocate their positions, and how different NGO tactics follow different routes of influence. The thesis shows that despite using different tactics, the NGOs studied are largely influential in an indirect manner, and in challenging the very idea of what CSR is. It has also been made cleat that the normative agenda the NGOs advocate, refer to complex issues in the real world that don't have easy solutions. It is clear that NGOs face threats of legitimacy in this respect. However it seems reasonable to question how serious such threats are, when the effects of NGO activity are mainly subtle and indirect.

7.1 Influence through utilizing non-material resources

The thesis shows that the mechanisms NGOs use to influence companies vary, but largely depend on utilizing non-material resources. NorWatch aims to create public debate and pressure, through providing information on corporate wrong doings. The goal is that public pressure can get the companies to respond due to a concern for their reputation. The effectiveness of NorWatch's approach relies on their capability to spread information on corporate wrong doings to the wider public, and elicit a threat to corporate reputation. Before NorWatch altered their mandate in 2001, they also approached the companies directly with information, in an attempt to obtain a response. This approach was however abandoned as it was seen as difficult to combine a journalistic information based approach, with a traditional activist orientation.

AIN also relies heavily on information in their work, but mainly in the form of knowledge and expertise. Since 2001 AIN has aimed to affect the companies from the inside, through

an education based partnership approach. In this work, the organization relies on the capability to argue their view, and persuade the companies that these views are appropriate. When this is not successful AIN attempts to create public debate using similar mechanisms as NorWatch.

What complicates matters is that the NGOs have multiple goals. AIN for instance, does not only seek to influence companies, they also seek to use the partnership as a means to put pressure on human rights violating regimes. By attempting to get companies to widen their views on responsibility, and increasingly pressuring governmental contacts in host countries; the partnership becomes a mechanism, by which to influence a third party. The same is true for NorWatch. Their goal is not only to challenge companies, it is also to challenge the stakeholders of the companies to exert stronger pressure. NorWatch has directed criticism towards the Norwegian state for not using their role as a shareholder to exert influence on companies. Their publications are therefore not only intended to influence the companies in isolation, but rather to create an agenda in the wider public arena. It is hence clear that both AIN and NorWatch have a clear orientation to governments, not only business in isolation. Whereas AIN mostly aims at influencing host governments, NorWatch sees the home government as important.

Is the NGO utilization of non-material resources influential? By utilizing information in different respects, both AIN and NorWatch have been powerful, although this differs between cases. The Utkal case shows how powerful information can be when it reaches a public arena and is responded to here. What should be noted in this respect, is that Utkal resulted in three murders, bearing similarities to the case of Ken Saro Wiwa. Is it then continuous information that elicits change, or is it the fact that three people ended up being murdered? Is death what it takes, to generate public awareness? In other NorWatch cases it is has proven more difficult to generate a strong public response. This has been particularly true when criticism has not been concrete, and when criticism has been directed towards the underlying political economic system.

By disseminating information AIN is contributing to awareness-raising in the companies. The effect of this is difficult to measure, but there is reason to believe that a stronger corporate identity on human rights may emerge, and that this may also result in better decisions being made in the field. The potential of this mechanism is however not fully utilized, as companies employ the education program to a limited extent. In AIN, the access to central decision makers is also critical. Through the partnerships AIN are able to disseminate information directly to decision makers, and they are guaranteed that concerns will be heard by the company.

One of the main findings seems to be that the power of information and knowledge, produce mainly subtle effects in the cases reviewed. Rather than producing concrete output or major outcomes they seem to influence the process of defining CSR within the company, by challenging the content of the concept. It is clear that these processes have the potential to materialize into more concrete outputs which was shown in the case of Hydro in Utkal.

7.2 NGOs as norm entrepreneurs: bringing new issues to the agenda

Although effects seem to be largely subtle, this is not to deny that NGOs are influential. An important finding is that much of AIN and NorWatch's work is aimed at bringing new dimensions of CSR to the corporate agenda. By functioning as norm-entrepreneurs they challenge the companies' discourse on CSR and what acceptable corporate conduct is seen as being. It is clear that this norm-entrepreneurship has changed over the years, as CSR has become integrated in the companies. Today the NGOs largely challenge the content of the CSR concept, arguing that it entails more than what companies are acting upon. Both AIN and NorWatch are sending out the message that TNCs have a responsibility that goes beyond company walls. They are arguing that it is not enough to respect human rights and environmental concerns in business operations, but that TNCs must use their power to benefit society in a greater way. Although these claims are often denied, they are responded to by the company, signalizing that an agenda is created. The response may often be in the form of denial, but it has been shown academically (Risse and Sikkink 1999) that in

