Abstract:
The emergence of new global governors and the ensuing complexity that follows marks one of the most noticeable characteristics of contemporary global politics. However, this core axiom of global governance has not been unpacked in terms of why new actors emerge and how their agency is maintained and governed. This is surprising since questions of agency are not only answered through but also pose questions about the very architecture of governance areas. These are political in nature, which is why agency emerges and evolves through the continual confluence of self-empowerment, authorization, and contestation played out against structure and specific situations. Whether it is advocacy agency of NGOs, corporate agency of TNCs, epistemic agency of expert communities, or inter-governmental agency of organizations and their representatives, we expect each of these claims to follow evolutionary processes of critical junctures and discursive justifications that reflect specific interplays of structural and situational dynamics in a given area. To unpack these dynamics, the paper proposes a theoretical framework, which (a) defines foundational terms and relates them to each other, (b) posits assumptions on the evolution of agency across different cases, and (c) provides us with heuristics for empirical research. We illustrate the framework by reconstructing the emergence and evolution of corporate agency within the UN and conclude that this is mostly a story of recognition rather than self-agentification.

Keywords: Agency, Global Governance, Multinational Enterprises, Evolution, Contestation
Introduction

If and when the G20 meets in Riyadh in November 2020, it will be more than just a gathering of the heads of state of the 20 largest economies. As the G20 has done for many years, it will bring a broad range of organizations and representatives to the table, including multinational enterprises represented by the Global Business Coalition (Ronit 2018), labor unions promoting and advocating for workers’ rights and interests (Bronfenbrenner 2007), NGOs like Greenpeace and Amnesty International (Reinalda 2001), the mayors of more than 30 global cities (Acuto 2013), national science academies of the respective countries, as well as think tanks and experts (Davis Cross 2012). Engaged in Sherpa meetings since December 2019, these collective groups will formally submit their policy recommendations to the G20 leaders for consideration. While the decision-making is thus ultimately in the hands of nation-states, other organizations have a consultative voice in the process. Furthermore, the politics of any G20 summit do not stop with the official event. Instead, large-scale anti-summit marches and creative protests intended to blockade the event have become part of the reality of global summitry (Gronau 2015: 63) – although protest tactics would have to be adapted given the repressive nature of the Saudi regime. To many, this is an important counterforce to the heads of state meeting, representing civil society at large and explaining why the G20 created engagement groups in the first place (Anderl et al. 2019).

Such multilayered agency has become a standard feature as multistakeholder governance has expanded into many arenas of global politics. More bluntly, the vision expressed in the Report of the UN Commission on Global Governance (1995) – “a wide range of actors may be involved in any one area of governance” – has become reality. Arguably, we are now living in the repercussions of what Jessica Tuchman Mathews in 1997 called the “power shift”, i.e. “a novel redistribution of power among states, markets, and civil society” (Mathews 1997: 50). This is not to imply that global governance is, or ever was, uniform. In fact, as we have argued elsewhere, the evolution of global governance does not follow a unified trajectory but is in fact diversifying and branching out into various modes of doing and thinking global governance (Hofferberth and Lambach 2020). However, even against different fields operating under different logics and global governance becoming more and more patchwork, the emergence and ongoing establishment of new global governors, as these play more prominent roles in global policy-making, appears to be the one consensus global governance coalesces around (Avant, Finnemore, and Sell 2010a).
These new global governors, including non-state as well as sub-state actors, can be found in all stages of the policy-making process: lobbying, providing data and expertise, consulting, deliberating, drafting, deciding, monitoring and implementing. They may not have the same formal authority as states but have managed to find their way into institutions, networks and political processes in many fields. But *how* did they manage to do that? In other words, *how* did we arrive where we are today? The global governance literature is very big on making the case for multistakeholderism in descriptive and prescriptive terms, i.e. that global politics *does* and *should* include all relevant actors into decision-making. It offers less on how this process unfolded empirically, mostly isolated contributions like Avant et al.’s “Who governs the globe?” (2010a) and the Agency in Earth System Governance (Betsill, Benney, and Gerlak 2020) project aside.

This paper addresses this lacuna by conceptualizing the “rise of non-state actors” (Weiss, Seyle, and Coolidge 2013) in global politics as an evolution of agency. Agency, in our approach, emerges relationally. First, through delegation by established agents, i.e. actors recognized prior to the respective situation invite, extend legitimacy and grant authority to new actors; second, through self-agentification, i.e. putative actors making agency claims and using opportunities to insert themselves into political arenas. Delegation and self-agentification can be recognized or rejected, both by the granting as well as by the requesting actor and others who are also part of the context. To organize and open up for further analysis we bracket the context in structure (i.e. stratified norms and rules) and situation (i.e. momentary configurations and interpretations). Together, we use these two mechanisms to outline a theoretical framework how the agency of global actors evolves. This framework (a) defines foundational terms and relates them to each other, (b) posits assumptions on the evolution of agency across different cases, and (c) provides us with an operational framework for empirical research.

The aim of this paper is to lay the groundwork for a more systematic empirical engagement with the evolution of agency across fields. In the context of our larger research project, we focus on specific non-state actors and their rise to prominence on the political stage, although our framework should be adaptable to other actor-centered research as well. For illustrative purposes in this paper, we present the emergence and evolution of corporate agency within and beyond the UN. Instead of reifying this type of agency and taking the involvement of multinational enterprises (MNEs) for granted, we hope to expand our understanding of global governance in this regard and
restate its political nature by bringing the contested nature of agency to the fore. Given that the role of MNEs remains debated while their agency seems to be taken for granted at the same time (Hofferberth 2019a), we believe this illustration shows the larger potential of our approach to rekindle normative debates on who should govern the globe.

