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Global Fields, Institutional Emergence, and the Regulation of Transnational Corporations

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Abstract

World society theory has developed to become a major sociological perspective on globalization, focusing on the diffusion of global institutions and increasingly on the domestic impact of those institutions. Nevertheless, the emergence of global institutions has received less attention, raising questions about whether core elements of world society—institutional structures, actorhood, legitimacy—are sufficient to also explain how global institutions arise. This article proposes a “global fields” approach in which institutional emergence is conditional on the interaction between state and non-state actors around the exercise of international authority. Using archival United Nations (UN) data, I demonstrate this field approach through an historical review of global efforts in the UN to build a framework for the regulation of transnational corporations. In the 1970s, developing countries mobilized around a New International Economic Order, arguing that regulating foreign investment would contribute to economic justice. These efforts failed to establish a new globalization because state actors mobilized around national interests, state power, and centralized hierarchical regulation. Subsequently, in the 1990s, non-state actors were more successful in establishing the Global Compact, a global framework for corporate social responsibility, as they emphasized transcendent purposes, voluntarism, and collaboration. This case demonstrates the utility of a global fields approach to institutional emergence by highlighting the importance of how global fields structure interests, participation, strategies, and outcomes in global processes. The article concludes by discussing the theoretical implications of a global fields approach for the world society perspective and studies of the origins of global processes.

World society theory has developed to become a major sociological perspective on globalization (Meyer 2010), particularly in explaining the diffusion of many prominent features of global life, including international organizations (Boli and Thomas 1997), science (Drori et al. 2003), human rights (Hafner-Burton and Tsutsui 2005), environmentalism (Frank, Hironaka, and Schofer 2000), and education (Schofer and Meyer 2005), while research on the outcomes of these diffusion processes has also gained increasing emphasis (Hadler and Symons 2018; Hironaka 2014; Lim 2017; Pope and Meyer 2016; Shorette 2012). Nevertheless, the emergence of global institutions has received less attention, despite calls to address how core world society arguments also apply to new global institutions (Hironaka 2014).

This article addresses the question of institutional emergence by arguing that core features of world society theory, such as institutional structures, legitimacy, and actorhood, can be more systematically examined in the context of global fields (Dézalay and Garth 1996; Go 2008), in which state and non-state actors interact in domains of cooperation and contestation around specific issues of global concern. By themselves, institutional structures, legitimacy, and actorhood do not explain why some global institutions emerge while others do not, without some explanatory framework for interaction, authority, and change. In the context of global fields, elements of world society can be more productively analyzed as a product of how interaction between field incumbents and challengers centers around the accumulation and exercise of international authority (Ruggie 1982), the relationship between state and non-state actors (Barnett and Finnemore 1999), and the prevalence of conflict (Koenig and Dierkes 2011) and political contestation (Bartley 2007). Specifically, a global fields approach contributes to the understanding of the emergence of new global institutions by drawing attention to how interests, participation, strategies, and outcomes in globalization are structured by the wider interactional context in which state and non-state actors compete and cooperate. Thus, a global fields perspective allows us to make sense of why global institutions emerge in some contexts and not others, and whether those institutions address global change in a deep or superficial manner.

Using archival United Nations (UN) documentary data, I elucidate this approach to global institutional emergence with an empirical assessment of historical attempts within the field of the UN to construct a framework for the regulation of transnational corporations (Campbell and Peterson 2001). In the postwar era of the twentieth century, there was a rapid increase in the number of transnational corporations worldwide (Gabel and Bruner 2003), accompanied by growing

discourse about global governance (Levy and Kaplan 2008), in turn leading to a wave of global efforts to address global concerns, among which emerged a global corporate social responsibility (CSR) movement (Meyer, Pope, and Isaacson 2015). In the 1970s, developing countries in the UN mobilized around a New International Economic Order, arguing for a regulatory framework for transnational corporations and economic justice. The New International Economic Order failed to coalesce as a global institution because state actors mobilized around national interests, state power, and centralized hierarchical regulation, reflecting the broader Cold War context of the 1970s and 1980s. Subsequently, in the 1990s, non-state actors within the UN were more successful in establishing a global institution around the Global Compact, a global framework for CSR, as they emphasized transcendent purposes, voluntarism, and state/non-state collaborations, reflecting the global governance concerns and neoliberal economic context of globalization of the 1990s.

Institutional Emergence and Global Fields

Over the past two decades, scholars working from the world society perspective have sought to explain the diffusion of global institutions across countries despite the lack of a global regulatory hegemon and amidst widely varying domestic contexts (Schofer et al. 2012). In this view, institutions are “cultural rules giving collective meaning and value to particular entities and activities, integrating them into the larger schemes” (Meyer, Boli, and Thomas 1987, 13). World society theory argues that states worldwide come to adopt similar institutions in conformity to what they perceive to be legitimate in the wider global culture (Meyer et al. 1997; Meyer 2000, 2010), rather than solely for functional or economic reasons. However, this raises the question of how such global institutions emerge in the first instance. World society research has focused on the diffusion of global institutions (Schofer et al. 2012) and has also increasingly turned its attention to outcomes (Cole 2012; Koenig and Dierkes 2011; Lim 2017; Shorette 2012), although less is said about the emergence of global institutions (Hironaka 2014). Prior research and theory suggest that emergence, diffusion, and outcomes should be analytically distinguished because different factors may be more salient at different phases of institutionalization (Finnemore and Sikkink 1998; Tolbert and Zucker 1983; Zucker 1987). I argue that the emergence of global institutions can be more productively examined within a field-theoretic framework that takes seriously the impact of interaction (including competition and conflict between state and non-state actors) around the central notion of international authority.

Social field theory is a prominent perspective on domains of social interaction in which actors with different habituated dispositions utilize various forms of capital to compete for dominance. Associated primarily with the work of Pierre Bourdieu (1985), field theory has a multidisciplinary history (Martin 2003) and has also been applied to the study of organizations (DiMaggio 1983; Emirbayer and Johnson 2008), social movements (Armstrong and Bernstein 2008), globalization (Dézalay and Garth 1996; Go and Krause 2016), and strategic collective action more broadly (Fligstein and McAdam 2012). This paper proposes that field theory offers an explanation of institutional emergence in globalization since it highlights the concrete contexts of social interaction that structure how new cultural rules may emerge; thus, accounting for why some global institutions are more successfully institutionalized and others not.

