“And of course our major contribution remains to run a *decent* business.”

Making sense of *Shell* and *ExxonMobil* in corporate crises

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**Abstract:** While the state still lies at the heart of the discipline, International Relations (IR) today also considers multinational enterprises to be relevant in world politics. In fact, a dominant narrative on the role of private business actors in a globalized world has emerged: as state capacities to provide governance tasks diminish, enterprises have become political actors and participate in the provision of governance functions. While the paper shares the view that business increasingly becomes involved in new modes of governance, it argues that such broad and sweeping claims alone do not allow for understanding how and why business actors engage with global governance. To complement structural accounts, both a theoretical language as well as a methodological perspective which consider the contingent meanings and beliefs held by individual enterprises needs to be devised and applied. Instead of assuming corporate rationality, the paper introduces two in-depth illustrations which reconstruct manifest corporate meanings. Conceptualizing *Shell* and *ExxonMobil* as social actors, the paper discusses how these two enterprises understand and perceive their crises in Nigeria and Indonesia and how they make sense of new expectations towards them. It is argued that based on the meanings expressed in these crises, global governance and the integration of business into its structures is neither a functional necessity nor an easy task to achieve. Rather, business in global governance can best be understood as an ambiguous and complex process in which conflicts, uncertainty, and indeterminacy prevail.

**Keywords:** multinational enterprises, global governance, creative action, corporate crisis
That captains of industry are creative artists of a sort, and that industry absorbs an undue share of the creative activity of the present time cannot be denied. To impute to the leaders of industry and commerce simply an acquisitive motive is not merely to lack insight into their conduct, but it is to lose the clue to bettering conditions.

(John Dewey, Human Nature and Conduct, p. 146)

Whether one is dealing with a family, a boy’s gang, an industrial corporation, or a political party, one must see the activities of the collectivity as being formed through a process of designation and interpretation.

(Herbert Blumer, Symbolic Interactionism, p. 21)

1. Introduction

More than 20 years after Lorraine Eden’s call to “bring the firm back in”, multinational enterprises (MNEs) have become legitimate and popular research objects within International Relations and International Political Economy. Considering more openly the relations and interactions between entities other than states (Jackson/Nexon 1999), more attention is given to these actors for good reason. This broader notion of world politics constitutes the core of global governance which puts the very term International Relations under scrutiny as “the language of ‘international relations’ leads us to think only about states, which are not central to all interesting questions of world politics” (Keohane 2008: 708, Fn. 1). Lately, this notion has gained much ground in IR which in turn has affected the engagement with corporate actors within the discipline. In a nutshell, the (admittedly fashionable) qualification of the “gravitational pull of both anarchy and statism” (Barnett/Sikkink 2008: 62) and its emphasis on the inclusion of private actors in general has benefited the study of business actors in particular to the extent that they have become ‘accepted’ research objects in IR inquiry. This itself is a notable feat given the predominant state centrism of the discipline until the 1990s (Held/McGrew 2002).

Following the seminal definition of Dunning, the paper understands a multinational enterprise as “an enterprise which owns or controls producing facilities (i.e., factories, mines, oil, refineries, distribution outlets, offices, etc) in more than one country” (Dunning 1971: 16). While this definition is widely accepted, various terms exist to describe the phenomenon. In this paper, the term “multinational enterprise” is used because it appears to be more precise: first, as far as the term “enterprise” is concerned, “all multinationals are enterprises but not all are incorporated” (Eden 1991: 219, Fn. 6). Second, to describe the cross-border activity of these enterprises, the term “multinational” rather than “transnational” is used to indicate that “states are not transcended” (Wilkins 2005: 45) as corporate activities still take place not beyond but within – albeit multiple – nation states.
As with any new perspective though, there are also conceptual pitfalls inherent in global governance when it comes to MNEs. Framing MNEs as elements in and of global governance as suggested for example by Karns/Mingst (2010: 20f) entails in my view three major problems. First, the functional and normative biases inherent in a global governance perspective – i.e. that solutions can be found and that including more stakeholders will result in better, more efficient governance – are extended to corporate actors without considering their specific characteristics. Integrating MNEs into processes of governance, the argument goes, makes these processes more efficient as business commands immense resources which ‘only’ have to be used for the right purpose. However, potential conflict and contestation between different stakeholders over what the right purpose is, different views on how to best use resources as well as the question whether corporate actors are legitimate to provide governance in the first place are not discussed in a prominent way. Ignoring these normative questions, global governance implicitly comes with the hope of “moralizing the corporation”, calling for new roles and responsibilities that multinational enterprises should live up to (Holzer 2010). This logic is often expressed within the UN Global Compact discourse in which questions of legitimacy and accountability are sidelined in favor of getting business involved at all (Ruggie 2001; Kell 2005).

As to the second pitfall, there is a recurring theme within global governance of framing MNEs within a macro perspective to engage broad questions and arrive at sweeping conclusions. While this macro perspective generated and continues to generate important insights, it misses at the same time important details and nuances. Due to its macro bias, more often than not global governance is thought of in passive terms as structure (Avant et al. 2010: 1ff). Within such a perspective, MNEs are considered as a “structural force” rather than actors. Only recently have MNEs “received attention within academic debates in international relations – at least as an actor in its own right” (Deitelhoff/Wolf 2010: 5). This implies two things for discussing business actors in global governance. First, global governance approaches seem to be more interested in the effects of corporate participation rather than the implications of participating for enterprises. Second, because of this interest, research on MNEs more often than not draws conclusions for the whole actor group rather than discusses and limits itself to individual examples. Insights from individual cases are sometimes extrapolated without considering uniqueness in terms corporate histories, governance structures, production profiles, and business cultures (Cohen

2 Translated into a language of variables, business actors in global governance are often understood as the independent variable and their behavior (participation or not) as the dependent variable. As such, they are considered but only in their impact and not as a research object in and of themselves.
While broad questions need to be engaged and general conclusions reached, there is obviously a balance to be struck between simplification and abstraction on the one hand and doing justice to complex realities without loosing oneself in idiosyncrasies on the other hand. It is argued in this paper that global governance tipped that balance too much in favor of sweeping conclusions and large-scale generalizations.\(^3\)

Closely related to this structural bias is the conventional notion resonating with everyday knowledge that MNEs are rational and unitary actors. As such, corporate action is imagined to be based on exogenously fixed and presocially defined interests. In addition to this, MNEs are ascribed with the ability to realize these interests strategically in order to expand and maximize profit (Palan 2000: 6ff). Thusly, MNEs are essentialized both in their meanings and interests as well as rationalized in terms of their mode of action. Such an actor image for a long time has been criticized in various ways and various disciplines (among others, by IR constructivism and within economic sociology as well as behavioral economics (Kahneman et al. 1982)). Yet for business in global governance, Amoore (2000: 184) concludes that MNEs “have come to be understood as essentially rational actors whose expansionary behaviour can be explained through the profit motive” and that the application of alternative, non-rational perspectives remains rather limited. Because of this, complexity and ambiguity involved in corporate decision-making is sacrificed for the sake of parsimony and in order to reach the above-mentioned broad conclusions. Consequently, corporate engagement in global governance is commonly post hoc-rationalized as either the avoidance of (potentially stricter) state regulation and/or the attempt to improve corporate reputation in the form of greenwashing (Haufler 2001: 20ff).

In sum, while global governance has rightfully brought much needed attention to

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\(^3\) Defining the ‘right’ balance lies at the heart of many methodological as well as epistemological debates in the social sciences. Obviously, diverging opinions rightfully exist. Some would argue that simplifications are necessary to give order to an otherwise chaotic empirical reality. Others would argue that “capturing complexities rather than aiming at simplifications” (Clarke 2005: xxix) can also be a viable exercise of social science. As to multinational enterprises, Vernon (1971: 114) already stated that “all generalizations on the subject of corporate behavior [constitute] a heroic simplification of reality”. He went on to argue that “[e]conomists, as a rule, have no trouble with […] abstractions: the idea of the firm, singlemindedly devoted to maximising profits, fits neatly into the framework of economic theory [while p]ractically everyone else […] will recognize that an institution as complex and diverse as a multinational enterprise cannot be said to have a clear, unambiguous will” (Vernon 1971: 6). Assuming that there is a one-sidedness in the discourse on MNEs, the motivation for this paper is based on believing in the merit of plurality in perspectives. It is argued that the maturity of any scientific discourse can partly be determined by assessing how many different perspectives equally and meaningfully contribute to it. Having said this, the arguments advanced in this paper are not claiming to deliver a better perspective yet it aims at offering an alternative one. The final decision whether or not this is warranted or convincing lies with the reader.
business actors in world politics, it has at the same time brought with it some rather “inappropriate oversimplification[s]” on the nature of corporate actors (Wolf 2008: 234). Because of these pitfalls, it seems worthwhile to consider alternative, more idiosyncratic, and interpretive accounts of individual cases of enterprises in global governance in their own right. Such accounts might enable the researcher to seriously take into consideration the potentiality of corporate action beyond rational profit maximizing. In fact, the very meaning of multinational enterprises and the worldviews and beliefs determining their course of action have to be reconstructed without essentializing them a priori. Applied to global governance, the political integration of business is not understood as a necessary consequence to fill governance gaps but rather as an ambiguous and complex process in which conflicts, uncertainty, and indeterminacy prevail. Corporate failure to engage constructively in this is considered not as a function of rational decision-making. Rather, business actors might fail to meet new expectations in a changing normative environment as yet to be defined roles and responsibilities constitute both long-term as well as short-term crises for MNEs.

