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Understanding Power-related Strategies and Initiatives in an Institutional Arena: The Case of the European Commission Green Paper on CSR

Abstract

Purpose: This paper provides a theoretically informed analysis of a struggle for power over the regulation of corporate social responsibility (CSR) and Social and Environmental Accounting and Reporting (SEAR) within the European Union (EU).

Design: The paper combines insights from institutional theory (Lawrence, 2008; Lawrence and Buchanan, 2017) with Vaara et al.’s (2006) and Vaara and Tenari’s (2008) discursive strategies approach in order to interrogate the dynamics of the institutional “arena” that emerged in 2001, following the European Commission’s publication of a Green Paper (GP) on CSR policy and reporting. Drawing on multiple sources of data (including newspaper coverage, semi-structured interviews and written submissions to the European Commission by companies and NGOs) we analyse the institutional political strategies employed by companies and NGOs – two of the key stakeholder groupings who sought to influence the dynamics and outcome of the European initiative.

Findings: Our results show that the 2001 GP was a “triggering event” (Hoffman, 1999) that led to the formation of the institutional arena that centred on whether CSR policy and reporting should be voluntary or mandatory. Our findings highlight how two separate, but related forms of power (systemic and episodic power) were exercised much more effectively by companies compared to NGOs. More specifically, our analysis of the power initiatives and discursive strategies deployed in the arena provide a theoretically informed understanding of the ways in which companies acted in concert to reach their objective of maintaining CSR and SEAR as a voluntary activity.

Originality/value: The theoretical framework outlined in the paper highlights how the analysis of CSR and SEAR regulation can be enriched by examining the deployment of episodic and systemic power by relevant actors.
1. Introduction

The issues related to the social responsibilities of business and, in particular, of corporations have long attracted the attention of regulators, academics and practitioners. The term “corporate social responsibility” (CSR), although somewhat contested, has widely been used to refer to the social, environmental and ethical responsibilities that business and corporations hold as result of their economic, operational and commercial activities (Carroll, 1999; Garriga and Melè, 2004). Within the accounting and management literature, growing attention has been devoted to examining the several initiatives that have been proposed over time to “regulate” CSR activities - including the adoption of social and environmental accounting and reporting (SEAR)\(^1\).

This paper provides a theoretically informed analysis of the power dynamics behind, and influence on, the regulation\(^2\) of SEAR as part of the development of a European Union (EU) CSR policy initiative between the period 2001 to 2006. This policy initiative began with the European Commission’s\(^3\) “appeal to companies’ sense of social responsibility [CSR] regarding best practices on... sustainable development” (European Commission, 2000, p.5). According to Fairbrass (2011), this “policy debate began in earnest with the publication of the [European] Commission’s Green Paper [GP] on CSR in 2001 [entitled ‘Promoting a European Framework for Corporate Social Responsibility’]”. This GP launched a consultation process that attracted responses from over 250 organisations and individuals by the end of 2001.

Of particular relevance to our paper, the GP discussed, and invited further consideration of, a range of ideas including the adoption of SEAR by companies as well as the notion of third party verification. Extant corporate SEAR systems were criticised because “only a handful cover the full spectrum of corporate social responsibility issues” (European Commission, 2001, p.19). As a result, guidelines were recommended on standardised reporting and accounting metrics, reporting formats, and audit procedures. In addition, the GP suggested that its new proposals would be integrated with existing international good practice; for example, the Social Accountability 8000 standard (Social Accountability International, 1997) and Global Reporting Initiative guidelines (GRI, 2000). Assurance and verification schemes for social and eco-labels were also suggested in order to improve their effectiveness and popularity.

Consultation responses were invited from a range of stakeholders and interested individuals affected by companies’ activities in order to, amongst other matters, “build on the voluntary nature of corporate social responsibility and identify ways in which it can contribute to achieving sustainable development and a more effective

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\(^1\) In this paper we widely use the term “social and environmental accounting and reporting” (SEAR) to generally refer to practices of accounting and reporting on CSR-related initiatives.

\(^2\) There are different concepts of regulation, beyond the widespread view that it is synonymous with black letter legislation. For clarity, we adopt the perspectives on normativity and regulation discussed in Bebbington et al., (2012) and Buhr’s notion (2007) whereby “[v]oluntary and mandatory [disclosure regulations] are a spectrum, not an on-off switch” (p.63).