Given that active intervention is more likely to be involved in institutional emergence (Jepperson 1991), as opposed to diffusion processes that may be unreflective and mimetic (DiMaggio and Powell 1991, 13), attention to field interaction can reveal how new institutions may reflect the outcome of unequal relationships between incumbents and challengers (Fligstein and McAdam 2011), contestation (Bartley 2007), and socialization and collective action in global domains (Hopewell 2015). More specifically, this paper employs the strategic action fields perspective (Fligstein and McAdam 2011), which synthesizes insights from the broader field theory, organizational sociology, and social movements theory (Fligstein and McAdam 2012), and contributes to an explanation of institutional emergence in world society in two ways.

First, in the world society perspective, new global institutions emerge when disinterested “Others” help to promulgate new global norms (Meyer 2010), often conferring “actorhood” on regulatory bodies or international organizations that are authorized to enact progressive scripts (Hironaka 2014, 81–87). However, a global fields approach draws attention to the unequal ways in which those global actors influence the emergence of new global institutions, often with significant power differences between incumbents and challengers (Fligstein and McAdam 2012, 13). The field approach thus accounts for how the wider interactional context structures conflict, interests, and participation among global actors that adopt different strategies to dominate the field or challenge existing institutions. Unequal power and differences in strategies in a specific field can help explain why some institutional outcomes are more likely to emerge than others.

Second, new institutions in world society are thought to emerge when they conform to ideas that are legitimated in the wider global culture (Hironaka 2014, 107; Meyer et al. 1997), although how this legitimation process occurs concretely is

often left unexplained. In global fields, I propose that global actors accumulate and exercise international authority as a kind of capital to persuade, argue, and even coerce other actors to accept new shared definitions that emerge at the global level (Go and Krause 2016, 9). International authority is the Weberian notion that Ruggie (1982, 385) defined as the “fusion of power and legitimate social purpose.” Rather than assuming that the legitimacy of global institutions is given, a global fields approach explains institutional emergence by focusing on processes whereby global actors accumulate and use their international authority more effectively than other actors.

Although this paper’s theoretical thrust is to illustrate how a field approach contributes to the world society perspective on institutional emergence, some discussion of why strategic action fields, rather than another variant of field theory, a realist approach, or other constructivist perspectives, is warranted. This paper does not attempt a full treatment of the differences between variant field theories (Emirbayer and Johnson 2008; Martin 2003) that are, in any case, still being adjudicated among scholars (Go and Krause 2016, 7; Wang 2016, 351). Suffice to say, strategic action fields offer a more generalized account of meso-level collective action (Fligstein and McAdam 2011; Go and Krause 2016, 8) while still retaining core features of Bourdieu’s original conception of fields. Particularly, strategic action fields more directly address collective actors, coordinated action, field change, and interaction between fields (Fligstein and McAdam 2012, 24–26), aspects of fields that Bourdieu and others (Buccholz 2016; Dézalay and Garth 1996) did not fully develop given their focus on individual actors, competition, and pre-existing social fields. The strategic action fields approach builds on research in social movements and new institutionalism (Armstrong and Bernstein 2008; Emirbayer and Johnson 2008) to thus expand field theory’s scope of application while still conversing with scholarship on social fields (Fligstein and McAdam 2012).

Given the prominence of power, conflict, and interests in global fields, one could also pose institutional emergence as a question of realism, where the interests of powerful state actors shape what institutions emerge. A field approach acknowledges that interests are indeed operative but with the important provision that interests are not inherent in actors themselves but are meaningful only in the context of the fields they participate in (Fligstein and McAdam 2012). As fields change, for instance, what interests can be meaningfully articulated may also change accordingly. Furthermore, world society theory, also closely related to constructivist approaches (Finnemore and Sikkink 2001), and social fields approaches (Go and Krause 2016) posit that interests can be multidimensional, the salience of any one particular dimension being dependent on the specificities of relationships in the field (Armstrong and Bernstein 2008; DiMaggio and Powell 1983). Using a field approach also expands the range of actors that exercise their interests in achieving some objective. Because interests are defined by field interaction, rather than just being a property of actors themselves, the consequential actors in a global field, for example, can be applied beyond nation-states to also include non-state actors such as nongovernmental organizations (NGOs), intergovernmental organizations (IGOs), and transnational corporations.

Lastly, constructivist approaches in international relations have offered the role of institutional entrepreneurs as key to institutional emergence (Finnemore and Sikkink 1998). A strategic action fields approach would agree with this perspective on how individual (or collective) entrepreneurs exercise agency in defining new cultural understandings of global issues but would emphasize that such action is structured by the field of social interaction in which those global issues become salient. This explains why institutional entrepreneurship may be effective in some contexts but not others. Nevertheless, there are significant parallels between strategic action fields and recent elaborations of the constructivist approach. In their analysis of script-writing in the International Monetary Fund, for example, Kentikelenis and Seabrooke (2017) emphasize power resources, policy preferences, and opportunity structures, parameters that are compatible with a strategic action fields approach, suggesting a confluence of perspectives in addressing the limitations of the world society approach in explaining institutional emergence.¹

The UN Field, Change, and Divergent Outcomes

Before presenting the specific empirical details, I lay out a broad outline of how a global fields perspective provides the conceptual parameters that clarify efforts in the UN to establish a global regulatory framework for transnational corporations from the 1970s to the 1990s. The global field in question is the UN, an IGO where various state and non-state actors cooperate or conflict in addressing issues of global concern. Although the UN’s primary role is in the realm of international peace and security, economic and development concerns are also prominent, and UN actors—primarily member-states but also bureaucrats and other non-state actors—seek consensus on those global concerns (Mingst and Karns 2007, 69). What is at stake in this global field is the enactment of global agreements that regulates the behaviors of state and non-state actors worldwide, and UN actors accumulate and exercise their international authority in order to influence those agreements.