As outlined in the opening quote from Dewey, understanding corporate crises and engaging these actors based on that knowledge could be a measure to not “lose the clew to bettering conditions” in the public debate on business and its role in world politics. Having stated the general argument of this paper, the individual sections are organized as follows. First, in order to deliver a more balanced appreciation of global governance and its inclusion of business actors, the second section discusses emergence of this perspective. The third section then introduces the theoretical argument of re-conceptualizing MNEs as social actors and outlines the potential value of taking such a micro-perspective. To further illustrate this, the fourth section advances two micro-level accounts of corporate crises. One discusses Shell in Nigeria in the 1990s while the other focuses on ExxonMobil in Indonesia at the turn of the century. For both, the paper looks at corporate documents which express the perceptions, meanings, experiences, and beliefs of the enterprise in the respective crisis and thereby constitute, (re-)negotiate and (re-)define the appropriate scope of corporate action for the following years. Drawing on these two illustrations, the conclusion argues that the engagement of business actors in global governance represents an ambiguous, complex, and open-ended process characterized by conflicts, uncertainty, and indeterminacy. Two implications will be drawn from this. First, theoretical implications for further research on MNEs in global governance are outlined. Second, as a more practical implication, the question of how to engage MNEs is considered.
2. Business in global governance – the macro perspective

Given the prominence and salience of non-state actors in today’s IR research agendas, it is easy to forget that these actors were, for the most part, not considered only two decades ago. While there has always been some discussion of private actors operating across state borders, the “states-as-the-sole-actors’ approach” (Wolfers 1959: 83) remained dominant until rather recently. The recent shift of attention towards non-state actors and their inclusion into global governance, however, can intellectually still be traced back to the 1970s. In a seminal collection of essays first published as an International Organization special issue in 1971 and then later as an edited volume by Keohane/Nye (1973), transnational relations were defined as such interaction where at least one actor was non-state. The importance of this contribution is based on its explicit agenda of developing and establishing a new world politics paradigm which could serve “as a substitute for the state-centric analytic framework” (Nye/Keohane 1973: xxv). While not part of this collection, Huntington (1973: 347ff) argued along the same lines as he discussed the emergence of private authority beyond the state and thereby not only anticipated but also laid out the foundation for the later debates in the 1990s.

However, despite already discussing themes that we today still find very much at the core of global governance, their collective failure to “produce a theory of transnational politics” as well as “counter-attack[s] of realism” ensured that transnational relations and private actors remained at “the sidelines of theorizing on either side of the Atlantic” (Risse 2002: 257f). It took almost another 20 years until the late 1980s when the ground-shaking events of the end of the Cold War and the parallel introduction of constructivism into IR not only began to question the foundations of the discipline (again) but also saw an ever faster growing body of publications on global governance and the role of private actors within it (Börzel/Risse 2010: 113f). One should still not underestimate the influence of this early debate on later ideas of global governance, though. Basically,

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4 Consider for example that beyond their substantial differences and delineations, all ‘canonical’ IR theories consider the state as the starting point for their explanations of international politics (Waltz 1979: 95ff; Keohane 1988: 380f; Wendt 1992: 424; Moravcsik 1997: 518). Consider also the ease with which all four theories at their time could argue just that as well as the fact that the very definition of transnational relations brought forward by Keohane/Nye (1973) and others rests upon “a prejudice in favor of the nation-state as the center of things” (Wolfers 1959: 101f), as the very term conceptually presupposes nation states and basically defines other interaction *ex negativo* as non-state.

5 Prior to this, the term ‘transnational’ was already used by Aron (2003 [1966]) who used it to describe a sphere beyond the nation state. However, his contribution was largely lost in the emerging debate between (neo-)realists and (neo-)institutionalists who both thought that Aron did not do justice to their assumptions.
their “particular research agenda did not prosper in the short term, with the exception of some increased attention to transnational corporations in world politics” (as discussed below) (Barnett/Sikkink 2008: 71), but in the long term these early contributions opened intellectual space within IR which could later be exploited by those who shared an interest in global governance.

While part of this broader turn to private actors, the second part of the quote above already suggests that the engagement with business also has its own intellectual history within IR and IPE. Only some of it ran parallel to the discussion of transnational relations (i.e. it involved the same authors). Among the first to publish on MNEs in particular were Galloway (1970), Modelski (1972), Wells (1973), Nye (1974), and Gilpin (1975). These contributions critically focused on corporate power in world politics as well as the relation between states and MNEs (Rieth 2009: 17). Analytical focus was thus placed on the macroeconomic implications and effects of MNE activities while individual enterprises were not considered. However, despite the common frame and the shared interest in business in particular, there was little agreement on how to evaluate corporate effects and their influence. All in all, according to Amoore (2000: 200), these early contributions were more motivated to prove one’s own theoretical standpoint rather than to steep into the complexity of the business actors in world politics. MNEs initially were thus considered primarily in order to falsify (or, as in most cases, verify) one’s own theoretically deducted and thus rather general hypotheses rather than to better understand this specific type of actors.

According to Eden (1991: 203ff), research on multinational enterprises following these early works then changed gears in the late 1970s and early 1980s. IR and the growing subfield of IPE opened themselves towards other disciplines and eagerly imported concepts such as the OLI paradigm (Dunning 2001) or the product life cycle theory (Vernon 1971). Consequentially, MNEs were increasingly conceptualized as institutions and not so much as actors in their own right. This implied not only certain disregard for idiosyncratic features of individual enterprises, it also conceptually emphasized the merits of a structural rather than an agential perspective on MNEs. In reaction to this, Lorraine Eden (1991) issued her call to “bring the firm back in”. However, IR research on MNEs in the 1990s did not move into that direction. Rather, it began to focus on business as elements of global governance and thereby reinforced structural and collectivizing tendencies. Conceptualizing MNEs exclusively in relation to states and other private actors (Barnett/Sikkink 2008: 71ff), it was the corporate provision of public goods rather than MNEs themselves that became the focus of IR research on MNEs. Repercussions of this
can be seen in the many contributions that do not per se discuss business but rather only with regard to their participation and contributions in global governance and public private partnerships (Rieth 2009: 74ff). The proliferating literature on private authority and other new forms of governance initiatives which include MNEs are obvious manifestations of this specific perspective on MNEs as they consider business collectively rather than individually (Schäferhoff et al. 2009).

In order to give a full historical account of how MNEs where introduced into IR and IPE, it is important to consider that the constructivist criticism on rationalism had not yet hit full speed by the time MNEs were first discussed in the 1970s and then later incorporated into a global governance framework in the early 1990s. Because of this but also because of the persistence of common everyday wisdom, global governance lacks alternative accounts of corporate agency beyond the conventional rational actor image. A rather heterogeneous actor group is thereby commonly reduced to clear and absolute interests as well as the potential to realize these interests. Broad abstraction on corporate rationality, oftentimes not stated explicitly, became the silver bullet to produce knowledge on business in global governance (Ruggie 2004: 502f). Consequentially, “theorists and political scientists in general have been reluctant to apply the idea of socialization [or any other constructivist ideas for that matter] to markets actors” (Kollman 2008: 416). This is troublesome to the extent that “[i]n retrospect, it is always possible to reconstruct the economic rationality that firms were apparently pursuing” (Woll 2008: 4). Such rationality, however, is not something identified in research but rather something a priori assumed and then post hoc stated. Such a tautological use of rationality, critically discussed by Zeitlin (2007) as “hyper-rationality”, does not suffice, neither for the enterprise to purposely choose between alternatives and act in light of uncertain and indeterminate economic situations nor for the social scientist to explain such action (Beckert 2003).

6 Interestingly, (Rosenau 1992: 18) himself already saw the merits of methodologically approaching global governance from a constructivist perspective as he argued that “eschewing the scientific procedure of designating independent and dependent variable, replacing it with a method that maintains a sensitivity to the interactive complexity of global order”.

7 This is currently changing as more and more constructivist research emerges, either self-labeled or otherwise depicted as such. Examples would include Conzelmann/Wolf (2007); Cutler (2008); Kollman (2008); Wolf (2008); Woll (2008); Brown et al. (2010); Flohr et al. (2010); Gillies (2010); Hofferberth et al. (2011).