Previous Research

There is a general consensus within the discipline of International Relations (IR) as to who the “global governors” of our time are: states, international organizations, NGOs, business, epistemic communities, social movements, and civil society networks (Avant, Finnemore, and Sell 2010a). Introductory textbooks as well as advanced research, reflecting this “folk wisdom”, refer to some variation of this list. However, we know much less about how the above have become global governors, which is the question that drives this project. This review first outlines how this hamstring global governance research and then sketches different approaches on agency that inform the project.

The question of who “counts” as an actor is anything but new. Already in 1959, Arnold Wolfers pointed out that “[e]ven the identity of ‘actors’ […] is a matter of dispute” (Wolfers 1959: 83). Early accounts of global governance indirectly avoided the issue by substantializing it (Rosenau and Czempiel 1992; Ferguson and Mansbach 1996; Ruggie 2004). Continuing in this tradition until today, global governance as a research program highlights the multiplicity of actors in global policymaking, but is mostly interested in their impact and not their origin (Weiss and Wilkinson 2014). More specifically, the diffusion of agency and the emergence of multistakeholderism (i.e. the involvement of other actors in governance beyond the state) has become the keystone global governance theorists and practitioners coalesced around. However, other than enumerating actors, there is little consideration as to how particular entities developed their agency. Given the dominance of functionalist and structuralist approaches to global governance, this does not come as a surprise but marks an important lacuna limiting global governance thinking (Zürn 2018). While assuming the relevance of new actors, global governance has been (and still is) disregarding agency, stripping the concept of its political and contested nature (Finnemore 2014). This academic shortcoming bears real-world implications given that global governance is enacted at various
levels and institutions around the world. Importantly, by taking actors for granted, normative discussions of who should govern the world are hampered (Hofferberth 2019b: 129-31).

To be clear, this is not to say that global governance never deals with actors or their agency. Rather, the point here is that particular evolutions and paths towards agency have not been the subject of sustained theoretical consideration and empirical comparison. Instead, different strands of literature dealing with different actors have focused on documenting how specific actors influence interstate relations and transnational governance (Risse 2013). For example, civil society has often been framed as a normative counterforce to nation-states but a detailed reconstruction of how NGOs emerged as actors is often limited to obvious historical examples or legal-formal UN discussions (Florini 2000). Likewise, global governance literature on multinational enterprises has been concerned with their contributions and roles in global collective action yet there is little discussion how their transformation into global governors occurred (Wolf and Schwindenhammer 2011; Hofferberth 2019a). Studies of international organizations have approached these mostly in terms of their autonomy from state oversight, not so much as actors in their own right (Murphy 2014). Overall, we agree with Weiss and Wilkinson (2014: 210) who criticize global governance’s take on agency as being limited in the sense that it only “adds new actors […] and stirs” but overall, in its current approach, remains unable to adequately address the complexity of the issue. Simply put, we lack systematic, comparative research on how global governors emerged as such.

It took global governance 15 years to explicitly think about “global governors” as “authorities who exercise power across borders for purposes of affecting policy” (Avant, Finnemore, and Sell 2010b: 2, emphasis in the original). But beyond this landmark volume, which, if anything, just started the conversation, global governance as a research paradigm still lacks a theoretical engagement with agency, certain and welcome exceptions like the Agency in Earth System Governance project (Betsill, Benney, and Gerlak 2020) and some recent work that looks at the constitution of agency in analytical and empirical terms (e.g. Braun, Schindler, and Wille 2019) notwithstanding. Given this lacuna, the project “make(s) the causes and character of proliferating new actors a major research question – not something we want to just notice and describe as we
analyze other problems, but something we treat as an object of research and want to understand conceptually and theoretically” (Finnemore 2014: 223).

In order to provide such an advanced treatment of agency, the challenge lies in the need for cross-field theoretical synthesis and the tremendous breadth of IR approaches to agency. Following Kärger, Kursawe and Lambach (2017), we broadly distinguish poststructuralist, practice theory, and relationalist approaches to distinguish different approaches, although we are aware that these are broad and somewhat indistinct labels and that individual contributions do not always fall under one or the other only. While informing our theoretical framework, we move beyond each of these approaches as they so far have only been advanced at high levels of theoretical abstraction and ultimately remain scattered and disconnected. Ironically, while mainstream IR paradigms and textbooks commit too uncritically to an assumed set of actors, these approaches remain uncommitted as they discuss agency, authority, and power ontologically and theoretically but not in terms of how they emerge in political processes.