Pertaining more specifically to this paper's core question, changes in the UN field between the 1970s and 1990s led to divergent outcomes for regulating transnational corporations. In the 1970s, the issue was dominated mainly by state actors, mobilizing around national interests, state power, and centralized hierarchical regulation. A group of challengers—the Group of 77 (G77) developing countries, particularly the Latin American countries—sought a legally binding Code of Conduct on Transnational Corporations but were unable to overcome institutional obstacles put up by field incumbents—Global North countries, led by the United States. The G77 countries could not marshal their international authority to convincingly argue that nationalizing their economies was more globally beneficial than receptivity to foreign investment. Furthermore, a change in the composition of the challenger faction, resulting from many developing countries embracing global trade and foreign investment, strengthened the incumbent developed countries' position on not regulating transnational corporations.

In the 1990s, a subsequent effort was spearheaded by the UN Secretariat, mostly through the institutional entrepreneurship of then Secretary-General Kofi Annan, to establish a voluntary Global Compact framework for corporations worldwide. The UN Secretariat decided to bypass the state system altogether and to work directly with non-state actors—corporations, UN agencies, various NGOs—a novelty for the UN field that had previously been the domain of state competition. Reflecting the wider global changes in both attention to corporate responsibility issues and the rising influence of NGOs in global affairs, the Global Compact emphasized transcendent social purposes, voluntarism, and collaboration. With support from transnational corporations and no opposition from member-states, the UN field successfully established a framework that subsequently diffused as part of a larger global corporate responsibility movement.

A Note on Sources

This paper relies on three groups of archival data from the UN as well as the UN Intellectual History Project. First, I utilized published research and reports conducted by UN offices, including two key reports by the UN Department of Economic and Social Affairs: “Multinational Corporations in World Development” (United Nations 1973) and “Multinational Corporations on Development and International Relations” (United Nations 1974). Second, I examined the official periodical of the United Nations Centre on Transnational Corporations (UNCTC), *The CTC Reporter* (United Nations 1976–1990), a biannual periodical of 29 issues published between 1976 and 1990. I also examined the six published issues of *Transnational Corporations*, a referred journal published by the UN Department of Economic and Social Development between 1992 and 1993. Lastly, I consulted the UN Intellectual History Project (Indiana University Press), particularly *UN Voices* (Weiss et al. 2005), which includes transcripts of 73 interviews of key UN figures including former Secretary-General Kofi Annan and former Assistant Secretary-General John Ruggie. Because *The CTC Reporter* ceased publication in 1990 and the UNCTC was dismantled in 1993, I compiled information on years after 1993 from interviews in *UN Voices*, United Nations Conference on Trade and Development (UNCTAD) documents, Global Compact documents, as well as other secondary sources. To avoid potential bias in surveying these archival documents, I checked the chronology of events and attribution of viewpoints with Tagi Sagafi-Nejad's (2008) *The UN and Transnational Corporations*. Table 1 lists the specific references to UN articles and documents that are cited in the following sections.

Table 1. Documentary Sources on Global Corporate Responsibility in the United Nations

UN Voices	
1	“Transcript of Interview of John Ruggie by Thomas G. Weiss.” New York, April 10, 2001.
2	“Transcript of Interview of Bernard T.G. Chidzero by Thomas G. Weiss.” Harare, May 11, 2000.
3	“Transcript of Interview of Kofi Annan by Thomas G. Weiss.” New York, April 29, 2002.
CTC Reporter	
1	“Research on Transnational Corporations: The Development of a Field of Inquiry.” No. 1, December 1976.
2	“Chronology.” No. 1, December 1976.
3	“The Commission on Transnational Corporations.” No. 1, December 1976.
4	“In This Issue.” No. 1, December 1976.

- 5 "Towards a Code of Conduct." No. 1, December 1976.
- 6 "Transnational Corporations in the Framework of a New International Economic Order." Philippe de Seynes. No. 1, December 1976.
- 7 "The Importance of the Centre to Developing Countries." J.D. Akuma. No. 2, June 1977.
- 8 "Transnational Corporations: Code of Conduct; Formulations by the Chairman." No. 6, April 1979.
- 9 "The Code of Conduct: Towards Intensive Negotiations." The CTC Reporter No. 7, Autumn 1979.
- 10 "Implementation of Codes of Conduct." R.J. Blair. No. 7, Autumn 1979.
- 11 "Interview with Orville L. Freeman." No. 7, Autumn 1979.
- 12 "The Code of Conduct: Three Sessions Requested for Completion." No. 10, Spring 1981.
- 13 "Negotiations on the Code of Conduct at a Turning Point." No. 8, Spring 1980.
- 14 "For a Balanced Code." No. 12, Summer 1982.
- 15 "International Business and the United Nations Code." No. 12, Summer 1982.
- 16 "Highlights of the Tenth Session of the Commission on Transnational Corporations: A Personal View." Ahmed Rhazaoul. No. 18, Autumn 1984.
- 17 "The Role of TNCs in the World Economy: Present and Future." Interview with Stefan H. Robock. No. 21, Spring 1986.
- 18 "Changes in the Pattern of FDI: An Update." No. 23, Spring 1987.
- 19 "TNCs in the 1990s." Anthony Sampson. No. 25, Spring.
- 20 "The Rise of Japanese TNCs." Masataka Fujita. No. 26, Autumn 1988.
- 21 "China's Recent Experiences with TNCs." N.T. Wang. No. 24, Autumn 1987.
- 22 "Trends in FDI: The Case of China." No. 26, Autumn 1988.
- 23 "Restoring Development and the Role of TNCs." No. 26, Autumn 1988.
- 24 "Free Economic Zones in the Soviet Union: A Tool for Economic Reform and a New Frontier for International Business." Nicolas Jéquier. No. 28, Autumn 1989.
- 25 "Views of TNCs on Free Economic Zones in the Soviet Union." Eugene Theroux. No. 28, Autumn 1989.
- 26 "Joint Ventures in the USSR." Stanislav Menshikov. No. 28, Autumn 1989.
- 27 "Joint Ventures and the Soviet Economic Reform." Alexei V. Bereznoy. No. 28, Autumn 1989.
- 28 "Hearing on the Code." Daniel D. Bradlow and Judith C. Appelbaum. No. 24, Autumn 1987.
- 29 "Excerpts from the Testimony of Joel Davidow." No. 24, Autumn 1987.
- 30 "Excerpts from the Testimony of Alan Keyes." No. 24, Autumn 1987.