denying a claim it is taken notice of. This in turn creates an agenda, in the sense that it forces companies to address the matter. This can initiate a process that materializes into concrete outputs; however it is also conceivable that attention will stagnate here. In the cases reviewed it is difficult to know whether this agenda setting will materialize into something more concrete. This may in many cases be to early to know, especially in the more recent cases reviewed. This is important to note, because as shown, the agenda setting in the Utkal case had major indirect implications over time.

Another important finding is that norm-entrepreneurship is not only a strategy to influence the companies in themselves; it is about challenging the whole discourse of CSR in a broader societal framework. In their efforts, NGOs seek to create cultural and societal frames that demand more of companies. This is especially true for NorWatch, whose main endeavour is to inform the Norwegian public. The NGOs clearly see CSR as a societal concern, not only something that should be dealt with in corporate boardrooms. This is related to the fact that NGOs see CSR ultimately being about creating a better world for the people in the South. Their effort to challenge companies on CSR must be seen in relation to a wish to create a more just world.

7.3 Different tactics, different effects?

The thesis has also been highly concerned with investigating whether different tactics produce different results in the TNCs. What has complicated matters here is that NGOs use tactics in combination. Nevertheless it is clear that outsider tactics as *modifiers, scrutinizer* and *protesters* are most influential in early phases of norm-socialization. In these early phases of *denial* and *tactical concessions,* NGOs bring attention to new issues and create a new agenda. Here the company will firstly deny the claim, but if enough attention is given, they will start questioning the appropriateness of the claim. In this respect, NGOs are important in challenging commonly held views, and bringing new issues to the corporate agenda, that the companies must take a stand on. Agenda setting is seen as a prerequisite for CSR norms becoming internalized in the company, in a stage of *acceptance,* which gives rise to more concrete outputs. Insider strategies, or *preserver* tactics, are seen as

influential in later phases of norm-socialization. In fact a prerequisite for partnerships to come into effect is that some CSR norms are accepted as valid within the companies. The partnerships between AIN and Statoil and Hydro came about at a time when the companies saw the need to strengthen their position and competence on CSR. This form of partnership is therefore important in terms of helping companies to internalise CSR. In practice the partnerships have largely focused on education in order to create a stronger corporate identity and awareness on human rights. Direct input on policy is less evident. However partnership approaches gives access to an arena where the NGOs engage in discussion with decision makers. Here issues concerning policies are discussed and AIN can voice concerns as to what policies should entail. This arena is also used to bring new issues to the agenda, and to challenge the basic content of the companies CSR approach. The *scrutinizer* approach also seems important in these later stages of norm-socialization, but in a different way. By monitoring companies, also those with CSR measures in place, *scrutinizers* also contribute to sustaining the CSR agenda, signalling that if violations occur they will voice the case.

Can we say that some tactics are more effective than others? It seems that insider strategies are guaranteed a minimum of effect. NGOs are in this setting seen as a legitimate partner, and there is a concrete content in the partnerships. However the most dramatic cases of NGO influence seems to be visible through the use of outsider approaches such as NorWatch in the Utkal case. Nevertheless, NorWatch's outsider strategies do not seem to have the same guaranteed effect. More recent cases of NorWatch's work have not elicited the same response. This does not imply that NorWatch's role should be downplayed. As noted several times, the mechanisms they seek to influence by, often makes effects hard to measure. It also seems the nature of the cases NorWatch have chosen, rather than the tactics, may explain lack of influence. Some of NorWatch's attempts to influence companies illustrate that certain issues are not up for discussion. For instance the current economic system, and the appropriateness of operating or outsourcing production to LDCs, is simply not up for debate. When NGOs promote such an opinion they are viewed as "unrealistic". This seems consistent with the concept of non-decision making power (Bachrach and Baratz 1962), where elites as TNCs, somehow determine what is

discussible. It seems the current economic system is simply how the world “is” and all NGOs can contribute with, is making things better within these frames. It seems it is the corporate reality and the companies sense of realism that dominates. Questioning the appropriateness of operating in corrupt regimes seems to be brushed off, but if NGOs can point to solutions within these frames, they are seen as “realistic”.