8 The theoretically motivated use of ‘hyper-rationalization’ can be illustrated by looking at the reasons discussed in the literature as to why MNEs participate in public-private partnerships. Such activities are explained by referring to potential benefits and reduced costs for enterprises (Schäferhoff et al. 2009: 46f). As long as the benefits of participating in a partnership exceed the costs, MNEs will participate. Given the voluntary character of most initiatives, costs appear to be low as MNEs are seldom held accountable. As soon as the costs of participation rise – for example through developing...
“What all these approaches share in common”, Sally (1995: 2, italics added) rightfully summarizes, is that they mark “at worst a disregard, and at best a glaring underemphasis, of the individual firm”. Thus, while the appearance of global governance brought renewed attention to MNEs and made them a relevant study objects, it at the same time framed these in broad and abstract as well as structural and rational terms. Based on this, it is argued that MNEs are not only the main drivers and profiteers of but also become increasingly more vulnerable in globalization. Prakash (2002: 514f) describes this ambivalence as both empowering and enfeebling for MNEs as both their market and non-market environment is changing. (Kobrin 2008: 267f) argues in the same vein as business no longer only has to accommodate an economic but also a political dimension. Finally, Scherer/Palazzo (2008: 508) argue that the very distinction between public and private no longer holds true as business today operates in both spheres. At the core, all of them argue that there are new social expectations towards business as well as new roles and definitions of what it means to operate as a multinational enterprise. Doing ‘business as usual’ appears to be no longer an option for MNEs as traditional yardsticks of corporate success such as profit and shareholder value lose their omnipresence for guiding corporate action. This questioning of what it means to be a multinational enterprise can be understood as a long-term macro crisis for MNEs. As their very role and relation to other actors is fundamentally changing, they find themselves in a crisis of legitimacy between “doing well” and “doing good” (Conzelmann/Wolf 2007; Wolf 2008).

In other words, it is argued by global governance advocates that the increased integration of MNEs in political processes would render former corporate beliefs and meanings obsolete. Therefore, because of global governance, multinational enterprises have to reconstitute their beliefs and meanings (or better yet develop new ones). In a nutshell, global governance not only poses the “very basic question about the social definition of a corporation” (Kobrin 2008: 267) but also answers it in a particular way. While the paper draws on this generic understanding of business in global governance and thus acknowledges both the need to give more attention to private actors as well as some of the insights robust and binding mechanisms of implementation – one would expect MNEs to opt out. However, as MNEs empirically seldom opt out, social and reputational reasons were theoretically included into corporate means/end calculations. In order to not loose the asset of being a good corporate citizen and expose themselves to civil society pressure, MNEs continue to participate. Basically, as long as corporate interests remain underspecified and are re-attuned by the social scientist to each new situation he or she empirically encounters, different, even contradicting corporate behavior can always be explained simply by redefining what corporate rationality precisely entails. Put differently, no matter how corporations act, one can always frame them as acting rationally as there is a “business case” to be constructed for everything (Palan 2000: 10ff).
derived in these broad and sweeping claims on corporate roles and responsibilities, it argues at the same time that there are more details and nuances to be reconstructed and something to be added to the abstract and global image of business in global governance. If one considers individual enterprises and their individual engagement with, and experience of, global governance, one can supplement and maybe even complete the broad image of MNEs offered by global governance. For example, the notion of a corporate long-term crisis outlined above finds its reflection in singular, case-specific crises to be considered individually. Focusing on these allows to go beyond conventional actor assumptions about corporate rationality and revisit the assumed easiness for MNEs to participate in global governance. Such a perspective looks closer into the attested changes of corporate beliefs and meanings by understanding them as the result of social contestation. It basically raises the same question referred to above, but allows to consider what MNEs have to say about it instead of having a ready-made answer for it. The following section will specify the theoretical assumptions underlying this perspective.

3. MNES as ‘social actors’ – considering business actors and their meanings in global governance from a micro-perspective

As argued elsewhere (Brühl/Hofferberth 2013), the micro-perspective on business in global governance argued for in this paper is based on re-conceptualizing MNEs as ‘social actors’. For the argument proposed here it is sufficient to state that this perspective advances a less deterministic, less reductionist view on corporate agency by conceptualizing it as social, creative, and dynamic. It understands the very meaning of multinational enterprises as a function of contingent and socially contested processes of defining and redefining through designation and interpretation as well as through ascription and invocation. Thus, the neoclassical “assumption that the firm, although a product and part of a social process, is an economic device that exists apart from historical, political and social forces” (Toyne/Nigh 1997: 9) is firmly rejected. By doing so, the paper does not intend to specify ‘true’ corporate preferences or intentions nor to explain corporate behavior by tapping into motives for action. Rather, the intention is to reconstruct particular corporate meanings, beliefs, and self-understandings expressed in relation to crisis and the themes of global governance. This micro-perspective allows to better understand how an enterprise, in response to being exposed to new expectations, information, and pressure by different stakeholders on different levels, integrates (or does not integrate) ideas of global governance into their own world view and tries to make sense of its new roles. The
idea of sociality introduced by Granovetter is thus applied to MNEs in crisis in particular:

“Actors do not behave or decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy. Their attempts at purposive action are instead embedded in concrete, ongoing systems of social relations.” (Granovetter 1985: 487)

The radical implication of this proposition is a comprehensive qualification of any form of instrumental corporate means/end calculations based on the assumption of individualized actors. Thusly, multinational enterprises do not simply act rationally and maximize profit through cross-border activities because they are multinational enterprises. Simply being a multinational enterprise does not specify particular courses of action which are readily available to choose from. Instead of drawing on a rational essence of corporate agency to then explain corporate choices by referring to their rationality, a socially informed perspective on the contrary argues that being a multinational enterprise is the result of a fluid and social process. In this process, corporate action, both rhetoric as well as ‘real’, reflects and stabilizes the boundaries of what it means to be a multinational enterprise at any specific point in time and space (Jackson 2010: 55ff). Such action does not occur arbitrarily but within what Granovetter described as ‘social embeddedness’ and others understood as ‘primary sociality’ (Joas 1997: 184ff). Through this sociality, actors are able to access intersubjectively held structures of meaning required to assess a situation, define interests, outline courses of action, and choose among different options. In other words, corporate preferences and interests, necessary preconditions to act, are constituted “coterminously within contexts that are themselves ever changing and thus always subject to reevaluation and reconstruction of the part of the reflective intelligence” (Emirbayer/Mische 1998: 967ff). Put differently, although corporate actors are likely to present their decision-making as being rational, their very meaning can only be reconstructed through their actions and through the beliefs and worldviews expressed in these.

Corporate agency in this sense can be imagined as “defining that which is as yet undefined, rather than simply making a different selection from a reservoir of situation components that are either already defined or have no need of definition” (Joas 1997: 133). Decisions are no longer rational other than pursuing what is perceived as the “best alternative” without fully knowing all consequences (Sabel/Zeitlin 1997: 6f). Acting becomes the social yet creative “determination of indeterminacy” and, by definition, depends on the creative imagination and inventiveness of the actor (Shalin 1986: 12). Consequentially, corporate agency is at the same time socially determinated as well as it remains indeterminate. While the scope of actions available to MNEs is socially derived and has to be compatible to broader understandings of corporate agency, the precise course of action
remains subject to the creativity of all actors involved in a given situation. Specifically in crises, multinational enterprises depend on “interpretative acts by which [they] construct perceptions of rationality intersubjectively in the action process itself”, simply because of the “complexity and novelty inherent in economic decisions situations” (Beckert 2003: 770). Focusing on such acts of interpretation does not negate the existence of corporate interests in particular situations nor does it deny the possibility of purposeful action. However, it stresses the contingent, situational, and malleable character of both. The maximization of profit for example marks a viable yet abstract and therefore unassertive interest. As the potential “default option”, it is “only loosely defined at any given moment and constantly being redefined” to allow for purposeful action (Sabel/Zeitlin 1997: 15). How precisely an enterprise gives meaning to this notion and how it is translated into action in a specific situation remains a contingent process:

“[M]ultinational enterprises are viewed no longer simply as instrumentalist advantage-maximizing institutions, but as complex organizations which exceed their goals and functions, but in non-utilitarian ways. Their language, their scripts, their histories, their technostuctures and artefacts matter; analysis of which reveals them to be trapped in their own evolutionary logic but also constantly at work to renew themselves.”(Palan 2000: 15)

Situations of crises are pragmatistically understood as those moments where guiding beliefs are lacking or failing (Hellmann 2009: 639f). Here, the enterprise must first rediscover and then consider its “horizon of possibilities” as there are no obvious answers or allegedly rational courses of action available (Joas 1997: 133). Here, “the rules and norms of socially acceptable decision making – the institutionalized environments of the corporation – are in flux” (Holzer 2010: 121). Here, rather than in situations of routine, new meanings and understandings of the corporate role are more likely to emerge. Due to increased integration in global governance and new expectations, MNEs today find themselves more often in such situations. As routines and solutions are simply not readily available, studying MNEs in crises promises to best reveal potential redefining moments of corporate “designation and interpretation” (Blumer 1969: 21). All of this happens in and through corporate documents which is why the paper considers these as a rich source of the contingent meanings on which corporate agency is based. Such contingent meanings then can be traced by reconstructing how the particular crisis is perceived and defined, which aspects of it are highlighted, which corporate competencies and responsibilities are considered and justified, as well as how the corporate role is understood in relation to relevant others. What has been discussed in abstract terms so far will be fleshed out in the following section by illustrating in detail two distinct enterprises in crisis.
4. Two illustrations: *Shell* in Nigeria & *ExxonMobil* in Indonesia