A New International Economic Order

Global events in the early twentieth century, through the two World Wars and the Great Depression, raised significant questions about how to regulate cross-national affairs in the absence of any global authority (Rosenau and Czempiel 1992), especially with international agreements around global economic processes (Polanyi 1957). Among other efforts, state and non-state actors advocated for the UN to establish a global institutional framework to curb the impact of increasingly powerful transnational corporations (Ruggie 2004). These efforts subsequently contributed to what is today referred to as a global CSR movement that encourages corporations to voluntarily address social and environmental

concerns (Tsutsui and Lim 2015). What explains the emergence of this global institution around the regulation of transnational corporations?

Despite the consolidation of the UN by the 1970s, the global political divide of the Cold War engendered antagonistic groups of countries that allied themselves with either the United States or the Soviet Union (Go 2008). It is within this context that a group of developing countries raised the issue of global distributive justice, advocating for a New International Economic Order (Bhagwati 1977; Gosovic and Ruggie 1976), in which regulating transnational corporations was a core concern. Although developing a Code of Conduct on Transnational Corporations was only formally announced in 1974 (United Nations 1974), its origins stem from the UNCTAD in 1964, a permanent body established to facilitate economic development through trade and investment. From the 1970s, the G77 developing countries, particularly the Latin American countries, mobilized around international corporate scandals, employing UNCTAD as a platform to link foreign investment to issues of distributive justice.

There was a growing consensus among Latin American countries that an international division of labor meant that the benefits of international capitalism were a “zero sum” issue, as captured by the dependencia theories of Frank (Frank 1971) and Cardoso (Cardoso and Faletto 1979). In fact, Raúl Prebisch, one of the seminal writers in dependency theory (Prebisch 1950), was also the founding Secretary-General of UNCTAD in 1964. According to John Ruggie, these developments were buttressed by ideological differences between the United States and the Soviet Union (Sagafi-Nejad 2008, 73), with the Soviet Union often supporting Third World countries in key UN debates (UNV1:41).² The oil crises of the 1970s, in which the Arab members of the Organization of Petroleum Exporting Countries (OPEC) embargoed the supply of oil to the rest of the world, also led developing countries to leverage their control of natural resources in international negotiations (UNV1:41). Furthermore, there were specific scandals involving corporations that became high-profile international events. The singular event that the UN cites as responsible for mobilizing developing countries was International Telephone and Telegraph’s involvement in the 1973 coup in Chile, this after a similar coup in Brazil in 1964 (CTC1: 15,18).³

These international developments prompted the Latin American representatives among the G77 to voice concerns about transnational corporations, particularly in the intergovernmental bodies of UNCTAD and the Economic and Social Council (ECOSOC). Both bodies had the staff and resources to recommend UN resolutions, advance policy recommendations, conduct research, and set items on the UN General Assembly’s agenda. This initial effort yielded results. On July 28, 1972, ECOSOC, in resolution 1721 (LIII), requested Secretary-General Kurt Waldheim to appoint a Group of Eminent Persons (GEP) to examine the impact of transnational corporations on economic development and international relations. The GEP consisted of twenty individuals from various countries, including two from the United States: US Senator Jacob Javits and J. Irwin Miller, chairman of Cummins Engine Company. Raúl Prebisch was also a consultant to the GEP (United Nations 1974, 19). This UN resolution generated two crucial documents on transnational corporations. In 1973, as part of the GEP’s investigation, the “Multinational Corporations in World Development” report detailed the need for new rules that would “guide the multinational corporations’ exercise of power and introduce some form of accountability to the international community” (United Nations 1973, 1–2). Following that, “The Impact of Multinational Corporations on Development and on International Relations” (United Nations 1974) documented a broad consensus on the impact of transnational corporations, including the non-substitutability of private foreign investment for aid (1974, 29), the need for developing countries to monitor the distribution of investment benefits (1974, 32), and the condemnation of any involvement of transnational corporations in subversive political activities (1974, 46).

The other significant outcome of developing countries’ mobilization was the 1974 Commission on Transnational Corporations, an advisory body of 48 elected members, including “12 from Africa, 11 from Asia, 10 from Latin America, 10 from developed market economies of Western Europe, North America and Oceania, and five from the socialist countries of Eastern Europe” (CTC3:3), tasked as a “permanent machinery” in the UN for all issues related to transnational corporations (CTC2:2). The Commission subsequently established the UNCTC as a research organization and clearing house for studies on transnational corporations. These efforts generated significant momentum, leading the Commission to announce at its 1976 session in Peru that a Code of Conduct on Transnational Corporations was to have the “highest priority” (CTC4:1; CTC5:10).

From this coalition within the UN, developing countries argued that regulating transnational corporations was crucial for a New International Economic Order to ensure distributive justice and the developmental interests of Third World countries (CTC6:15). Advocates for the New International Economic Order argued that foreign direct investment (FDI) by transnational corporations was a potential problem for newly independent countries striving for sovereignty and control over their natural resources. Recalling the mobilization of oil-producing countries, advocates for the New International Economic Order argued for their right to nationalize and appropriate whatever domestic assets were owned

by foreign corporations (United Nations 1974, 59). According to Sagafi-Nejad (2008, 22), between 1960 and 1978, “some 1,369 instances of nationalization of foreign assets were recorded, two-thirds of which occurred in the final six years.”

Contestation between States

Although there was forward momentum from the late 1960s to 1974 in establishing a global field around the transnational corporations question, a minority of dissenting views claimed that the GEP oversimplified the antagonism between transnational corporations and developing countries. For example, US Senator Jacob Javits noted his opposition to what he termed the “suffocating surveillance of multinational corporation activities by the host country Government and discrimination against multinational corporations” (United Nations 1974, 104). Furthermore, various parties were divided on whether a Code of Conduct on Transnational Corporations would be voluntary or legally binding (CTC5:10; CTC7:18). In its first session in January 1977, an Intergovernmental Working Group already possessed a concrete draft that included basic formulations such as issues of ownership and control, technology transfer, and restrictive business practices (CTC8:4–8) but, even by the autumn of 1979, fundamental issues such as the Code’s legal nature, its relationship to state sovereignty, and the language and terms used in the Code remained contentious. The chairman of the Commission acknowledged that the negotiating parties “did not realize at the outset the wide scope and numerous intricacies of the task” (CTC9:8).