Picking up on the “agency-structure problematique”, poststructuralism emphasized that both are co-constitutive and ultimately based in language (Doty 1997). In a sweeping account, this led Weber (1998) to argue that anyone competent to perform and equipped with the necessary capabilities could become an actor in global politics. At the same time, poststructuralism criticizes the individualism that underlies both actors in rationalism as well as the “constructivist self” (Epstein 2013). In empirical terms, this has mostly been studied in terms of how the actorhood of states emerges through recognition (Epstein, Lindemann, and Sending 2018; Bartelson 2013). In addition to recognition, autonomy matters for actors to sustain their agency. Such processes have been studied for states and their sovereignty (Biersteker and Weber 1996) and there is similar work from other research traditions on international organizations (Koch 2009; Barnett and Finnemore 2004). In addition to these broader themes, individual contributions loosely clustered under the poststructuralist label have illuminated the agency of individuals in global governance through postcolonial works on subalterns (Kapoor 2002), have discussed “the everyday actions of individuals” in political economy approaches and beyond (Kessler and Guillaume 2012; Davies and Niemann 2002), and reflected in feminist writings how “the personal is international” and thus

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1 From a practical perspective, experts in specific governance fields can easily identify which entities at any point in time have to be considered as global governors. This kind of practical expertise, however, stems from experience and involvement, lacks critical distance, and might be based on anecdotal evidence.
always entangled with questions of ethics and justice (Zanotti 2017; Elias and Roberts 2016). What these contributions convincingly show is that we must avoid simplifying binaries (i.e. agency/no agency). Rather, we need to think agency in more complex dimensions as we try to understand actors on their own terms but also embedded in global structures. Actors cannot change oppressive structures, but they still make choices that may end up empowering them even in the context of unequal relations.

Approaches based in the practice turn start from the ontological assumption that practices constitute the smallest and thus most important unit of analysis (Büger and Gadinger 2014). Agency in this perspective becomes the sum of routinely exercised practices. At the same time, practices reflect social and material structures and thereby create agency in the first place – without practices, there would be neither actor nor agency (Adler and Pouliot 2011: 23). As such, practice theory is less concerned about why certain actors have agency but looks closely into their patterns of practices as they engage with the world and make sense of it, bringing practice theory into contact with constructivism (McCourt 2016; Onuf 2013). This has been studied comprehensively in the realm of international diplomacy (Pouliot et al. 2015; Sending, Pouliot, and Neumann 2015) but also in the context of global governance, its underlying values, and the overall role of the public within (Best and Gheciu 2014; Sending 2015). While these contributions do not explicitly engage the question of who governs the world, we take from them that actors (a) engage in practices and thereby reproduce their agency in light of structure and situation and (b) for the most part follow routinized patterns in their practice but also creatively choose from, and thereby in the long-run change, the horizon of established practices for any given situation (Hopf 2018).

Basing its ontology in social relations, relationalism as yet another research agenda theorizing agency took shape roughly 25 years ago, expressed most emphatically by Emirbayer (1997) and his "Manifesto for a Relational Sociology". For relationalists, agency does not rest in the substance of an actor but only emerges through social relations and is therefore constantly in flux (Crossley 2011). Such a perspective has been advanced as an ontology in IR (Qin 2016; Jackson and Nexon 2013; Kurki 2020) and has been applied to different global governors such as NGOs (DeMars and Dijkzeul 2015), multinational enterprises (Hofferberth 2017), and private military companies (Avant 2016). While these contributions do not offer a full framework for theorizing and comparing agency emergence across different cases, their commitment to relationalism provides
crucial inspiration for this project. Like the previous approaches, relationalism emphasizes the need for recognition and the fact that agency depends on social interaction (McCourt 2016). As such, we take from this perspective to reconstruct actors in their entanglements with others.

To summarize, global governance and its keystone assumption about the existence of new global governors requires and can benefit from further elaboration of its theoretical foundations. For the most part, global governance theories are simply inferring that world politics has changed from a primarily inter-state, multilateral system towards one where other actors are meaningfully included in processes of global policy-making (Mathews 1997). Beyond global governance, there is inspiring but unrelated research on agency advanced in different traditions, which offer focused but also context-based and therefore limited explanations for the emergence of specific types of actors. From these broad approaches, we draw that agency is not binary, has to be enacted, and ultimately remains relational. These insights are used below to develop a theoretical framework which is capable of reconstructing how agency emerges and evolves in global governance.

Theoretical Framework

The aim of this paper is to develop a theoretical framework that allows for empirical research to reconstruct how global governors acquire their agency to theorize such processes across different entities of world politics. Tackling this question gives us a better sense of the long-term dynamics and normative foundations of global governance as it reveals current manifestations thereof to be the product of political contestation. We thus intend to restate global governance’s political character by foregrounding how power is used to include or exclude actors from participating, and how actors “assume agency” in bottom-up processes of self-agentification. Our agency-centric approach thus re-frames global governance and moves it beyond its functionalist-structuralist limitations. This reframing puts us in a position to normatively discuss the emergence of different agencies to understand how inclusion in global governance can be justified. Such a discussion seems overdue as different actors operate in very different ways in convoluted and complex arrangements and thus influence world politics on a daily basis.

The questions this paper intends to answer are: What constitutes agency in world politics? Where does it reside and how does it emerge and evolve? What are the mechanisms that promote change? When speaking of an “evolution of agency”, we refer to a) a widening of the circle of recognized
political agents, and b) a qualitative change in what agency entails, either within a particular policy
field or in global governance as a whole. It does not imply a teleology of progress. Hence, what
we aim to provide is the starting point for a discussion which “endogeniz[es] actor creation into
our understandings of global governance” by considering agency not as a given but “as an object
of research” (Finnemore 2014: 223). To this end, we employ a relational understanding of agency
to consider how and under which conditions entities in different cases were recognized as global
governors in the first place. While this might seem to be of historical interest mainly, we argue
that our framework may rekindle interest in the theoretical foundations of global governance and
offer ways of critically evaluating these. In light of recent challenges to global governance,
multilateralism, and multistakeholderism broadly, we see a continuing practical relevance in this
regard as well (Cerny and Prichard 2017; Hale, Held, and Young 2013).