\(^3\) The European Commission is the executive arm, and politically independent, of the EU’s institutions.
way of governance.” (ibid, p.21). The GP expanded on a particular aspect of the proposed governance element: more specifically, the GP considered how best to encourage companies “to publish a triple bottom line in their annual reports to shareholders that measures their performance against economic, environmental and social criteria” (ibid, p.22). In this respect, SEAR was regarded as a CSR instrument and was also mentioned as a potential action for promoting CSR (p.23).

We reflexively combine Lawrence and Buchanan’s (Lawrence and Buchanan, 2017; Lawrence, 2008) institutional politics framework alongside Vaara et al.’s (2006) and Vaara and Tenari’s (2008) discursive strategies approach in order to analyse the power-infused dynamics of the “regulatory arena” that emerged from the GP (Hancher and Moran, 1989, p.153). As explained by Hancher and Moran (1989), a “regulatory arena” depicts the “delineated space [whose] boundaries are defined by [the] issues” that are at the centre of public and political debates for regulation (p. 153, emphasis added). A regulatory arena can be seen as a “contested space”, where different constituents and organisations employ power-related strategies as part of “ferocious struggles for [gaining] advantages” (ibid, p. 153). We argue that the “struggles” over whether or not CSR and SEAR should be a voluntary or mandatory activity, which emerged out of the GP, represent the centre and delineate the boundaries of the regulatory arena. From the perspective of the institutional (politics) theory⁴ adopted in this paper, this “regulatory arena” denoted a specific example of an “institutional arena”, which was characterised by contrasting “institutional politics strategies” and related “power-initiatives” (Lawrence and Buchanan, 2017).

In this paper we examine how different constituents – companies and NGOs⁵ – deployed, or relied upon, different modes of power in order to influence the “institutional arena” that emerged from the European Commission’s GP. The theoretical framework allows us to consider the operation and significance of two separate “modes of power” in our analysis. More specifically: (i) systemic power, which is concerned with forms of power that operate through routines and taken for granted social and economic practices, and; (ii) episodic power, which is concerned with discrete, strategic acts of mobilization initiated by self-interested actors. The

⁴ Institutional theory scholars claim that institutions represent “enduring patterns of social practices” (Lawrence, 2008, emphasis added). As explained by Jepperson (1991), institutions are “those practices for which departures from [these] patterns are counteracted in a regulated fashion by repetitively activated socially constructed controls, i.e. some sort of rewards and controls” (p. 145). Institutions are associated with regulating and enforcing mechanisms that ensure their very existence, resilience and applications (Phillips et al., 2004). From this perspective, it could be observed that institutions innately exert some form of “power-based control” on individuals and organisations. In particular, as explained by Lawrence (2008) and Scott (1995) it is the power in the form of repetitively activated control mechanisms that distinguish institutions from other social constructions.

⁵ We define NGOs in line with LeRoux and Feeney (2015) as non profit organisations that serve a public mission, whilst being separate from government.
theoretical framework we propose and the separate modes of power that pertain to it, will be further delineated in section 3 below.

Our analysis highlights how systemic and episodic power-initiatives were strategically mobilised more effectively by companies compared to NGOs. More specifically, our analysis provides a theoretically informed understanding of the ways in which companies acted in concert with each other in order to reach their objective of maintaining CSR and SEAR as voluntary activities. For example, companies’ responses to the GP consultation appeared to ‘sing from the same song sheet’ in terms of the phrases used and the arguments that were deployed. In addition, companies appeared to have worked more successfully in mobilising power strategies ‘behind the scenes’ to bend the relevant European institutions to their (collective) view. For example, the EU Multi-Stakeholder Forum (EMS), which emerged from the GP consultation, was constituted such that companies and their representative bodies retained 50% of the seats and therefore could not be outvoted by other stakeholder groups. This example illustrates the unequal distribution of stakeholder power in the process leading to the establishment of the EMS as well as in the operation of the Forum. Company power was strengthened by the fact that NGOs appeared unable to agree amongst themselves on the approach that they should all adopt; thus, their efforts to challenge the proposals in the initial GP document (especially around the voluntary nature of SEAR) were diffuse and consequently [initially] unsuccessful. We argue that the NGOs were unable to marshal either systemic or episodic power in order to effect change in the European Commission’s CSR and SEAR proposals, nor to counter the companies’ desired view that CSR be seen as a voluntary activity where reporting and assurance would be decided upon by the companies themselves.