Representatives of international business also voiced their concern with having a legally binding Code of Conduct. For example, R.J. Blair of the International Chamber of Commerce argued that voluntary agreements such as the OECD Guidelines for Multinational Enterprises were the most efficient and realistic frameworks (CTC10:2), a view echoed by Orville L. Freeman, president of Business International Corp., who criticized the “intemperate and highly critical attitudes of developing country representatives involved in United Nations activities” (CTC11:12). By 1981, although the Working Group made “substantial progress,” there remained fundamental disagreements on the Code’s implementation and crucial sections on nationalization, compensation, and jurisdiction were also not concluded (CTC12:6–7). At this stage, developing countries’ efforts were stalled by the very organizational apparatus they relied on to spotlight transnational corporations. Representatives of developed countries were resistant to the Code of Conduct and used organizational procedures to delay its completion. They readily signaled their disagreements by “the traditional method of bracketing controversial words or sentences” (CTC13:4), stalling negotiations and further postponing the final draft of the Code.

In the wider context of the Cold War, representatives of developed countries argued that developing countries politicized the transnational corporations issue, relying on UN bodies to advance their national interests. This damaged the legitimacy of the Code of Conduct even as the UNCTC attempted to be a neutral clearing house of information and research on transnational corporations. In an interview in 2000, Bernard T.G. Chidzero, former Deputy Secretary-General of UNCTAD, remarked that the industrialized countries largely viewed UNCTAD as open to capture by “left-wing” countries and interests (UNV2:65). In the early 1980s, developed countries’ opposition grew stronger, especially from the United States, who thoroughly opposed the activities of the UNCTC and any Code of Conduct for corporations. The United States, at this stage, was cautious if not outright antagonistic toward the UN (Mertus 2004) and UNCTAD and the UNCTC were, to US representatives, the political platforms for Third World anti-capitalist interests (CTC14:11; CTC15:18). The United States retaliated by withdrawing its support for the UNCTC (Sagafi-Nejad 2008, 119) but wanted to remain engaged in order to block approval of the Code of Conduct (Sagafi-Nejad 2008, 120). By the tenth session of the Commission in April 1984, negotiations had slowed to a grinding and acrimonious halt (CTC16:3).

Eventually, international and domestic events weakened the coalition of developing countries. The rapid increase in oil prices and world recession in the late 1970s led governments to retreat from international affairs. In particular, the debt crisis in Latin America that began with Mexico in 1982 pushed those governments to domestic concerns such as restructuring commercial bank loans and other deflationary measures (CTC16:2). Developing countries also became more receptive to FDI and no longer saw the New International Economic Order as practical to achieving economic development (CTC17:50). Among the East Asian economies, for example, Japan emerged in the 1980s as a major source of investment in developing countries (CTC18:4–5; CTC19:40; CTC20:13–14, 20) and China reversed its closed-door policy on foreign investment (CTC21:4). Singapore, Hong Kong, Taiwan, and South Korea also spearheaded their rapid economic development through state-managed FDI (Ruggie 2003, 304) (CTC23:15–20), suggesting that the “developmental state” model (Evans 1995) of state-led capitalism posed a viable alternative to dependency theories (Sagafi-Nejad 2008, 131). UNCTC reports at this stage even highlighted FDI opportunities and receptivity in the Soviet

Union, including the role of export processing zones (CTC24:24–29; CTC25:30–33) and joint ventures (CTC26:38–39; CTC27:45–46).

United States opposition to the UN's involvement with transnational corporations came to a head in the late 1980s (CTC28:32–38; CTC29:36). In May 1987, the US House of Representatives conducted a hearing on the Code of Conduct where various individuals testified before the Subcommittee on Human Rights and International Organizations of the Committee on Foreign Affairs. In this hearing, Ambassador Alan Keyes, then Assistant Secretary of State for International Organization Affairs summed up the United States position as opposing national jurisdiction over transnational corporations in favor of free international capital flows (CTC24:33). With the Reagan and Thatcher administrations and the subsequent collapse of the Soviet Union, there was no longer any impetus for pursuing a regulatory framework for transnational corporations (UNV1:41).

Aside from blocking negotiations, the US administration also pressed for UN reform in the 1990s, targeting UN bodies and policies that it believed were hostile to its interests and withholding its dues payments to the UN (Mertus 2004). In this period, Republican legislators voted to reduce the United States' financial commitment to the UN in order to push for UN reform, resulting in arrears amounting to more than \$1 billion (Luck 2003, 42). In the subsequent fallout, one of the organizational "victims" was the UNCTC. In the words of Georg Kell, executive head of the UN Global Compact, the Centre was put into "deep freeze" (Kell 2005, 70), effectively ending any possibility of finalizing a Code of Conduct. The United States pressured the newly elected UN Secretary-General Boutros Boutros-Ghali to dismiss the UNCTC's director, Peter Hansen, dismantle the Centre, and have its operations in New York absorbed by UNCTAD in Geneva (Sagafi-Nejad 2008, 121).

Constructing the Global Compact

By all accounts, attempts to construct a new global institution around the New International Economic Order were moribund by the 1990s. By 1999, however, UN officials were again cognizant of concerns raised by economic globalization and the need for a new "social bond" to accompany the spread of free market structures. As such, in his 1999 speech at Davos, Secretary-General Kofi Annan took the opportunity to announce a new UN-sponsored corporate responsibility framework—the Global Compact—by remarking that the "spread of markets outpaces the abilities of societies and the political systems to adjust to them" (United Nations 1999, 1–2). To Kell and Ruggie (1999) and Kell (2005), the Secretary-General's remarks were prescient: just ten months later, in November 1999, "anti-globalization" protesters mobilized at the World Trade Organization (WTO) Ministerial Conference in Seattle, Washington (Smith 2002). Georg Kell and John Ruggie, both with the UN Secretary-General's Executive Office, also emphasized that economic globalization was the main driver for a new UN framework for corporations (Kell 2005, 71; Kell and Ruggie 1999, 102). The spotlighting of corporate misconduct in the 1990s, for example, the Nike-sweatshop and Unocal-Burma scandals, also provided momentum for civil society mobilization against transnational corporations (Smith 2005). Within this new global context, the UN Secretariat began collaborating with other UN agencies to forge a "rapprochement" with the global business community.