While the overall goal of our research is an empirically grounded understanding of how the agency
of global governors emerges and evolves, this paper focuses on a theoretical elaboration of a
relationalist approach, specifically regarding (a) the definition of actors and agency, and (b) the
sources of agency and how it emerges in global governance. Most emphatically advanced by
Emirbayer (1997), this ontology thinks relations before substance. More specifically, rejecting
substantialist claims on agency based on the essence of their being, this approach posits that entities
only become actors as they are recognized in relations (Crossley 2011). As our ontological
commitment, following Scobie et al. (2020: 36-7), we contend “that actors derive power, interest,
legitimacy and authority from their position in networks” and “shift the focus from individual
actors to the relationship between actors”. In other words, agency in global governance is “dynamic
in nature” and emerges in “unfolding, ongoing processes rather than […] static ties among inert
substances” (Emirbayer 1997: 289) as different entities continuously advance their claims to “sit
at the table” of political deliberation.

In this light, we define actors as *individuals or collectives that perform actions in the context of
social relations*. Their agency, understood as the ability to act, rests on three dispositions: (a) the
capacity to produce outcome and change, (b) a system of evaluating choices based on an idea of
the future, and (c) an awareness and consideration of consequences (Emirbayer and Mische 1998).
In other words, *agency is a function of potential efficacy, perceived intentionality, and social
reflexivity*. In this sense, agency is not the same as power or authority since it is not a capability to
achieve one’s aims but rather a potentiality to work towards those (Kärger, Kursawe, and Lambach 2017). As such, agency relationally creates actors within particular contexts as these articulate interests, formulate strategies and execute action in light of each other. Consequentially, agency by definition is context-based, open-ended, and constantly shifting (Strauss 1993; Shalin 1986). This shifting, however, takes place in socially stratified and often hierarchical contexts and does not follow a voluntaristic logic. More specifically, agency and power speak to one another. For example, an actor without agency cannot have power, but even powerless actors have the agency to exit in Hirschman’s classic taxonomy (Hirschman 1970). As such, agency for us is continuous and multidimensional (i.e. one can have more or less of it as well as qualitatively different kinds of agency in different contexts). Equally important, agency needs to be enacted and socially reproduced over time. Just as authority can be questioned, agency can be challenged and denied by other actors. The evolution of agency, we assume to begin with, thus occurs in creative and social terms as actors signal their potential to act while they operate within social structures and predefined rules from which they draw their horizons of meaning, interpretation, and ultimately their agency (Joas 1992).

Therefore, while it requires the capacity to evaluate action and interpret rules, agency is not an inherent quality that rests within an actor. Rather, agency emerges from ongoing relations in which abstract notions of social structure are enacted in light of situational interpretations and concrete relations with other actors. Specifically in world politics, every situation and context is defined by a broad range of rules, prior action, and implicit or explicit expectations against which entities act situationally (Jackson and Nexon 1999). To reconstruct the emergence and evolution of agency in holistic terms and against this background, we consider two different mechanisms:

- **Through structures**: sustaining agency by inhabiting and calling upon a priori institutional positions and utilizing social roles, following norms and rules governing which practices and performances are considered legitimate as well as determining which resources and capacities, both material and immaterial, are relevant within a given context.

- **Through situations**: sustaining agency by being recognized and confirmed, for example through delegation and authorization, or by claiming capacity to act (self-agentification), thereby by situationally assigning, transferring or withholding relevant resources and capacities, both material and immaterial, to work within or against existing structure
First, *structures* convey agency by providing institutional positions and social roles that actors can inhabit or call upon. Social positions, such as being the President of the United States or a prisoner of war, structurally determine one’s agency and the potential one’s action can have. By determining resources and influencing the scope in which agency is exercised, structure deals different hands to individual and collective actors through the rules guiding interaction. However, while solid and sedimented through ongoing interaction, structure is not static. Social structures change as agency emerges situationally and so do the positions actors inhabit which further substantiates their agency claims. For instance, Reimann (2006) argues that the emergence of pro-NGO norms has created a social role that allows civil society to actively participate in global decision-making. In order to derive their agency from structure, agents have to follow the rules and norms governing which practices and performances are considered legitimate in particular contexts. In some cases, performatively breaking those rules can also be used to demonstrate one’s agency. Private societies of the 19th-century anti-slavery movement, for example, if “not invited to multilateral conferences […], would invite themselves and simultaneously air their views through the press” (Reinalda 2011: 13). Translated into our framework, this indicates that these actors were able to change the structure in which their agency was recognized.
Second, actors recognize or deny each other and thereby change existing social structures in specific *situations*. As gatekeepers, established actors may delegate authority and thereby authorize new actors in an *ad hoc* fashion as they invite them into otherwise closed governance arenas. Alternatively, agents can advance claims and ask for or even demand recognition. All of these practices are central to the governance of agency. For instance, the history of multinational enterprises within the UN shows how corporate agency was initially meant to be regulated through the UN Centre on Transnational Corporations in the 1970s (Sagafi-nejad 2008). In this paradigm, business was not recognized as an actor at the table. Later, through the Global Compact and driven by the situational need to respond to corporate human rights violations in different cases, corporations were specifically invited into global policy-making (Wolf 2008; Kobrin 2008). Actors can improve their chances of being recognized as worthy participants by claiming that they possess valuable assets and resources such as knowledge, legitimacy or technical expertise relevant for the situation. If these claims are recognized, structural arrangements of agency distribution are adjusted and modified. For instance, the literature on social movements discusses the mobilizational capabilities of a movement and its access to key resources (della Porta 2016). This is a crucial aspect of self-agentification, i.e. the process whereby an actor creates or expands its own agency by using resources unique to them to eventually change *structures* and *situations*. Research on scientific experts, for example, argues that advanced knowledge is more valued when there is a greater degree of uncertainty in decision-making (Davis Cross 2012).