7.4 Are NGOs contributing to a more just world?

It has been made clear that the two NGOs face legitimacy challenges voiced in the academic literature concerning representativeness, accountability and the promotion of Northern biases. Nevertheless with the subtle effects that the NGOs have, it seems reasonable to question to what extent this represents a problem. It has also been shown that TNCs are highly capable of denying claims that they don’t see as legitimate, and that in some ways they even determine the frames of discussion. The ultimate concern of the NGOs studied is to create a better life for the people of the LDCs in which the TNCs operate. In many ways it seems this should be viewed as positive; as it is hard to see that these concerns would be reach the Norwegian public if it weren’t for NGOs. In this respect it seems that NGO efforts to give people of the South a voice should be regarded as positive. A valid threat is however that the solutions promoted are filled with Northern biases of what appropriate corporate conduct is, which may deviate from what the people of the South actually want. Although this is an important concern, would it be better if the NGOs abstain from such activity? If NGOs did not take this role, would we hear these stories at all? The Ogoni case reviewed in the introduction only became powerful once western NGOs allied with the cause. It seems that if Northern domination is the main threat to legitimacy, not only NGOs, but the whole political system should be questioned in terms of legitimacy? It seems that this may be where the real problem of Northern domination lies. The NGOs studied clearly wish that there were other mechanisms to ensure the rights of people in the South, nevertheless when this is not evident, they see taking on such a role as important.

However, there are some cases viewed that make the legitimacy aspects important in the cases discussed. Especially when influence elicits strong outcomes such as in the Utkal

case, legitimacy concerns become evident. The Utkal case clearly illustrates that CSR problems in practice are highly complex and that clear solutions may not exist. In terms of Utkal, we can ask whether the withdrawal of Hydro really was best in the long run. This is something not even NorWatch seems to be sure of. Similarly we can ask whether companies defining themselves as having a political role, may also carry undesired side effects. Are the implications of this evident? How would we respond if companies took such a role in Norway? The answers are not clear. In sum, giving a voice to the people in the South seems highly important. However due to the complexity of the system and the intricacy of TNC challenges, solutions are not easy, and legitimacy concerns towards NGOs clearly exist.

7.5 The Way ahead

The current study has taken an exploratory approach to investigating NGO influence. Rather than testing explicit hypothesis the thesis was designed to advance some conclusions that might be tested further. How can the findings be followed up?

The study has generated some clear results based on the workings of two specific NGOs who take different approaches to holding TNCs accountable on issues of CSR. It has been shown that in their strategic choices they rely on different routes and mechanisms for influence. While NorWatch seek to elicit change through informing the public, AIN seeks to influence from the inside. Both routes of influence rely on utilizing information in the form of; news and knowledge respectively. Success of the NGOs relies heavily on the capability to disseminate this information, either from the inside of the company or from the outside public realm. It has also shown that the ability to draw on accepted norms makes influence more effective. Both approaches largely generate effects in terms of creating a process of defining CSR within the companies, rather than creating output and outcome. Tactics have been seen to make a difference in different phases of the socialization of CSR norms. While outsider tactics are important in early phases of norm-socialization, where creating awareness and new agendas is central; insider tactics are important once these norms have become accepted within the company. Insider approaches

here bear the potential to help internalize and implement CSR within companies. Legitimacy has proven an important concern because the issues NGOs advocate are complex and without easy solutions. However, the efforts to give voice to the people of the South must also be regarded as highly positive.

The findings of the paper show that CSR is a complex and dynamic concept that can only be understood fully through thorough investigation. CSR should in this respect be seen as a societal concern, not only a boardroom issue. The thesis has gone deep into processes of NGO attempts to influence companies on these issues, emphasizing that influence is largely about creating societal awareness on CSR . Much effort was given to operationalizing NGO influence. Studying influence on various dimensions was seen as important to capture the complexity of NGO influence. Furthermore, distinguishing between NGO tactics, made it possible to highlight differences within the NGO movement.

The work has generated clear findings; however the findings are related to the workings of two specific NGOs. The findings must hence be regarded as specific to the NGOs studied. Nevertheless, it is obvious that some of the conclusions may be applicable to other cases of NGO activity. Hence it would be interesting to test the generalizability of the conclusions on other cases, by following a similar approach. Taking on future studies to clarify NGO mechanisms and effects, furthermore seems important as the influence of NGOs on corporate measures, is somewhat under explored in the academic literature.

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