By the mid-1990s, external pressures for organizational reform also enabled the UN Secretariat to more effectively intervene to introduce new policies. In 1996, the United States, as permanent member of the UN Security Council, vetoed the re-election of Boutros Boutros-Ghali and, upon appointment as Secretary-General, Kofi Annan quickly responded to repeated calls by the United States and other developed countries for organizational reform (United Nations 1997a, 1997b). Georg Kell subsequently reflected that the UN was "a hierarchical bureaucracy poorly equipped to facilitate and support new initiatives" and that reform provided a "space of innovation" for "an institutional experiment in network building" (Kell 2005, 74–75). Three specific individuals were instrumental in applying this "space of innovation" to the question of transnational corporations. Georg Kell was former head of UNCTAD's New York office and became senior officer at the executive office of the UN Secretary-General in 1997. In that capacity, he was "responsible for fostering the cooperation with the private sector" (Kell 2005, 69) and later was executive head of the UN Global Compact. Before assuming the position of Assistant Secretary-General in 1997, John Ruggie was already an influential international relations scholar, best known for his 1982 paper on "embedded liberalism" (Ruggie 1982), and his constructivist approach complemented Kofi Annan's focus on how norms and identities "come to shape interests and behavior" (UNV1:8). Both Kell and Ruggie also credit Kofi Annan with focusing the UN's attention on the private sector, citing Annan's familiarity with business as a Sloan Fellow at Massachusetts Institute of Technology (MIT) as key to placing him "above ideological debates" (Kell 2005, 71) (UNV1:20). John Ruggie noted that Annan was sensitive to the historical and economic divisions between countries and was cautious that bringing social issues like human rights and

the environment to international forums would be “dangerous” because those concerns would “lend themselves too easily to becoming protectionist vehicles” (UNV1:20).

Wary of reviving tensions between countries over the question of transnational corporations, Kofi Annan and his colleagues sought to secure relationships with non-state actors outside the conventional ambit of the UN’s influence (Reed, Utting, and Mukherjee-Reed 2012). In an interview, John Ruggie recalled that one of the most important points on Annan’s agenda as Secretary-General was “partnerships with non-state actors, and the Global Compact in particular” (UNV1:18). Annan emphasized that UN reform needed to incorporate non-state actors more extensively, including businesses, to “enable the concerns and interests of both sides to be more fully understood” (United Nations 1997a, 68). In an interview, Annan also stressed that engaging with non-state actors, especially those from outside the UN, could help bypass the acrimony between states that were blocking negotiations (UNV3:18).

In 1997, immediately after becoming Secretary-General, Kofi Annan met with the International Chamber of Commerce, the business association with permanent observer status in the UN, resulting in agreements on potential UN-business partnerships (Kell and Ruggie 1999, 105). According to Georg Kell, after Annan’s “rapprochement with business,” global business associations “began to view the UN as an important participant in the globalization debate and acknowledged its constructive contribution” (Kell 2005, 71). Concurrently, Annan was deciding whether he could present “a major challenge to the business community” at the World Economic Forum meeting at Davos in 1999 (UNV1:20). This major challenge—a new UN-business compact—grew out of early ideas and discussions in the Secretary-General’s office (UNV1:7) and, as John Ruggie remarked, “The reaction [from Davos] was so positive that we were compelled to make a program out of it” (UNV1:21).

Backed by the “moral authority” of the UN Secretary-General (Kell and Ruggie 1999, 103), the UN Secretariat started building the Global Compact program by bypassing the member-state system altogether. Having secured the support of global business associations, Annan and Ruggie worked to foster relationships with other UN agencies. In line with his reform proposals, Annan initiated the Global Compact as an “institutional experiment in network building” (Kell 2005, 74–75), based in part on Ruggie’s previous experience with the UN Environment Programme (UNEP) (UNV1:12). According to Kell and Levin (2003, 4), the Global Compact was conceived to connect UN agencies with corporations and NGOs, although this effort was met with mixed responses. Ruggie stated that, while the International Labour Organization and UNEP were receptive, human rights advocates in the UN were under pressure to oppose corporate initiatives (UNV1:12). Despite this initial skepticism, the UN agencies involved had incentives to support and promote a shared framework that consolidated human rights, labor, and environmental issues (Kell 2005, 75). At this stage, the Global Compact Office became an “interagency network” that included the Office of the High Commissioner for Human Rights, the International Labour Organization, the UN Environment Programme, and the UN Development Programme. The Global Compact also sought direct input from global NGOs like Amnesty International and the Rainforest Alliance (Wynhoven and Senne 2004).

As an institutional arrangement, the Global Compact was based on ten core principles in the areas of human rights, labor, the environment, and anti-corruption, and businesses worldwide were encouraged to participate in the framework by voluntarily endorsing (and presumably acting on) those core principles. Furthermore, the newly formed Global Compact Office went to lengths to argue that voluntary corporate responsibility was not at odds with good business practice since it was a key source of value in market competition, even for businesses in developing countries that wanted to attract potential investors (Kell 2005, 76). The Global Compact was successfully launched in 2000, just one year after Kofi Annan’s speech at Davos, and, being a voluntary and largely decentralized framework, it met with little direct resistance or participation from the UN’s member-states. Despite criticism through the years (Deva 2006; Smith 2010; Whitehouse 2003), the Global Compact’s popularity has increased dramatically among businesses worldwide (Lim and Tsutsui 2012; Shanahan and Khagram 2006), reflecting broader shifts in global governance concerns that increasingly favor non-state action, neoliberal economic ideologies, and voluntary regulation (Campbell and Peterson 2001; Kinderman 2012).

Discussion

In both cases discussed, the global field is the UN, within which state and non-state actors interact, conflict, and cooperate to enact agreements on issues of global concern (Mingst and Karns 2007). From this global field, there were two historical instances of processes of institutional emergence. In the 1970s, developing countries in the UN proposed a New Institutional Economic Order, a core part of which was to institute control over transnational corporations’ activities in the developing world. These efforts achieved some gains but failed to become institutionalized as developed countries

and private interests defeated them. In the 1990s, the UN Secretariat actively intervened in the field to more successfully institutionalize a voluntary Global Compact framework, with support from non-state actors and even corporations.