With *Shell* in Nigeria in the early 1990s and *ExxonMobil* in Indonesia around the 2000s, two 'high-profile cases' of corporate activities in conflict regions prone to human rights violations and ecological destruction were selected for illustrative purpose. Two extractive enterprises were chosen because their sector of operation best epitomizes the ambiguities globalization entails for MNEs for four reasons. First, enterprises from this sector were among the first to internationalize and became active in multiple countries as their operations are based on “geological imperatives” (Soares de Oliveira 2007: 211ff). Second, for precisely this reason, we find the largest and most globalized enterprises in this sector. In addition to their size, most extractive enterprises are also vertically integrated and include the complete value chain from exploration to processing to distribution. This makes them very visible in everyday consumer experiences (Gillies 2010: 104ff). Third, as extractive enterprises rely on host governments granting rights and licenses for exploration and drilling, extractive enterprises often work closely with dubious or otherwise corrupt ‘rentier states’. Obviously, this makes them prime targets for an active and critical civil society (Soares de Oliveira 2007: 30ff). Fourth, extractive enterprises in general and the two chosen examples in particular are relevant because of their large, asset-specific investments and the risks that comes with it (Haufler 2001: 20ff). The high asset specificity guaranteed that neither *Shell* nor *ExxonMobil* could simply evade the crisis but rather had to deal with it in one way or another. As both crises mark pivotal moments in the recent history of these two enterprises, they reflect how *Shell* and *ExxonMobil* deal with the challenges of operating across borders in a globalized world, how they make sense of global governance, and how they justify their corporate actions. In other words, by looking at these particular crises, it is argued, one can show how these two enterprises became exposed to and adopted or rejected social expectations of becoming more involved in governance.

In order to reconstruct the manifest meanings and beliefs held by *Shell* and *ExxonMobil*, corporate documents published in relation to the two crises specified in table 1 were considered. To the extent that these documents reflect corporate attempts to establish and justify meanings and beliefs, they become an “indispensable […] source of information about the range and robustness of the constraints [MNEs] faced and created”

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9 With British Petroleum Company Plc, Royal Dutch/Shell Group, Exxonmobil Corporation and Total, the UNCTAD World Investment Report 2008 lists four extractive enterprises alone in the top ten largest non-financial enterprises sorted by foreign assets. Additionally, we find Chevron Corporation and ConocoPhillips ranked 16th and 17th (UNCTAD 2008: 220).
Table 1: *Shell* und *ExxonMobil* and their corporate crisis

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<th>crisis region</th>
<th>crisis period</th>
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<tbody>
<tr>
<td><strong>Shell</strong></td>
<td>Niger-Delta, Nigeria</td>
<td>1993-1995</td>
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<tr>
<td><strong>ExxonMobil</strong></td>
<td>Aceh, Indonesia</td>
<td>1999-2001</td>
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(Sabel/Zeitlin 1997: 15). Although rhetorical in nature and published with the intent to present the enterprise in a positive light, these documents still carry with them and thusly express corporate beliefs on how to response to crises and on how to balance and accommodate new expectations. Insights from studying these should therefore not be discarded easily. In other words, these documents were not considered as corporate “cheap talk” or “public relation ploy” (Haufler 2001: 1). While they obviously present the respective enterprise in a positive way, it remained to be reconstructed what each enterprise precisely considered as positive and how is brought forward to appear as a good corporate citizen. It will be shown that the meanings, justifications, and role-definitions expressed in these documents did not conform with all expectations and present more than just rhetorically elegant narratives of excellent corporate behavior if read critically with a reconstructive mind-set.

To reconstruct the manifest meanings held by *Shell* and *ExxonMobil*, the paper conducted several sequence analyses. Without going into too much detail, this interpretative text method assumes the sequentiality of human action and written text (Oevermann 1983, 2000). As such, the method takes text documents as an expression of how the respective author fixes and determines meaning of his or her social reality. In order to reconstruct particular realities then, their textual manifestations have to be read patiently and in their “own language”, sequence by sequence, and without deductively subsuming them under variables specified outside the text (Franke/Weber 2012: 673f). In other words, it is assumed that beyond the intended content, the words and sequences used in a text are not arbitrary but rather reflect deep structures of meanings and beliefs held by the author of the document.

According to this methodological frame, the documents considered for this paper were interpreted by first breaking them down – sequentializing them – into short yet meaningful sequences. These sequences were chosen so that they each opened and closed

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10 Given that the method was developed by German sociologists in the 1980s, there are limited references in English available. Some more recent applications in the field of IR include Franke/Weber (2012) and Herborth (2012).
a range of possible meanings. By analytically detaching each sequence from their flow of sequences, possible alternative interpretations and viable readings were generated for each sequence. In a third and final step, the next sequence was considered and the actual selection of closing the last and opening the new sequence was interpreted. Thus, all possible interpretations for one sequence were contrasted with the following sequence and its particular closing to retrospectively answer why each sequence and then in sum the text was structured in its specific way. In a nutshell, it is the author’s choice between different possible sequences that is reconstructed holistically by interpreting sequentially specific actualizations chosen from a variety of viable alternatives (Oevermann 2000: 69ff). The two illustrations below show how this method played out in practice and what insights were gained by using it on a range of corporate documents published in relation to the two crises.

4.1. “And of course our major contribution remains to run a decent business” – Corporate meanings, uncertainty, and contradictions of Shell in Nigeria

It is almost impossible to underestimate the importance of oil for Nigeria and the conflicts the country experienced and continues to experience until today. As Soares de Oliveira (2007: 55) insightfully argues, “[o]il is an essential part of the continuous historical process of conflict and interaction through which a shared state mythology and national space of politics are created, even where state institutions no longer operate”. Beyond political issues such as ethnic struggles for (more) autonomy and rights, the failure to improve living standards despite increased oil production as well as environmental degradation created further causes for conflict (Zimmer 2010: 61f).11 Especially the question of how to distribute oil revenues among the various ethnic groups has become a highly contested issue and caused inter-ethnic strife for control of land containing oil wells. Because of these socio-economic, ethnic, and ecological conflict dimensions, the Niger Delta until today remains “one of the world’s most dangerous and difficult oil-producing areas” (Soares de Oliveira 2007: 252). Despite these challenges, tensions, and long-term dangers, Shell has a long history of operating in Nigeria. While initial explorations were first licensed in the 1930s, it was the 1950s that saw the creation of the Nigerian subsidiary Shell Petroleum Development Company (SPDC), new investments, and a massive increase in oil production. Today, Shell is the largest oil enterprise in Nigeria and accounts for almost

11 Most of the crude oil reserves are to be found in the massive and environmentally sensitive wetlands of the Niger Delta which implies onshore instead of offshore production.
half of the country’s oil production. No other company is as present in every-day life nor as closely linked to the government than SPDC (Omeje 2006: 33ff).

By the time the above-mentioned tensions erupted into a full-scale conflict in the early 1990s, Shell quickly became the target of both peaceful protest and violent actions. Through global media coverage, the crisis also quickly gained international attention (Zimmer 2010: 60f). Specifically, the reaction of Shell caused further criticism from civil society in the Western world as well as further violence and anti-oil protest locally. On the one hand, Shell did not engage in dialogue with local groups nor condemned the violence of the Nigerian government. Rather, the enterprise partially shut down its production in the region (Soares de Oliveira 2007: 248). On the other hand, in those instances where the enterprise remained active, it relied more heavily on state security forces. These security forces though in turn relied on regional “militarization, leading to repression, torture, looting, rape and extra-judicial killings” (Omeje 2006: 142) as the government saw a chance for retribution against ethnic groups such as the Ogoni. In May 1994, their popular leader Ken Saro-Wiwa and eight other activists were arrested and sentenced to death in what seemed to many as a show trial. The executions in October 1995 led to an immediate global outcry against the Nigerian government and Shell. Culminating in the allegation of complicity, Shell was held responsible and accused internationally for cooperating with a corrupt and authoritarian government Shell (Zimmer 2010: 75f).