By considering both mechanisms, our framework avoids both structuralist determinism and actor-centered voluntarism. Both mechanisms are closely interlinked. For example, rules of a field (structure) are negotiated and play out in concrete interaction (situations). Together, they provide or withhold resources that are necessary for social action and thereby constitute agency. Rules and practices of recognition are thus developed within social fields and develop situationally at the same time. This means that fields have ways of creating and maintaining agency among their members as established hierarchies imbue certain actors with power and authority. High-status actors, for example, can change the rules governing the agency of lower-status actors and thus indirectly control whether entities are considered at all (Ward 2017; Larson and Shevchenko...
2014). At the same time, non-recognized actors can put forward claims, hoping to self-authorize their agency to resonate relationally.²

These dynamics, we assume, manifest in discourses of justification and contestation. We further assume that in “periods of contestation” (i.e. times when fields shift and new resources are required), there is greater scope for delegation and self-agentification, implying that agency claims and dispersion are more likely to occur. The embryonic agency of any entity newly invited to the table, however, still needs to solidify over time and might be rejected once past the immediate crisis situation. For example, the fact that Amnesty International in 1991 during the aftermath of the First Gulf War and immediate humanitarian need, as one of the first large, transnational NGOs, presented a major paper to the UN Security Council arguably did not by itself establish NGO agency in this exclusive structure. However, the persistent interaction and the continuous briefings through Amnesty International as well as regular attendance granted by member states over time encouraged other NGOs to follow this path and overall, from a specific situation of need, changed the structure of the UN Security Council to the extent that NGOs are more regularly and more intensively involved.³ We expect that in more settled fields with established hierarchies dealing with less immediate crises, agency depends to a larger extent on the recognition by higher-status gatekeepers and it is up to them to respond to any self-agentification. What we also hope to shed light on is situations in which the recognition of agency claims are contested among other actors. How do actors respond to such a state of semi-recognition and what options do they have to escape it?

Illustration: The Emergence & Evolution of Corporate Agency

In 1999, when the UN officially launched their new Global Compact, then UN Secretary-General Kofi Annan stated that “[t]he business of the United Nations involves the businesses of the world”.⁴ For anyone familiar with the rather contentious history of the organization with multinational

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² The literature on unrecognized “de facto states” provides clear examples of this (Grzybowski 2019).
enterprises, specifically against the background of multiple scandals involving Shell, ExxonMobil, and others as bystanders if not culprits of human rights violations throughout the 1990s, such a statement must have come as a surprise. On the other hand, this new approach had been in the making for many years as the discussion and governance of corporate agency shifted into new directions within the UN system. In the following illustration, we want to briefly outline this evolution and show the value of our theoretical framework as we unpack the evolution of corporate agency instead of presenting its outcome as a fact of global governance. In other words, the theoretical framework allows us to take a closer look and make sense of critical junctures in the making of corporate agency without reifying it. It also shows which parts of the UN played an active role and how agency was granted rather than self-authorized. This is important as MNEs still struggle to live up to their new role and responsibility in global governance (Hofferberth 2017; Whelan 2012)

To contextualize our illustration, it is important to point out that business throughout history has always been operating at the nexus of public and private (McLean 2003). In Roman law, as their names suggest, corpora and publicani enjoyed legal privileges that allowed individual profit through the provision of public services. De jure engaged in business activities, these entities, for good or bad, de facto played an important role in the governance and expansion of the Roman empire (Moore and Lewis 1999; Badian 1972). Fast forward, the British East India Company, often discussed as the first real “transnational corporation that changed the world” (Robins 2006), was as much about empire as it was about stock exchange. Granted a royal charter and trade monopoly privileges in 1600, the company from the very beginning was heavily charged with public interest and engaged equally in trade, colonial rule, and war as it became a major player in the establishment of both regional and global order in its time. Minting its own currency, exercising its own jurisdiction, and commanding its own military, the company represented traits of the modern corporate form as well as those of a “quasi-state”, hierarchically governed by the Court of Directors with annual meetings of shareholders representing “little parliaments” (Held et al. 1999: 239). Contemporaries, including Adam Smith, were critical of this conflation of public and private and saw only negligence and confusion emerging from such unclear arrangements. (Monks 1998: 12-3). Hence, a lot of corporate law in the 19th century was intended to push enterprises away from the public and provide a clear separation. As Horwitz (1977: 111-2) concludes, this transition was fairly successful and left us with the modern conception of the firm:
“The change in the conception of the corporation marks one of the fundamental transitions from the legal assumption of the eighteenth century to those of the nineteenth. The archetypal American corporation of the eighteenth century is the municipality, a public body charged with carrying out public functions; in the nineteenth century it is the modern business corporation, organized to pursue private ends for individual gain.”