Institutional Emergence and World Society

Comparing these two cases of the UN field demonstrates that field elements are key to explaining institutional emergence. At both points in time, existing institutions, actorhood, and legitimacy—core concepts for world society theory—were present in the UN field. Yet, they did not translate into institutional emergence in the 1970s despite developing countries utilizing the UNCTAD platform to address the global concern with distributional inequality. The issue of regulating transnational corporations failed to be institutionalized then because the UN field was state-centric, giving power to the incumbent developed countries and allowing them control over the UN's existing institutions. Because of this dominant position in the field, the United States and its Western European allies were able to advocate for the legitimacy of FDI and to cast the challenging developing countries' efforts as a socialist infiltration of the UN. At this stage, actors in the UN field also focused on centralized hierarchical regulation. The centerpiece of the New International Economic Order was a legally binding Code of Conduct of Transnational Corporations to be centrally administered by the UN. Although challengers in the UN field generated support for this proposal among developing countries, its redistributive and regulatory aspects failed to persuade the field incumbents who marshaled their international authority to block its passage. The institutional emergence of any notion of regulating transnational corporations was halted as the state-centric and hierarchical constitution of the UN field constrained the challengers' exercise of international authority.

The UN field's characteristics changed by the 1990s, giving rise to more favorable conditions for institutional emergence. Although the central objective of UN field actors remained the enactment of global agreements based on the exercise of international authority, the UN field accommodated the more active participation of non-state actors. The UN Secretariat, led by Kofi Annan, intervened more actively in the field, bypassing the state actors to coordinate with other UN agencies, NGOs, and even invited transnational corporations to support the idea of voluntary corporate responsibility. The new UN Secretariat had considerable support from field incumbents like the United States and was able to exercise its international authority by persuading other field actors that the Global Compact was more in line with the growing global CSR movement and other worldwide non-state initiatives. By this stage, there were already other frameworks like the OECD Guidelines for Multinational Enterprises and the Sullivan Principles in existence, suggesting that corporate responsibility was a salient global concern (Segerlund 2010). This interaction between fields, as the strategic action fields approach highlights, resulted in templates for CSR diffusing from other global fields to the UN field. The Global Compact thus reflected other global currents that sought voluntary and flexible declarations to address CSR issues rather than the centrally administered proposals of the 1970s. Other changes in the UN field at this time included the breakdown of solidarity among developing countries as more emerging economies began embracing FDI and transnational corporations. This divide contributed to a lack of challenge to the non-state actors in the UN field who had more legitimate reasons to enact what they saw as a solution to a pressing global concern. This new field constitution, centered on non-state actors and voluntary perspectives on regulation, thus allowed for institutional emergence when compared with the earlier incarnation of the UN field.

Conflict and Interests in the Context of Global Fields

Applying a global fields approach to transnational processes does not contradict the world society perspective but provides a useful framework to understand why institutional emergence occurs in some global contexts but not others. It also addresses other more specific aspects of global processes that have been raised in this paper. One key aspect is conflict and contestation in global fields (Bartley 2007). Global field dynamics, as discussed above, apply to the UN field at both time periods. Although the birth of new global rules, initiatives, or suborganizations in global domains are often accompanied by conflict, conflict alone (especially taking into account the interests of the nation-state actors involved) does not explain why institutions emerge in one instance and not another. The fields perspective is illuminating here because it highlights how conflict was structured between field incumbents and challengers. In the 1970s, the state-centric and hierarchical constitution of the UN field generated conflict that favored the developed countries that easily employed existing resources and international authority to prevent developing countries' proposal to regulate transnational corporations. Subsequent changes in the UN field, however, also altered the nature of this conflict as different field actors intervened to propose different rules about how to regulate transnational corporations. In the 1990s, the active intervention of non-state actors, especially the institutional entrepreneurship of the UN Secretariat, bypassed the conflict between states, more successfully instituting new rules about voluntarily encouraging CSR efforts from transnational corporations.

Another related issue raised in the case of the UN field is the interests of the various states parties involved in the CSR issue. Especially articulated in realist terms, institutions emerge when they align with the objectives of powerful countries. Thus, the failure of the New International Economic Order and the emergence of the Global Compact framework could simply reflect the interests of developed countries that sought to defend their transnational corporations. A global fields approach concurs that interests are operative but would also highlight how interests are shaped by the field in question. The movement to regulate transnational corporations raised the issue of whether FDI was beneficial for developing countries. Given the state-centric and hierarchical UN field of the 1970s, it was in states' interests to concentrate their efforts on advocating for or defeating a state-sponsored, legally binding approach within the UN to regulate transnational corporations. While the incumbent developed countries' interests prevailed over the challenging developing countries, this was due to how the UN field privileged developed countries' tactics and resources. In the UN field of the 1990s, however, states' interests were still operative but the field itself now also encompassed the interests of non-state actors and alternative forms of regulation. The UN Secretariat, in particular, had interests in successfully instituting new agreements and broadening the scope of the UN's legitimate authority to encompass other non-state entities. Together with other non-state actors, the Secretariat fashioned a voluntary CSR framework in order to bypass states' interests. It was the constitution of the UN field at this time that therefore allowed certain interests to lead to institutional emergence where it was previously unlikely.

Institutional Entrepreneurship in Global Fields

In the UN field, challengers acted as institutional entrepreneurs to institute new global rules on transnational corporations. Constructivist research identifies institutional and norm entrepreneurs as key actors in forging new institutions or generating institutional change (Finnemore and Sikkink 1998), a role also emphasized in world society theory (Hironaka 2014). Institutional entrepreneurs are often challengers, utilizing their resources and networks to introduce new norms and ideas to alter aspects of competition in a field (Fligstein and McAdam 2012). A field approach contributes to this discussion by showing how institutional entrepreneurship is shaped by the structure of the field in question, suggesting that entrepreneurial action alone does not entail institutional emergence. In the UN field of the 1970s, collective action by the Latin American countries reflected their institutional entrepreneurship as they attempted to utilize UNCTAD and the support of other developing economies to rally around the New International Economic Order. This institutional entrepreneurship had considerable momentum, including establishing a UN GEP to oversee the issue of transnational corporations and even a research center to study the issue. Nevertheless, this did not result in institutional emergence because the challengers' international authority was constrained by a state-centric UN field whose resources and networks were dominated by the incumbent developed countries. In the 1990s, however, the UN Secretariat, together with other UN agencies and non-state actors, actively intervened in the UN field. As institutional entrepreneurs, they transcended the conflict between incumbents and challengers to propose new ideas of voluntary corporate responsibility. This new proposal was entrepreneurial because it borrowed from contemporary ideas about flexible global governance and an increasing attention to non-state actors as key drivers of globalization. The UN field's constitution had changed by this time as more developing countries accepted the role of foreign investment and as the role of non-state actors expanded considerably in the field. In this field context, institutional entrepreneurship was more likely to succeed, as the case of the UN Global Compact demonstrates.