In this context of both an immediate crisis (shutdown of production and threatened corporate security) as well as a long-term crisis (new expectations and failing routines), four corporate publications were considered. For reasons of immediacy, the first document was a newspaper advertisement published by Shell on November 21, 1995. This document marked the first corporate statement explicitly dealing with the crisis and the Ogoni executions. To maximally contrast the findings of this early document, a routinized publication from the web page of Shell published after 2009 was chosen. As a third document, the first sustainability report from Shell published in 1998 was analyzed. This report was also a direct response to what happened in Nigeria and time-wise fell in between the two first documents. Finally, a corporate statement in the Guardian by Malcolm Brinded from June 12, 2009, was analyzed. This statement was published in response to the out-of-court settlement of the Saro-Wiwa case and thus was expected to shed some light on how the enterprise concluded on the crisis. Table 2 summarizes these four documents and their contrasting characteristics. The findings are discussed in

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12 By the time the statement was published, Malcolm Brinded was Executive Director of Royal Dutch Shell and in charge of Exploration & Production.
Table 2: Analyzed documents and their contrasting characteristics for Shell

<table>
<thead>
<tr>
<th>title of document</th>
<th>date of publication</th>
<th>document characteristics</th>
</tr>
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<tbody>
<tr>
<td>Clear Thinking in Troubled Times</td>
<td>November 21, 1995</td>
<td>published in various international newspapers immediately after Ken Saro-Wiwa’s execution</td>
</tr>
<tr>
<td>The Ogoni Issue</td>
<td>after 2009</td>
<td>general corporate statement, not in immediate response to crisis</td>
</tr>
<tr>
<td>It is time to move on</td>
<td>June 12, 2009</td>
<td>short-term statement by Malcolm Brinded following the out-of-court settlement of the Saro-Wiwa case</td>
</tr>
</tbody>
</table>

two ways. First, insights from each document are presented individually. Second, as the paper is interested in potential change and contingency of corporate meanings in global governance over time, the individual documents are compared and discussed collectively over time.\(^{13}\)

In the first document, Shell claims a morally superior position vis-à-vis both the Ogoni and Western protesters. By comprehensively dismissing any form of criticism, the first document can be read as a self-righteous attempt to blame everyone else but the enterprise for what happened in Nigeria and to Ken Saro-Wiwa and the other Ogoni activists. Instead of engaging in debate, those who raised a critical voice are offensively discredited and blamed. The only corporate responsibility expressed in the document is to avoid getting involved in political issues. As an economic actor, the enterprise presents itself as incapable of action in the political realm. The document culminates in the argument that Shell acts at the mercy of the Nigerian government as well as an erratically protesting civil society, hoping “that knee-jerk reactions won’t do more harm than good”. The document concludes that “[p]olitics is the business of governments and politicians” and that a “world where companies use their economic influence to prop up or bring down governments would be a frightening and bleak one indeed”.

\(^{13}\) For the sake of brevity, the paper only presents the results of the four sequence analyses and forgoes a detailed reproduction of each interpretation in its own process. The main reason for this decision is a practical one as the sequence analyses were conducted in German. Thus, in this paper, only some of the “most telling” sequences were selected. As a supplement, the author provides the four documents as an invitation for all readers to engage in interpretation themselves.
The second document expresses a very different reaction as Shell tries to deescalate and downplay any criticism and the crisis itself. Despite explicitly addressing the Ogoni Issue in the title, the document remains very vague. Shell tries to evade criticism by presenting the conflict as very complex and argues that there are multiple dimensions to it. Ultimately, in all of these dimensions, it is not the enterprise which is responsible. While defining itself again as an economic actor, Shell is much more moderate and defensive in doing so. Although not fully supported by the enterprise either, civil society concerns are no longer denied their legitimacy nor are the protesters anymore blamed for what happened. Rather, Shell very cautiously brings in the Nigerian government. It is argued that “in the past, not enough oil revenue has been returned to the oil producing areas for developmental purposes”. Emphasizing their core responsibility to provide jobs and assure the effective exploitation of oil, the crisis is presented as a crisis of governance and the result of unjust distribution between a centralized government and local groups in Nigeria. Thus, 15 years later, Shell addresses the issue in an evasive way and corporate responsibilities are defined in minimalistic terms.

Interestingly, the third document reflects a certain uncertainty on behalf of Shell about what to do and what an appropriate corporate role entails. With regard to the crisis, the document presents the enterprise in contradicting ways. On the one hand, the crisis is described in much detail and even specific actions taken by Shell are mentioned. For example, it is stated that corporate officials urged the Nigerian government that Ken Saro-Wiwa “should be treated fairly in prison and should be given the necessary medical attention”. In comparison to the first two documents, Shell expresses a broader understanding of its own role as it states that “[w]e will continue to promote humanitarian values in Nigeria”. As such, the enterprise itself presents arguments which go beyond a narrow understanding of economic actors. On the other hand, the actions mentioned in the document express a certain hesitancy and the enterprise presents itself in a subordinate, almost submissive way. Shell only “asks for granting clemency” and advances arguments against the Nigerian government very carefully. In sum, the document indicates that Shell was struggling to define its own responsibilities in 1998. It appears that Shell was hesitant to play an active role in the conflict although it somehow felt obliged to act and do something. This leads to the contradiction that Shell accepted some responsibility while at the same time did not live up to this. The crisis is present for the enterprise and Shell is aware that its solution implies embracing more responsibilities, yet it appears uncertain how to realize these new responsibilities and integrate them meaningfully into the economic imperatives the enterprise feels it has to meet at the same time.
To a lesser extent, the same contradictions can be found in the fourth document which is characterized by the paradoxical attempt to engage criticism yet evade responsibility. The document also reflects the uncertainty and hesitancy expressed in the previous document. While not explicitly referred to, critical notions brought forwards by civil society against Shell are widely incorporated into the document. Apparently, the speaker sees the enterprise in a situation where it needs to justify its own actions. The alleged criticism, however, is rather quickly dismissed. Compared to the second and third document, the document more vigorously specifies corporate responsibility as limited to being an economic actor. In some way, this echoes the first document but does not advance the argument as aggressively. Thus, while not explicitly denying or rejecting criticism per se, Shell denies the implications of it and still does not engage with it in a constructive way. Consequently, the responsibilities of the enterprise remain vague as the “major contribution” of the enterprise in Nigeria “remains to run a decent business there”. What precisely the idea of “decent business” in the context of human rights violations and environmental degradation entails for Shell remains undefined.

Table 3 summarizes the findings and presents them chronologically. Across the four documents, there is no clear message that Shell is conveying with regard to its role in Nigeria. Predominantly, the enterprise is defining its own role in economic terms. However, especially the third and fourth document discuss aspects such as “humanitarian values” and the (unsolved since undefined) issue of “decent business”. While Shell understands such aspects more as additional contributions and not as constitutive for an enterprise, they are still included and create potential space for further criticism. One can find them in the documents because Shell overall remained uncertain about the right course in this crisis. The paradoxical interplay between such moments of corporate uncertainty and the immediate attempts to reassess corporate meanings and responsibilities became most visible and explicit in the 1998 Sustainability Report. Compared to the other documents, this report appears to be not yet “skilled enough” to conceal the challenges and contradictions Shell experienced in Nigeria. Neither the aggressiveness of the first nor the evasive character of the later two documents cover in this document the cracks in the very definition of being a multinational business. Despite these cracks, however, Shell remains unwilling to proactively define new corporate responsibilities or engage in deliberative dialogue with civil society. Although experiencing the situation in Nigeria as a full-scale crisis, Shell tries to adapt selectively to new expectations and does not comprehensively redefine its own role and responsibilities. This denial of responsibility and dialogue comes with the cost of presenting the enterprise’s scope of action as very limited. It appears
Table 3: Corporate meaning and crisis management of Shell in Nigeria, 1995-2009

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</thead>
<tbody>
<tr>
<td><strong>Reacting to Events, Self-Righteous and Aggressive in Tone</strong></td>
<td>reacting to events, self-righteous and aggressive in tone</td>
<td>open, explicit, and in some instances rather detailed</td>
<td>personal and emotional without directly engaging with criticism</td>
<td>evasive and carefully measured, contextualizing the &quot;conflict&quot;</td>
</tr>
<tr>
<td><strong>Expressed Self-Perception</strong></td>
<td>exclusively as an economic actor and as such morally superior</td>
<td>as both an economic and socially engaged actor, which distinguishes Shell from other enterprises</td>
<td>as a prudent economic actor important for development</td>
<td>as an economic actor which may provide other functions, too</td>
</tr>
<tr>
<td><strong>Definition of Corporate Responsibility</strong></td>
<td>minimalistic responsibility, limited to economic activity</td>
<td>imprecisely defined and contradictory, besides economic social responsibilities</td>
<td>mostly economic, but also vague reference to limited social and political responsibilities</td>
<td>primarily economic responsibilities; other engagement beyond that considered as &quot;bonus contribution&quot;</td>
</tr>
<tr>
<td><strong>Definition of Corporate Scope of Action / Competences</strong></td>
<td>incapable of solving conflict, dependent on Nigerian government</td>
<td>rather capable but somehow unwilling to act / intervene</td>
<td>capable of acting and decision-making</td>
<td>rather limited, at best only supporting other actors</td>
</tr>
<tr>
<td><strong>Definition of Crisis</strong></td>
<td>crisis a tragedy caused by protester and critics</td>
<td>caused by missing infrastructure investments by the government</td>
<td>downplaying the conflict, rather evading than defining crisis</td>
<td>breaking up conflict into political, economic, and ecological dimension</td>
</tr>
<tr>
<td><strong>Relation to Other Actors</strong></td>
<td>cautious towards Nigerian government, aggressive towards critics and protester</td>
<td>subordinated but also noncommittal to any other actor</td>
<td>relation to other actors not explicitly elaborated</td>
<td>no reference to civil society; careful articulation of slight discontent with Nigerian government</td>
</tr>
<tr>
<td><strong>Reaction to Criticism</strong></td>
<td>no understanding; explicit rejection</td>
<td>criticism not explicitly referred to, yet incorporated in own rhetoric</td>
<td>constant rhetoric references to criticism without engaging it</td>
<td>evading and relativizing critique by adding additional &quot;crisis facts&quot;</td>
</tr>
</tbody>
</table>
to be more important for Shell to not be considered responsible for the crisis than to appear to be in control of the situation. Thus, even though all documents have been devised, authored, and revised by public relation departments, in sum they fail to hide the fact that Shell is deeply uncertain and undecided about how to make sense of new expectations and accommodate these.