This separation was firmly embraced in liberal economic policies, reframing corporate ventures into the realm of politics as activities outside core economic considerations (e.g. lobbying or corporate philanthropy). While growing in size and in terms of their cross-border activities throughout the 20th century, the private/public conundrum of MNEs thus was solved through the belief of liberal trickle-down economics “that a company that made a profit on transactions made an equivalent contribution to social welfare” (Dell 1990: 55). Shifting the priority towards profit rather than public responsibilities, it was broadly accepted and normatively pursued, as Milton Friedman later quipped, that the “business of business is business”.

That liberal consensus, however, was contested on a global scale throughout the 1960s, when newly independent countries from the Global South through the creation of the Group of 77 challenged the Bretton Woods arrangements and its implicit assumption that MNEs contributed to a country's development. Being skeptical about the very nature of the post-war economic order, these countries emphasized the need to protect their infant industries from foreign investment (Tesner and Kell 2000: XX-XXIII). Western countries in response perceived this as warmed-over economic nationalism and feared, not without justification, acts of expropriation and nationalization. In this heated situation, the US, by far the largest source of outward investment by MNEs at this time, spearheaded a coalition of home countries and became proactive as a vocal supporter for renewed commitment to free markets, open economic development, and the protection of multinational business. These debates mostly took place in ECOSOC and later in UNCTAD. Whereas home countries maintained their commitment to the “liberal economic dictum that FDI was on the whole positive”, host countries increasingly viewed business “as exploitative, alien, and purely profit-driven” (Sagafi-nejad 2008: 40).

Applying our framework to these early UN debates, it becomes clear that since corporate agency itself was at stake and views fundamentally differed, MNEs were not involved in governance as actors but rather as issues. In other words, we do not see any form of corporate agency to be expanded upon through self-agentification. Rather, corporate agency was the contested subject of
intergovernmental governance, manifested in a series of mixed resolutions throughout the 1960s. In some of them, foreign investment and corporate actors were discussed in terms of economic development and hence considered as beneficial. Through these resolutions, the UN promoted FDI and advocated to let MNEs do what they did best: to act as economic actors. In other resolutions, corporate agency was seen as subservient to the political agendas of UN members states. For example, it was argued that “based upon respect for the sovereignty of the host country, [MNEs] should co-operate with local initiatives and capital, rely as far as possible on existing resources in developing countries, and should work within the framework and objectives of the development plans with a view to supplying domestic markets and, in particular, expanding exports”.

Being “viewed as either saints or demons in an increasingly polarized and fractured global economics policy environment” (Sagafi-nejad 2008: 48), MNEs did not sit at the table until 1969. In a first official attempt to bring in corporate actors into the debate, the UN invited leading executives of extractive, manufacturing, and financial enterprises to meet with representatives of both home and host governments at two consecutive panels. Whereas the first meeting in Amsterdam was characterized by cooperation and a constructive spirit, the second meeting in Medellin, Colombia, played out in a confrontational fashion. These meetings invited MNEs to reflect on their role in global development and consider issues such as corporate transparency, accountability, and good governance. Documenting this initial recognition of corporate agency, the rapporteur for these meetings envisioned “close collaboration between governments, local investors, foreign investors, and international agencies, guided by a global rather than nationalist view of development requirements” (Dell 1990: 60).

Following these meetings, ECOSOC, in particular, pushed for a new body “to study the role of multinational corporations and their impact on the process of development, especially that of the developing countries, and also their implications for international relations, to formulate conclusions which may possibly be used by Governments in making their sovereign decisions regarding national policy in this respect, and to submit recommendations for appropriate international action”. Given that there was no consensus on the mandate of this new agency, a weak compromise emerged to establish a so-called advisory Group of Eminent Persons. This

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group of twenty included experts from government, business, and academia, who met in 1973 and 1974. During those meetings, foreshadowing notions of multistakeholderism, roughly fifty representatives from “government, business, trade unions, special and public interest groups, and universities” were heard which was “a novel approach for the United Nations, and provided to be a most useful source of information as well as a valuable occasion for testing ideas” (Dell 1990: 64).

Within the group, representing a range of different ideological and geographical backgrounds, corporate agency was both recognized and rejected. In other words, the group created more disagreement and contention. While recognizing the overall relevance of corporate actors and their impact on development in its final report, the group could only agree on the minimum consensus to continue studying the role of MNEs at the global level. On that end, the group advocated for the creation of a UN Centre on Transnational Corporations (UNCTC). Most notably, though, its very own report and the vision for a new Centre remained ambiguous in terms of corporate agency. Overall, the UN departed on a contradictory course of simultaneous confrontation and rapprochement with the private sector (Sagafi-nejad 2008: 77-86). At the same time, this marks the first moment of self-agentification, with business representatives beginning to create closer ties to the new UNCTC. Organized into three divisions of Information Analysis, Policy Analysis, and Advisory Services, the UNCTC focused on gathering, analyzing, and disseminating information on MNEs instead of drafting international rules and codes of conduct to govern corporate activities (Moran 2009: 92). In other words, it carved out its own niche in neutral, technical terms as it conducted important studies and surveys yet did not translate them into political action. This was partly due to the fact that the coalition of home countries wanted the UNCTC to play that role as well as to the fact that MNEs felt most comfortable with this approach. In other words, there was no perceived situational need that would justify changing the established structures of liberal market economies and their assumed separation of private and public as it pertained to MNEs. Wider corporate agency in the sense of social responsibility was not established yet (Sagafi-nejad 2008: 95-108).