In addition to the findings outlined above, our paper also provides a theoretical contribution by adding empirical “flesh” (Laughlin, 1995) for understanding the complex and shifting dynamics between the organisations that are at the heart of any economic regulation attempt and related regulatory activities (Hancher and Moran, 1989; Scott, 2004).

The remainder of our paper is organised as follows. In the next section, we briefly review the extant literature, which has previously focused on the issues related to

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6 Though our analysis focuses on the period 2001-2006, we note that the EU’s 2014 Accounting Directive requires all entities employing over 500 people to disclose social and environmental information in the management section of their annual reports (European Parliament and Council, 2014). We argue that our investigation of responses to the 2001 GP by two different groupings within the GP arena – business and NGOs – offers insights about the context from which this 2014 reporting regulation ultimately emerged. Monciardini (2017, p. 3) “identifies three professional elites - activist-lawyers; financial analysts; and international accountants - as the “architects” of the current debate on CSR policies, in the EU context”.
CSR and SEAR within the EU, so as to highlight some of the gaps that this paper seeks to address. In the third section, we discuss our theoretical framework, which was used to frame the analysis of our empirical findings. Following that, we describe our research methods and then present our empirical analysis. Finally, we provide some concluding remarks and discuss some of the key issues that emerge from our empirical analysis, including theoretical reflection.

2. CSR policy and SEAR in the EU

CSR policy and SEAR is a fragmented field, partly because CSR is widely seen as a nebulous concept (see for example, Monciardini, 2016; Kinderman, 2013). However, in seeking to understand what has affected CSR policy and SEAR at the EU level and the decision to issue a GP on this topic in 2001, the literature offers several insights:

- the key role played by the different Commissioners (e.g. Delors from 1985 to 1995, Prodi from 1999 to 2004 and Barroso from 2004 to 2014) before, during and after the GP’s launch (Monciardini, 2016; Steurer et al., 2012; de Schutter, 2008; Steurer, 2010);
- the influence of the different Directorates General in the European Commission with responsibility for the policy (Johansen, 2016);
- the effect of different perspectives among the EU’s nation states and their political actors (Knudsen et al., 2013). For example, Fairbrass (2011) observed that UK and German government views were more evident than the opinions of the French government after the 2001 GP. However, Bickerton (2016) noted “...Delors capitalized on a convergence of views between West Germany, France and the United Kingdom” in his single market vision, of which CSR policy and SEAR development was a part.

Other researchers have emphasized the importance of actors such as business groups and civic society (e.g. NGOs) and our analysis focuses, in particular, on these stakeholders. Fairbrass (2011) concluded that EU CSR policy following the 2001 GP was dominated by business views, with the European Parliament and civic advocacy groups side-lined (2011, p.966). According to Coen (1996, 1997, 1998; in Woll, 2006) individual corporations were important “political actors” (p.459), while Kinderman (2013) noted the significance of business groups and German employers in shaping EU CSR policy (p.701). However, anticipating the systemic power element of our analysis, Dür et al. (2015) concluded that business groups were only successful in influencing EU policy if agreement on the policy proposal was reached among “restricted elite circles” (see also Wisniewski and Moro, 2014; Cahan et al., 2016; Archel et al., 2011).

A sizeable amount of the literature in this area focuses on the effectiveness of different policy instruments - and EU policy lobbying - in achieving specific outcomes. According to Woll (2006), for instance, a key element of the EU lobbying

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7 The importance of nation states is echoed by Bickerton (2016): “...the Commission’s powers to propose laws are restricted to those policy areas chosen by member states” (p.20) and “[w]ithout the political will of member states, proposals go nowhere, even those produced by some of the most powerful men [sic] in Europe.” (p.29). However, Woll (2006) concludes that “national political traditions continue to matter in the context of EU policy-making” (p.459).
literature has centred on “the corporatism-pluralism debate” (p.458), such that early studies in European lobbying focussed on “European federations” or “national interest groups”, which emerged and coalesced into different “patterns of interest group intermediation that developed around the European policy-making process”. Studies in this area note that such coalescing can be remarkably effective.

In particular, existing literature shows that business groups’ lobbying was successful in influencing EU policy and regulation on CSR and SEAR. For instance, in its conclusions about the process initiated by the 2001 GP, the European Commission (2006) stated: “acknowledging that enterprises are the primary actors in CSR, the Commission has decided that it can best achieve its objectives by working more closely with European business” (p.1). The subsequent establishment of the European Alliance on CSR, which only included business members clearly shows the success of one set of respondents – business groups – in having their voices heard and their views acted upon in relation to the 2001 GP.