Comparing the four documents over time also reveals that Shell did not have a clear, discernible crisis management strategy. The different documents feature very different ways of how the enterprise tries to engage with civil society, deal with criticism, play down the crisis and limit the damage, as well as present itself in a positive light. There is no consistent pattern to the meanings evoked by Shell, indicating that the enterprise constantly assessed, failed, and reassessed the crisis and its reaction to it. Given the aggressive tone of the first document, it is rather difficult to frame Shell as a rational and strategizing actor trying to evade criticism. The overall picture from analyzing the corporate documents rather shows an enterprise which is overwhelmed and overtaxed by the expectations and persistence of civil society criticism and which struggles to react to them accordingly. Not expecting those discredited in the first document to be as powerful and influential as they turned out to be, Shell had to learn the crisis lesson the hard way. “Shell’s sluggish response to the unfolding debate” (Holzer 2010: 49) then is a function more of ’try-and-error’ and clearly shows the limits of the notion of relying exclusively on the notion of corporate rationality when studying business in global governance.

Ironically, the main crisis lesson for Shell then was to present itself more cautiously and defensively. Instead of engaging the crisis and its related criticism head-on as it did in the first document and to a lesser extent in the 1998 Sustainability Report, Shell in the later documents after 2009 appeared to be much more experienced in dealing with the crisis rhetorically. Nevertheless, novel understandings and new corporate meanings had to be considered and because of that succeeded into the public discourse as the enterprise tried to incrementally adapt its own role and responsibilities. Both, in turn, increased the pressure on the enterprise to further change its behavior. Although reluctant and in an indecisive way, Shell began to very carefully voice criticism towards the Nigerian government and after 1995 no longer blamed the protester for what happened to Ken Saro-Wiwa and the other activists. At the same time, Shell became more involved in community development and other social activities in Nigeria (Zimmer 2010: 67ff). It is surprising, though, that this engagement is not prominently showcased in the documents. According to Soares de Oliveira (2007: 249), the enterprise increased its social spending from $100,000 in 1991 to $69 million in 2002 yet none of that is featured in the documents.
One can argue that despite improving community-company relations here and there, Shell is not willing to feature its engagement prominently in their self-description because the enterprise fears that others might consider such spending as corporate obligations. As the enterprise holds on to the notion of being an economic actor only, these measures rather mark moments of corporate uncertainty and attempts of “damage control” than expressions of a fundamentally changed role of the enterprise in Nigeria or a successful integration of Shell into a new governance role.

4.2. “Delivering value to our shareholders” – Corporate meanings, straightforwardness, and image branding of ExxonMobil in Indonesia

With the notable exception that it lacked a popular public figure such as Ken Saro-Wiwa and therefore saw significantly less public awareness, the crisis in Indonesia and the role of ExxonMobil in it features some parallels to that in Nigeria and Shell’s involvement. Just as in the first case, the oil industry in Indonesia really took off in the 1960s and 1970s and from the very beginning involved foreign enterprises. The majority of oil was found in the province of Aceh which until then was economically neglected by the central government only to become the main engine for national development within a matter of years (Barnes 1995: 22ff). Dependent on foreign investment and expertise, the Indonesian government and its state-owned enterprises tried to attract multinational enterprises and entered unfavorable contracts with them. The majority of the largest natural gas field in Aceh, for example, is owned by the state-run enterprise Pertamina but in reality it is operated by ExxonMobil. Almost a quarter of ExxonMobil’s global revenues are being generated from this field alone. Due to such business arrangements, the local population experiences foreign business mostly through social uprooting, economic tension, and discrimination, as well as environmental degradation as revenues are not distributed, but rather kept between the centralist government and foreign enterprises (Schulze 2007: 204f).

However, as in Nigeria, there is more to the conflict than rapid economic development, ecological destruction, and unbalanced revenue distribution. Just as the Ogonis, the Acehnese people have also long struggled for more political autonomy and there are cultural and religious tensions between the province and the rest of Indonesia. These tensions escalated into open conflict multiple times since the province was included into post-colonial Indonesia in the late 1940s. First in 1959 in the so-called Darul Islam rebellion and then later through the Gerakan Aceh Merdeka (Free Aceh Movement), the province became the stage for a brutal civil war. Independent of, yet at the same time
fueled by oil, the conflict overall saw more than 12,000 people killed as well as hundred of thousands displaced. Until today, the province remains in an unstable state of violence, insurgency, and on the brink of political disintegration (Robinson 2001: 213f). Faced with the centralist tendencies of the Suaharto government and privileged foreign business, it was specifically the Free Aceh Movement which emphasized the socio-economic conflict dimension and carried out operations against foreign enterprises in general and Mobil Oil Indonesia in particular. The centralist government answered with a brutal and systematic terror campaign. According to several NGO reports, the measures taken by the Indonesian police force and military included “arbitrary arrest and detention, torture, ‘disappearance’ or summary execution” of those who were directly or indirectly associated with the GAM (Schulze 2007: 203).

After the end of the Suharto era, the situation in Aceh once again erupted into a large-scale insurgency between 1999 and 2001. Foreign business again became the target and ExxonMobil again relied heavily on state security forces which were well-known for their uncompromising measures and brutal approach against protesters. Rather than condemning the use of violence, ExxonMobil officially stated it would stay out of the conflict. However, with the exact amount being subject to ongoing debate, it can safely be assumed that ExxonMobil not only paid state security forces but also logistically and material-wise supported the Indonesian police and army in their campaign. Nevertheless, faced with ongoing protest and acts of violence, ExxonMobil had to shut down its on-shore production in Aceh on March 9th, 2001 (Heiduk/Kramer 2005: 343). Despite this shutdown, there is little to be found in terms of official corporate statements dealing with the crisis in Aceh. Unlike the Shell case, there are no accounts of the crisis presented in corporate sustainability reports nor under current issues on the enterprise’s homepage. Thus, before any document was analyzed, one could already conclude that ExxonMobil saw no need to publicly position the enterprise towards a humanitarian crisis. Even when operating in the midst of a brutal civil war and when forced to take sides and shut down operations, ExxonMobil did not see the necessity to discuss or justify itself in the public realm. Specifically during and immediately after the crisis, there is no statement issued by ExxonMobil. Table 4 lists those three documents that could be found and that were considered in the sequence analysis.

The first document represents a 16 page report published on the corporate homepage. It marks the operational foundation for ExxonMobil Indonesia but does not cover it in depth. Rather, it refers to the Standards of Business Conduct published in November 2011 which were analyzed as the second document. Finally, the 2006 Corporate Citizenship
Table 4: Analyzed documents and their contrasting characteristics for ExxonMobil

<table>
<thead>
<tr>
<th>title of document</th>
<th>date of publication</th>
<th>document characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>ExxonMobil in Indonesia</td>
<td>May 2010</td>
<td>company statement of ExxonMobil Indonesia, published after the crisis</td>
</tr>
<tr>
<td>Standards of Business Conduct</td>
<td>November 2011</td>
<td>company statement focused on corporate values and policies</td>
</tr>
<tr>
<td>2006 Corporate Citizenship Report</td>
<td>2006</td>
<td>first annual report published after Aceh peace agreement</td>
</tr>
</tbody>
</table>

Report was considered as it marked the first report after the peace agreement between the Indonesian government and the GAM. In terms of date of publication, authorship, audience, and intent, this selection features a limited degree of contrast. However, these three documents were the only documents that promised at least some insights into corporate meanings held and expressed by ExxonMobil during and after the crisis. All three documents in fact play an important role in the self-portraying of ExxonMobil as there are no other statements available which present the enterprise to the public. Thus, even if limited in terms of contrasting each other as well as with regard to the depth the crisis was covered, each document is still valuable for the task at hand here. Just as with Shell, the findings from these three documents are discussed individually first before potential changes and contingencies of corporate meanings are traced over time by considering the documents collectively.