The case of global business regulation in the UN field also shows how the shifting positions of nested fields vis-à-vis one another is a form of field change that can alter the likelihood of successful institutional entrepreneurship. In the UN field, the internal governance unit of the UN Secretariat can also be thought of as its own field of interaction that is nested within the larger UN field. In the strategic action fields perspective, nested fields can have cooperative or hierarchical relationships with one another (Fligstein and McAdam 2012, 60). Although internal governance units often protect the interests of field incumbents (Fligstein and McAdam 2012, 13–14), incumbents in the UN field like the United States developed an antagonistic relationship with the UN Secretariat, especially into the early 1990s (Mingst and Karns 2007, 74). The Secretariat did not carry out the organizational reforms that the United States demanded, leading the United States to veto the re-election of Secretary-General Boutros Boutros-Ghali in 1996. The hierarchical relationship between the field of the UN Secretariat and the broader UN field enabled the developed countries to exercise their international authority to shut down efforts to institute a binding framework on transnational corporations. Toward the end of the 1990s, however, the UN Secretariat adopted a more cooperative relationship with the broader UN field. While the UN Secretariat began acting more autonomously, engaging increasingly with non-state actors and introducing reforms based on organizational networking (Chisolm 1998), their emphasis on voluntary frameworks did not threaten the interests of field incumbents. The new Secretary-General Kofi Annan had a more pliant attitude toward businesses given that he was a Sloan fellow at MIT (UNV1:20) and the Secretariat also extended its own field of interaction to include other UN agencies and non-state actors. In this case, a cooperative relationship between nested strategic action fields allowed the

UN Secretariat to propose new ideas on the transnational corporations issue that was a compromise between business, state, and UN interests. This cooperative nested field context allowed institutional entrepreneurship to more successfully result in institutional emergence.

Issues for Further Research

Applying the global fields approach to institutional emergence has also raised promising questions that further research can elucidate.⁴ These avenues for further research strongly show that the global fields approach to global CSR regulation can have broad generalizability to other global domains. First, processes in the UN field, specifically the changing composition of field actors, are likely to apply more broadly to other issue areas in the UN and even other global fields. Over the decades, observers have noted how non-state actors like NGOs have taken on increasingly important roles in UN affairs (Mingst and Karns 2007). This reflects the world society argument that the actions of interested “actors” in the international system are now also circumscribed by disinterested “Others” (Meyer 2010). For example, the increasing prominence of NGOs in the UN (Donnelly 2007, 142) and in connecting domestic actors to global forums (Tsutsui and Wotipka 2004) has altered the field of global human rights, complementing and oftentimes challenging the role of states in addressing human rights concerns. In other global domains, field change dynamics may also apply to organizations such as the WTO and International Monetary Fund, where states act strategically and collectively to influence institutional rules and outcomes (Chorev and Babb 2009; Hopewell 2015). Issues in international law (Dézalay and Garth 1996), environmentalism (Hironaka 2014; Susskind 2008), and even empires (Go 2008; Go and Krause 2016) bear many similar characteristics and future research using a global fields approach to interests, conflict, and entrepreneurship can reveal how interaction in the context of field change may result in diverging institutional outcomes.

Second, a global fields approach can also shed light on the role of ceremonialism in global institutions (Meyer 2010), explaining why some global institutions emerge as consequential and legally binding while others emerge as voluntary and symbolic. The WTO, for example, commits nation-states to dispute settling mechanisms that exact considerable penalties (Chorev 2005), while the Global Compact and Global Reporting Initiative are voluntary frameworks with few enforcement avenues (Pope and Lim 2019). A global fields approach allows for a more nuanced view of how countries’ interests are eventually articulated in binding or ceremonial institutions. For instance, governments can effectively pool their sovereignty when they agree to cooperate by stringent rules, such as in trade or defense arrangements. However, when powerful interests in global fields oppose a proposal or are indifferent, institutions that emerge are likely to be ceremonial. The proliferation of international treaties and agreements as solutions to transnational issues provides ample empirical data for future research, which could direct more attention to the details of global agreements to ascertain the extent to which governments find them consequential for their subsequent actions (Kentikelenis and Seabrooke 2017). In examining those processes in the context of how fields structure interests, participation, strategies, and outcomes (Finnemore and Sikkink 2001, 406; Kentikelenis and Seabrooke 2017, 1086), a global fields approach can explain why new global institutions take on a binding or ceremonial form.

Conclusion

Global institutions may result from competition between powerful states with intrinsic strategic interests (Go 2008) but they may also emerge in the context of expanding world-level institutions that emphasize transcendent, universal collective goals (Hironaka 2014). From the latter half of the twentieth century, the remarkable development of global human rights, environmental, and corporate responsibility regimes clearly draw on these universal collective goals as the source of collective meaning (Meyer 2010) but their emergence in specific forms (as opposed to alternative configurations) requires an analytical framework that accounts for interaction and active intervention at the global level. To that end, this paper has employed a global fields framework to show how fields structure the interaction between state and non-state actors in the context of incumbents and challengers, international authority, and field change to construct new global institutions. Global fields are theoretically and empirically important domains for sociological research because they feature prominently in actors’ attempts to craft regulatory frameworks in a global society that is increasingly integrated despite the lack of any overarching global authority. Linking field-level interactions to institutional emergence reflects the origins of those broader global institutional patterns.

About the Author

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Endnotes

1 For further theoretical elaboration, Wang (2016) discusses the relationship between field and new institutional theories, although her focus is on field emergence, not on institutional emergence from fields and field change that is the focus of this paper. On international relations, Finnemore and Sikkink (2001) synthesize elements of various constructivist approaches, including world society theory, as a robust alternative to the realist perspective.

2 Specific periodical articles from UN Voices or the CTC Reporter are referenced as UNV or CTC respectively, followed by a numerical indicator and the page number. For example, UNV1:41 refers to p. 41 of the first article in UN Voices listed in table 1.

3 Jack Anderson, "ITT Sent Bugging Expert to Chile." *The Washington Post* (2 October 1974), B15.

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