This finally changed during the late 1980s and early 1990s. Unwilling to provide firm regulation, this period, however, also marked the unravelling of the UNCTC. What we see during this period is a full embrace of the neoliberal Washington Consensus that portrayed MNEs in a much more
positive light. For example, in one of its final reports, the UNCTC stated that the “era of confrontation has receded”, to be “replaced by a practical search for meaningful and mutually beneficial accommodations of interests” (UNCTC 1988: i). In addition, the UNCTC rebranded its annual publication as the World Investment Report in 1991 and thereby cast a more favorable light on MNEs. Through the Centre’s intergovernmental governance, MNEs were finally recognized as “engines of growth” and hence more part of the solution than part of the problem (Moran 2009: 92-3). After a brief discussion to put forward a draft code of conduct to the UN General Assembly (GA) in September 1992, it was decided by the GA President that the “changed economic environment and the importance attached to encouraging foreign investment required that a fresh approach should be examined”.7 This included that less than 20 years after its creation, then UN Secretary-General Boutros-Ghali, in light of the lack of consensus and inability to reach agreement, decided that the Centre had to be dissolved and its different units substantially reorganized into other UN agencies. “[F]ollowing the lead of governments, which in Rio in 1992 had embraced the private sector (along with civil society) as a key actor” as well as his own inclination on the issue, Boutros-Ghali moved the business-friendly activities of UNCTC from New York to UNCTAD at Geneva and finally abandoned the idea of a mandatory code of conduct (Pingeot 2016: 194).

Read from within our framework, the recognition of corporate agency during the 1990s can be understood as authorization through governments (mostly host) and as a side effect from increased interaction with civil society. In other words, once NGOs, who were eager to sit at the table (Reimann 2006), were invited, it did not take long for MNEs to join as well. Mostly driven through collective lobbying of the International Chamber of Commerce as a global business association, enterprises found an opening in Rio to participate more than ever before (Ronit 2018). This coincided with a larger normative shift towards Corporate Social Responsibility as a discourse in which the role of MNEs was to be reinvented (Kinderman 2012). Aware of UNCTC’s ambiguous legacy of confrontation and rapprochement, MNEs were eager to frame this debate and make sure any new institutional arrangement clearly reflected the latter over the former. Hence, we see corporate agency emerging in order to shape the agenda and future discussions. At the same time, senior UN staff were keen to confirm this new approach of cooperation over confrontation. More

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than anything else, framing the move as the closing of the UNCTC and ensuring that only few of its activities carried over to UNCTAD was meant to signal this shift to home and host countries as well as enterprises alike. Instead of regulating corporate activities, the ECOSOC resolution on the rearrangement of the UNCTC explicitly limited its mandate to the provision of “research, technical cooperation, advisory services, training programmes, and information services”.

Stripped of its mandate, the UN began to coalesce around a discourse of MNEs as benevolent global governors, willing to assume responsibilities above and beyond their core economic interest. In the attempt “to attract capital to development projects and to benefit from private sector expertise” as new players at the table, the discourse presented MNEs as “wealth creators” and reduced governments to “facilitators” (Therien and Pouliot 2006: 59). Arguably, this shift in the evolution of corporate agency was driven more by hope and as well as disappointment with past failures than facts and evidence that such a shift could be meaningfully facilitated. The hope and rather blatant functionalist optimism, spiced with the notion of seemingly having no alternative, can be found in the 1995 report issued by the UN Commission on Global Governance. In here, it was explicitly argued that “there is no alternative to working together and using collective power to create a better world” with governance having to be provided by “individuals and institutions, public and private, manag[ing] their common affairs [in] a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken” Governance at the global level, according to the report, “must now be understood as also involving non-governmental organizations (NGOs), citizens’ movements, multinational corporations, and the global capital market” (Commission on Global Governance 1995: 3, emph. added). From initial discussions in the late 1960s to this report in the 1990s plus the following creation of the UN Global Compact to conclude this shift, corporate agency shifted from being an object of intergovernmental regulation to being an active participant therein. While we do see little evidence of MNEs actively pushing for this shift, we see a gradual change in the normative structure and expectations towards them as the UNCTC first fails to provide regulation and then becomes dismantled, vindicating those who argued in favor of promoting rather than regulating corporate agency in world politics.

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In other words, the UNCTC not only failed to create a legal code for MNEs, but in its failure to do so ironically further promoted the belief that MNEs should be involved in the provision of governance. Intellectually framed in the emerging narrative of global governance and driven by a functionalist logic, notions to regulate enterprises within a matter of years had been effectively replaced by the idea to partner up and cooperate. Against the perception of significantly increased corporate power and the reluctance to govern these entities clearly expressed by Western governments, it was quickly taken for granted that “business, as a key agent driving globalization, can help to ensure that markets advance in ways that benefit society” (Rasche and Kell 2010: 2).