Interpreting the ExxonMobil Indonesia report as the first document already revealed an interesting paradox. While regionally located (“ExxonMobil in Indonesia”) and thus assumed to discuss the crisis in one way or another, the report does not feature any reference to local conditions or situational circumstances. Despite listing rather fundamental questions such as “Who we are”, “What we do” and “How we operate” as headlines, none of these are discussed or answered, either in reference to Indonesia or more generally. Rather, it appears to be more important for the author to create a positive self-portrayal as a successful enterprise. By stating ExxonMobil’s importance as an economic actor as well as its corporate achievements in terms of expanding operations and increasing shareholder values, the report remains unspecific and the questions raised are not answered but in very vague terms. Becoming socially more responsible or even proactively intervening in the crisis is fundamentally less important for ExxonMobil than sheer corporate size
and the fact that the enterprise operates globally and hence successfully. Steeped in an economic logic, the document implicitly expresses that only these aspects and no further social or political engagement are constitutive for multinational business. Based on this logic, the only corporate activities discussed in the document are those that cast ExxonMobil in a positive light. Instead of at least talking the language of human rights, the enterprise understands itself to be irreplaceable in today’s modern world simply because it is best suited to meet present and future consumer demands.

The second document considered is framed almost identically as it continues to present and discuss the enterprise in economic terms only. In addition to this, the Standards of Business Conduct express an instrumental business logic which serves for ExxonMobil as a ubiquitous frame of both reference and justification. It also defines the appropriate role for MNEs in making profit and guaranteeing shareholder value. Such an instrumental understanding of MNEs is not concealed at all but rather advanced and presented as an asset. Because of permanent competition and in order to satisfy both customers and shareholders, all corporate activities must be subordinated to and always aligned with economic goals. Corporate success is defined in delivering the highest value to shareholders and all means necessary to achieve this objective are implicitly justified. It is argued that if not for this mode of action, ExxonMobil would not be reliable for potential investors. Basically, a publication intended as an outline of corporate values and policies becomes another advertising booklet of why it is good to invest in ExxonMobil. While much energy is dedicated to convey this instrumental image, normative values remain noticeably vague and non-specific. “High ethical standards”, mentioned once in the document, remain ill-defined and less important than the instrumental maximization of shareholder value. All in all, there is no reference to the crisis whatsoever as ExxonMobil exclusively relies on economic aspects to constitute and distinguish itself as a multinational enterprise.

The official 2006 Corporate Citizen Report analyzed as the third document also echoes with the same instrumental logic. This logic is once again not concealed, but rather highlighted as an asset. At the same time though, the document outlines the corporate role and its relation to social engagement more explicitly as it refers, albeit in general terms, at least in some form to the issue of human rights and the crisis in Indonesia. These themes are discussed by advancing the argument that foreign enterprises are important for the economic development of any country and should therefore receive specific protection since this would be in the instrumental interests of any government. Accordingly, it is not the enterprise but the host government that is responsible “for maintaining law and order,
ensuring security, and protecting human rights”. Basically, this line of reasoning limits the role of the enterprise to specifying security expectations which are then realized by state forces. By limiting its own responsibility in such a way, ExxonMobil expresses the deeply held belief that the economic and the political realm, while operating under the same need of acting instrumentally, are fundamentally different and therefore have to be separated. In order to keep it this way, “assigned government security” is responsible for protecting ExxonMobil. Ideally, this can go hand in hand with human rights but if need be, human rights have to be compromised to ensure the provision of security. With this said, the corporate (non-)action in Aceh provides for ExxonMobil a best practice example of what a multinational enterprise should do in a situation of conflict: continue to operate and let the government solve the issue.

Table 5 summarizes the findings and presents them in the same way then they were presented in the Shell case. While the two crises feature some parallels, the corporate meanings ExxonMobil expressed in the analyzed documents differ significantly from those found in the first case. The enterprise ‘succeeds’ in presenting itself in a very straightforward, logically coherent, and consistent way without showing any contradictions or signs of uncertainty. While Shell primarily defined itself and its responsibilities in economic terms, ExxonMobil does so exclusively. The language used is much more explicit with phrases such as “delivering value to our shareholders” (document 1) or the assumed need of “running the business profitably” (document 2). Corporate responsibility, so the conveyed image from the documents, for ExxonMobil ends right here. In fact, any activity or social commitment must instrumentally serve economic gains. Good corporate citizenship in a crisis such as Aceh is defined by communicating expectations to the host government while the enterprise itself does not have any other duty than operating efficiently. The very fact that ExxonMobil considers social responsibilities in this frame is presented as an asset as the enterprise predicts corporate success for those enterprises which act instrumentally.

ExxonMobil understands instrumental action to be a necessary feature of the corporate world because of permanent competition and the need to continuously expand. It is basically an imperative for the enterprise born out of economic structures. The documents considered convey a world of enterprises which permanently compete with each other and whose very existence is based on succeeding in this competition. If an enterprise continues to be successful despite permanent competition, so the argument goes, it must truly be beneficial for customers and will therefore continue to operate in the future. Because of its non-commitment and non-reference to the Aceh crisis, ExxonMobil meets
Table 5: Corporate meaning and crisis management of *ExxonMobil* in Indonesia, 2006-2011

<table>
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<tr>
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<tbody>
<tr>
<td>expressed self-perception</td>
<td>descriptive, attempting to appear factual and objective</td>
<td>exclusively descriptive, steeped in instrumental and strategic logic</td>
<td>openly instrumental which is presented as an asset</td>
</tr>
<tr>
<td>definition of corporate responsibility</td>
<td>as a secure economic actor</td>
<td>as an economically successful actor able to promote development</td>
<td>obligated to strategically maximize profit and shareholder value</td>
</tr>
<tr>
<td>definition of corporate scope of action / competences</td>
<td>limited to communicate security expectations to host government</td>
<td>limited to economic responsibilities where <em>ExxonMobil</em> is most competent and successful</td>
<td>economically defined, normative values instrumentally subordinated</td>
</tr>
<tr>
<td>definition of crisis</td>
<td>incapable of incorporating human rights or other values</td>
<td>only economic activities considered</td>
<td>only economic activities considered</td>
</tr>
<tr>
<td>relation to other actors</td>
<td>crisis as a dilemma between human rights and corporate security</td>
<td>crisis not referred to due to its non-economic character</td>
<td>crisis not explicitly covered but implicitly defined as political</td>
</tr>
<tr>
<td>reaction to criticism</td>
<td>carefully asking host government to provide security</td>
<td>other MNEs defined as relevant others with which to compete</td>
<td>responsible only towards customers and shareholders</td>
</tr>
<tr>
<td></td>
<td>criticism redirected towards Indonesian government</td>
<td>no reference to any criticism, positive corporate self-portrayal</td>
<td>criticism not considered valid, corporate action rather exemplary</td>
</tr>
</tbody>
</table>
these expectations and can present itself as a exceptionally ‘successful’ MNE. Basically, because of the ubiquity of instrumentality and competition, the manifest meanings held and expressed by the enterprise all communicate success and a positive self-image. In the end, it is the instrumental refusal of even considering and discussing new expectations and changed corporate roles that characterizes the case of ExxonMobil.

Other than with Shell, this structure remains very consistent throughout all documents and there is little to no contingencies to be found. In fact, there is not a single instance of ExxonMobil tripping rhetorically. Given that within the logic of ExxonMobil a multinational enterprise does not have to discuss events such the Aceh crisis or other human rights violations, one can consider the expressed need for instrumentality as a clever attempt to protect the enterprise from having to answer to new expectations. The continuous and consistent references throughout the documents to an exclusively economic role allows ExxonMobil to circumvent any form of criticism, uncertainty, or debate. Alternative social expectations other than making profit are turned down by the relevance of just that one expectation. In that sense, ExxonMobil is using the very image of corporate agency that was theoretically criticized in the last section in order not to become more responsible. Other expectations are simply not considered as the enterprise does not engage in any discussion whatsoever on what is appropriate and what is not for an MNE. In this sense, the crisis did not have an effect on the enterprise. Whether this is due to the fact that ExxonMobil was not criticized and exposed as much as Shell or can be explained by other factors remains to be discussed in the conclusion.