However, most of the existing literature about CSR policy and SEAR at the EU level suffers from a number of problems. It tends to view the process whereby the EU’s policy on CSR and SEAR evolved as a “black box”. Even those that do attempt to look inside this black box often fail to take account of the different levels of power exercised by the various stakeholders involved. The present paper attempts to overcome these limitations by examining, in particular, the development of EU regulation on SEAR, as part of their CSR policy from the late 1990s to 2006. We use a theoretical framework drawn from institutional politics theory, which focuses on the main business groups and NGO actors and their deployment of systemic and episodic power in the arena of the European Commission’s CSR GP.

3. The Institutional Politics of Institutional Arenas: the interplay between systemic and episodic forms of power

In this paper, insights from institutional theory are adopted to investigate the so-called “institutional politics” (Lawrence and Buchanan, 2017; Lawrence, 2008) of the arena, which emerged from the GP initiative of the European Commission in 2001 to “regulate” CSR and SEAR initiatives (hereafter the GP-arena). In particular, drawing on Lawrence and Buchanan (2017) as well as Vaara and Tienari (2008), a theoretical framework is proposed to analyse ‘what strategies’ were adopted by NGOs and companies to affect the arena’s dynamics and ‘how’ these strategies were implemented with regard to the definition, problematisation and suggestions about whether any SEAR framework should be voluntary or mandatory. The remainder of this section is organized in two subsections, which discuss respectively the concept

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8 As evidence from the USA confirms that the share value of firms that lobby ‘significantly outperforms’ those that do not” (p.11), it is perhaps not surprising that “business spends substantially more on lobbying than any other group in society” (p.11).

9 At the same time, the employer organisation BusinessEurope /UNICE wrote to its members that “A few passages [in the European Commission (2006) Communication on CSR] must be interpreted as verbal concessions to other stakeholders, which will however have no real impact.” (Ungericht and Hirt, 2010, p.14).
of institutional politics (and related power-infused strategies) associated with an institutional arena and the analytical framework adopted in this paper.

Insert Table 1 here

3.1 The institutional politics and related power-infused dynamics of institutional fields and/or arenas

A relevant strand of research in organizational institutionalism (Greenwood et al., 2008) has considered ‘how’ and ‘under what conditions’ institutional fields emerge, develop and evolve alongside existing or emerging institutions. As Scott (1995, p.56) explains, an institutional field represents “a community of [diverse] organisations that partakes of a common meaning system and whose participants interact more frequently with one another than with actors outside the field” (emphasis added). Such a community of participations may emerge and develop around different types of “centres”, which may include markets (Holm, 1995), industries (Garud et al., 2002), regulation activities (Hancher and Moran, 1989) and contested issues (Hoffman, 1999). From this perspective, therefore, fields represent “centres of debates in which competing interests negotiate over interpretation and [outcomes]” (Hoffman, 1999, p.351). According to Hoffman (1999), the process whereby fields are formed is not “static” but dynamic as new “forms of debate emerge in the wake of triggering events that cause a reconfiguration of field membership and/or interaction patterns” (ibid, p.351). Thus, a field becomes a centre for channels of dialogue, discussion and controversies between the different actors that participate in the field’s life (Scott, 2001). In this sense, fields can be seen as “arenas of power relations” (Brint and Karable, 1991, emphasis added) where multiple constituents, with disparate purposes and (self-) interests, interact and compete over the formation of the field (Hoffman, 1999; Stryker, 2000; Smith, Haniffa and Fairbrass, 2011). As suggested by Lawrence (2008), an institutional field should be described as an issue-centred arena, i.e. as the symbolic location of discussion, dialogue, interactions and actions that characterize the collective decisions with regard to a specific issue (e.g. corporate environmentalism). Within each arena, multiple actors employ different resources (e.g. money, social influence, lobbying) to shape the arena’s dynamics and pursue their goals. An arena, therefore, denotes a “complex and heterogeneous” domain (Greenwood et al., 2011) of power-infused interactions and relations between several individuals or collective actors (Georgakopolous and Thomson, 2008; Lawrence and Buchanan, 2017), who coalesce, confront and compete in order to affect the arena’s life (Hoffman, 1999) in pursuit of their goals. As we have already outlined above, the space, which emerges out of the regulation activities (e.g. regulation about product stewardship), can be understood as an institutional arena that is characterized by power-infused dynamics10.