In addition to the structural changes, we also need to consider the particular situation and high-ranked UN individuals involved such as Kofi Annan as Secretary-General himself (1996-2006), John Ruggie as Assistant Secretary-General for Strategic Planning (1997-2001) and George Kell as Head of UNCTAD (1993-1997), who all “played a key role in this process” (Pingeot 2016: 194). In February 1997, during his first address to the World Economic Forum in Davos, known as the gathering of the elite of global capitalism (Pigman 2007), Kofi Annan framed UN-business relations as a partnership and explicitly solicited for corporate input (Sagafi-nejad 2008: 195). Signaling that “I am open to your advice and I look forward to hearing from you”, Annan's personal commitment to development and UN reform drove the notion that business actors were the solution rather than the problem.9 A year later, again at Davos, he argued that:

“[T]he United Nations and the private sector have distinct strengths and roles, and we are still overcoming a legacy of suspicion. But if we are bold, we can bridge those differences and turn what have been fledgling arrangements of cooperation into an even stronger force.”10

In addition to public speeches, the UN’s bid for corporate agency came in the form of a less visible series of meetings convened at the UN Headquarter and elsewhere with the International Chamber of Commerce, the Prince of Wales Business Leaders Forum, and the International Confederation of Free Trade Union (Kell 2013: 33-5). These meetings were mostly led by the Secretariat and as such did not represent intergovernmental commitment of all member states. While having the blessing of home countries, in a rare moment of direct exercise of his mandate, and rather fast

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compared to UN decision-making overall, it was communicated in another press release on July 27, 2000, that, “[u]nder the leadership of United Nations Secretary-General Kofi Annan, global leaders from the world of business, labour and civil society met today to launch a joint initiative in support of universal values and responsible business operations”. Without further consultation, other UN member states had to *ex post* endorse the Global Compact and the final conclusion of corporate agency as a fact in global governance. While the notion that “UN leadership made a decision to position itself on the pro-corporate, pro-globalization side of the debate to increase its legitimacy and its authority in a neoliberal world” has not been received well by everyone within the UN, MNEs were firmly established as global governors without much of their own doing (Pingeot 2016: 196). In its attempt “to move back to the center of debates on global governance”, against other organizations such as the G20 or the OECD gaining ground on the question of how to regulate MNEs at this time as well as countless other multi-stakeholder initiatives emerging both locally and globally, the recognition of corporate agency through the UN can be considered as taking advantage of an opportune situation against slowly changing normative structures and expectations (Therien and Pouliot 2006: 65). After the contested debates on corporate agency since the 1960s, the developments around 2000 marked a critical closure in the overall evolution of corporate agency.

**Conclusion**

This paper was driven by the notion that global governance and its focus on new actors in world politics has not developed a theoretically elaborated notion of agency yet. Against this lacuna, our framework marks a “pragmatic account of how new collective action emerges” (Avant 2016: 331). Studying agency as a latent function of relations, both sedimented structurally and in specific situations, allows us to move beyond substantialist *a priori* assumptions of who governs. Following Emirbayer’s (1997: 287) reasoning for empirically grounded research on agency, we agree that “the very terms or units involved in a transaction derive their meaning, significance, and identity [as well as their agency] within that transaction”. As such, our framework needs to be grounded and further refined through empirical engagement with different contexts and the

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comparison thereof. We also admit that the bracketing of structure and situation remains an analytical move and has to be sustained in careful empirical reconstruction. Our empirical strategy will therefore look at the practices of claiming and granting agency through speech acts of recognition and self-agentification in different fields and for different entities: who is being referred to as an actor and who presents themselves as an actor? How do others respond to this as the recognize or reject? What structures are evoked to justify agency and in particular the evolution thereof? What situational justifications are advanced in these contexts, particularly to support claims of new actors? In simple words, who determines who gets to sit at the table and who is left out, and what are the mechanisms to sort this out?

Using the emergence and evolution of corporate agency within the UN, the illustration in this paper provides answers to these questions. While maybe not detailed enough to reveal all critical junctures and key players involved and the arguments they shared, it shows how the initial debate on MNEs in intergovernmental governance eventually morphed into a more inclusive playing field involving these actors. In particular, corporate agency benefited from the acceptance of non-state agency more broadly throughout the 1990s. MNEs themselves, in these discussions did not play much of an active role, rather leaving it to the UN to make the case for corporate agency. In other words, we see little corporate self-agentification but rather social structures and expectations around MNEs changing over time as well as situational dynamics in the form of the unravelling of the UNCTC, then UN-Secretary-General Kofi Annan and other key individuals. Hence, overall, we can think of the emergence and evolution of corporate agency as a process driven by recognition. Throughout the process, specifically once recognized as players at the table, MNEs lobbied in their perceived interests to not develop legally binding rules on a global scale. That said, however, they did not actively push for new responsibilities as the normative structure around their core business activities changed over time. While they steered debates towards voluntarism, they did so in an ideological framework provided by the UN (Brown, Clark, and Buono 2018; Kinderman 2012).

Arguably, the illustration did not reconstruct different positions, including those of different MNEs, in full detail. We intend to include more corporate material in the next analysis to see how different major companies responded to change such as the UNCTC, Kofi Annan’s push for the Global Compact, etc. That said, however, the theoretical framework allowed us to look into these
dynamics and conclude that corporate involvement in global governance is not a functional consequence but the contingent outcome of political debate. While rather challenging to engage with, we believe such discussions can provide renewed energy for the global governance paradigm. More specifically, an explicit agency framework and socio-theoretical underpinnings are necessary to move beyond its own “folk wisdom”. In the end, it is the first question of any governance arrangement to decide who gets to sit at the table and who is the object of regulation. As John Dewey argued a long time ago, imputing acquisitive motives to corporate actors and thereby essentializing their agency vis-à-vis other global governors, risks to lose the means necessary to better integrate them into larger social and political frameworks and overall provide more sound global governance (Dewey 1922: 146). The same can be said about any actor group we assume as given in global governance, thereby ignoring the political debates and decisions that made them.

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