5. Conclusion

While the paper shares the assumption that private business increasingly participates in new modes of governance and also recognizes a need for macro-scaled accounts to consider this development, it argues at the same time that assessing individual enterprises in specific situation of crisis and reconstruct their expressed meanings offers additional insights as to how MNEs do (or do not) become a part of global governance. Such corporate participation is not considered to be a logical imperative or necessity, but rather the “result of a political process [that] is shaped by power, access, mobilization, leadership, and other political variables” (Avant et al. 2010: 7). It was argued that MNEs neither find predetermined structures of governance to easily integrate into nor do they encounter and experience new expectations based on predefined and fixed interests and rationality. As long as global governance focuses on questions of functional efficiency and aims to answer
those questions in sweeping conclusions while ignoring moments of disorder, contestation, and failure, it seems to be limited in its consideration of business actors. In fact, the more comprehensive the research perspective on business, the less can be said about how individual enterprises deal with uncertainty, ambivalence, and contradicting expectations immanent in the process of becoming political actors. Thus, it was argued that individual enterprises and their expressed corporate meanings and beliefs should be considered to better understand how an enterprise acts as well as to assess whether these actions can be considered as meaningful governance contributions.

In light of this, the paper proposed a perspective focused on specific corporate crises. While surely not answering all questions, the two illustrations advanced in this paper showed that it is worthwhile to complement macro accounts of business in global governance by more individual, in-depth, and business-centered case studies. Comparing Shell’s corporate meanings expressed during the Nigerian crisis and afterward with those of ExxonMobil expressed in the context of Indonesia showed that the two enterprises shared some notions about the appropriate role of business in global governance yet also expressed very different meanings at the same time. The sequence analyses were able to show that Shell was hesitant and reluctant to engage socially and become involved in the crisis. The enterprise held on to the notion of being primarily an economic actor and as such not responsible for the crisis. At the same time though, the crisis was discussed from a political and social perspective and it was argued that the enterprise’s business had to be conducted decently. While evading a substantial debate on what it means to be a decent multinational enterprise and thus not specifying what is meant by that, Shell presented itself in contradicting ways and did not express a consistent set of corporate meaning. The documents published by Shell rather resonate with hesitancy, uncertainty, and ambiguity as the enterprise continues to trip rhetorically over issues such as human rights and moral values. While reluctantly opening itself towards such aspects, the enterprise seems to be unable to deal with them meaningfully. It appears that Shell underestimated the seriousness and gravity of the crisis as well as the pressure created by civil society. As this had to be learned the hard way, Shell had a difficult time dealing with new expectations and responsibilities.

The ExxonMobil illustration presents a very different story of corporate agency in crisis. While holding on to the same basic and rather limited economic understanding of business in global governance, in the documents considered there are no logical contradictions or rhetorical trippings at all. Rather, by emphasizing economically defined responsibilities only, ExxonMobil manages to evade opening itself to any debate about
other social expectations. Acting instrumentally and subordinating everything to profit is what constitutes a multinational enterprises. The crisis in Aceh as well as other themes such as human rights and good corporate governance are cast in a logic of instrumental rationality where the enterprise most efficiently deals with those things by ignoring them and not letting them stain the corporate image. Basically, ExxonMobil is immunizing itself against new expectations by relying on a very narrow and limited understanding of multinational business and corporate responsibilities. While this most likely is the result of strategic calculation by the enterprise, at the same time the sequence analyses have shown that ExxonMobil does not only communicate this logic but in fact defines itself through it. Although it might serve the enterprise well, limiting itself to economic responsibilities is more a function of fundamental beliefs about corporate meanings than a PR attempt to keep the enterprise out of harms way.

The paper deliberately limited itself to reconstructing rather than explaining the differences between the two illustrations. Without discussing them in detail, three factor might be considered. First, the documents analyzed for Shell were more diverse than those of ExxonMobil. While the first case covered a period from 1995 to 2009, documents for ExxonMobil could only be found between 2006 and 2011. Also, there was more divergence in authorship in the Shell case than for ExxonMobil. Thus, the more consistent crisis management of ExxonMobil may partly result from the fact that the ExxonMobil was speaking ‘with one voice only’.14 Second, the two enterprises might have dealt with their crises in different ways simply because they differ in their not only in their beliefs but also in their corporate structures and corporate cultures. While similar in many ways, each crisis fell on very different ground within each enterprise. This leads to the third factor as one could argue that the two crises were experienced in different ways. Despite their similarities, Nigeria appeared to be a more fundamental challenge for Shell than Indonesia for ExxonMobil. While Shell published and discussed its crisis more comprehensively because it felt more obligated to do so, ExxonMobil did not consider the crisis in that way. Basically, Shell was more vulnerable than ExxonMobil as there was more awareness and pressure from civil society. In this vein, one would have to consider parallel events surrounding each crisis such as the intended sinking of the Brent Spar for the Shell case (Holzer 2010: 33ff).

14 This obviously resonates well with the idea of instrumental communication expressed by ExxonMobil. To further pursue this factor, more diverse documents would have to be analyzed. While the two crises discussed here were covered in detail, further research could thus consider other crisis situations such as the intended sinking of the Brent Spar for Shell to increase the range of available documents and also in order to see if different crises (i.e. environmental vs. human rights) play out differently.
Despite their differences, the two illustrations also overlap to the extent that in reaction to an imminent crisis, both enterprises are very reluctant to leave their comfort zone of being an economic actor. Both enterprises clearly hold on to the notion that the private and public should remain separated. Any argument that politicizes or moralizes the enterprises as well as anything that only remotely makes them responsible and thus liable is firmly rejected. It is likely that both Shell and ExxonMobil express these corporate meanings because they know that social expectations about the appropriate role for business already have changed and are most likely to change further in the future. The documents in this sense appear as defensive measures by MNEs uncertain about their own role. Both enterprises are very hesitant to present themselves as political actors let alone act as such. Integrating such hesitant enterprises meaningfully into robust structures of governance can safely be assumed to be a huge challenge. Given the very fundamental belief of not being involved, neither functional necessity nor a potential moral case to be made is likely to make either Shell or ExxonMobil socially responsible.

Given these difficulties, considering how MNEs define themselves and constitute their responsibilities in global governance appears to be important both for understanding and changing future corporate roles. While some are optimistic about MNEs becoming political actors (Scherer/Palazzo 2008), the two illustrations caution to be more careful. Reading the findings against a global governance narrative in fact suggest a gap between academic reflection on the one hand and beliefs and meanings expressed by MNEs on the other hand. While there are empirical instances in which we see business performing governance functions and thus blurring the line between public and private (Wolf 2008), it remains to be seen whether these instances reflect a fundamental change in corporate beliefs or rather situational adjustments. If it only includes the latter, much of the optimism expressed in global governance appears to be unwarranted and the role of business within it needs to be reconsidered. Two final thoughts follow. One is theoretical in nature and raises the question how to conceptualize business in global governance while the other is practical and raises the question on how to integrate business in global governance.

First, one can conclude that MNEs always act rationally, except when they do not. The corporate actions expressed in the two illustrations at least do not appear to be based on rational or strategic calculations. Rather, both enterprises relied on corporate try-and-error strategies as a “hedge against the murky future or as a commitment to a learning process” (Vernon 1971: 115). Faced with crisis, Shell and ExxonMobil had to develop courses of action whose outcomes remained unclear until tried out. Speaking in terms of actor conceptualization, one can conclude that viewing “the firm as a
coherent and identifiable actor in world politics has many parallels with the neorealist
view of the state as atomised, unitary and essentially rational” Amoore (2000: 185). No
matter how helpful such a perspective might be to understand some dynamics of world
politics, limiting oneself to just that one perspective appears to be dangerous. Given the
immense complexity of MNEs, discussing business in global governance needs a plurality
in accompanying theoretical discussions and perspectives. The illustrations in this paper
have indicated that there is potential for a complementing language to (re-)conceptualize
MNEs as social actors. Given the normative expectations inherent in global governance,
it is important to understand how precisely these affect MNEs and constitute the con-
tingent phenomenon of corporate agency in the 21st century. In the end, the “definition
of what it means to be a successful firm” (Kollman 2008: 415) remains an open question
whose answer depends on as advancing and using all theoretical perspectives available.

Second, the “debate about the range of strategic choices open to us in the present and
future” on how to integrate MNEs in global governance should be as broad as possible
(Zeitlin 2007: 135). Rather than letting functional necessity or assumed corporate ratio-
nality narrow it down, the whole range of available policies should be considered. This
obviously includes the governing of rather than only the governing with MNEs. Also,
engaging and challenging MNEs in their uncertainty about their roles and responsibilities
within and beyond public-private partnerships appears to be one way of reconsidering
business in global governance. Precisely their narrow understanding of what it means to
be a political actor and how they try to separate their economic activities from this ought
to be challenged, both in immediate crisis and in routinized situations. As argued by
Dewey (1922: 146) a long time ago, imputing to corporate actors acquisitive motives only
risks to loose the means necessary to actually better conditions. Neither are they limited
to such motives nor should they be. Considering historical contingency as well as the
fact that corporate agency in crisis by nature relies on creativity, governance partnerships
need to be designed carefully so that they create enough space for MNEs to participate
yet also exercise enough pressure on them. In addition, global governance needs a critical
and lively civil society creating and sustaining moments of corporate crisis. Accompanied
by an academic discourse which sheds some of its optimism and thereby makes it harder
for MNEs to evade new expectations, the future of business in global governance is open
for debate, now more than ever.
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