10 In this paper, an institutional field is seen as a specific form of (physical and/or symbolic) domain of institutional life and related dynamics. In particular, a field is characterized by the existence of a
As Lawrence and Buchanan (2017) and Munir (2015) emphasize, the consideration of these power-infused dynamics is key for understanding the logics underpinning the formation, evolution and change of (institutions and) institutional arenas. In particular, the multidimensional relationships between (power and) power-related dynamics and institutional change describe the so-called institutional politics\(^\text{11}\) (Lawrence and Buchanan, 2017; Lawrence, 2008; Stryker, 2000) of a specific institutional arena.

Institutional politics can be defined as “the strategic mobilization and counter-mobilization” (Stryker, 2000, p.190) of “material and symbolic resources” through which “individual, group and organisational actors” effect an arena by “influenc[ing] the authoritative decision-making in accord[ance] with their perceived interests and values” (ibid, pp.179-180). In particular, Lawrence and Buchanan (2017) maintain that institutional politics involves two primary power-based dynamics: i) institutional control; and ii) institutional agency\(^\text{12}\). Each of these dynamics (see below for definitions) describes the role that power and power-based strategies “play in shaping the relationship between institutions, actors” and organisations within an institutional arena (ibid, p.480).

Institutional control refers to the impact that institutions exert on the beliefs and behaviours of individual and/or organisational actors (Lawrence and Buchanan, 2017). Institutional control is concerned with the way in which institutions organize, shape and influence particular forms of thought and actions in specific institutional domains (Lawrence, 2008; Scott, 2001). As Lawrence and Buchanan (2017) explain,

\(^\text{11}\) In more recent years, in the organizational institutionalism literature, more attention has been devoted to the analysis of change, interests and conflicts in the emergence of institutions and institutional arenas. As emphasized by Lawrence and Buchanan (2017), this research (e.g. institutional work (Lawrence and Suddaby, 2006; Lawrence at al., 2009)), has emphasized the role of power and power-related dynamics in the context of institutional change. Research on institutional politics represents an attempt to bring agency and power dynamics into the analysis of institutions and institutional life.

\(^\text{12}\) The difference between institutional control and institutional agency recalls the broad parameters of the structure and agency debate that has characterized much of the research in social and organisational studies. Garud, Hardy and Maguire (2007, p.960-961) note that “privileging structure over agency leads to causally deterministic models” whereby some features of the social world “structure or determine” other aspects. According to Garud, Hardy and Maguire (2007, p.960-961), “in the extreme” such a view renders humans as being void of agency who “are assumed to be automaton-like processors”. On the other hand, on the agency side of the debate, individuals are considered to possess agency and free choice with the capacity to influence their environment. At the extreme, such views have a tendency to “promote heroic models of actors and have been criticized for being ahistorical, decontextualized and universalistic” (ibid, p.960-961). Within the context of this debate, the framework proposed by Lawrence and Buchanan (2017) has the potential to offer insights into the processual dynamics linking structure and agency, which are implicated in the construction and formation of organisational and individual actions. In this sense, the Lawrence and Buchanan (2017) framework emphasis a somewhat more dialectical and less-deterministic relationship between structure and agency.
institutional control operates independently of any particular actor or the interests of these actors. For instance, institutional control may derive from the intervention of a specific law or regulation within an industry, market or region (e.g. the regulation of product labelling) which affects the practices of the individuals or organisations in that industry, market or region. On the other hand, institutional agency\textsuperscript{13} describes the self-interested work of individual or collective actors to create, transform and disrupt institutions (Lawrence and Buchanan, 2017; Lawrence, 2008). For example, institutional agency can refer to the initiatives that are undertaken by an individual or organized group of actors within a specific arena to modify and shape the institutions and institutional life of that arena (see for example Holm, 1995).

In their theoretical framework, Lawrence and Buchanan (2017) link institutional control and institutional agency with two different “modes of power”\textsuperscript{14} (i.e. different ways in which power can be exerted/exercised), which they call “systemic power” and “episodic power” respectively (see Table 2). On the one hand, systemic power (associated with institutional control) represents a form of power that operates “through routine[s] [and] ongoing practices to advantage particular groups without those groups necessarily establishing or maintaining those practices” (Lawrence and Buchanan, 2017, p.480). For instance, this variety of systemic power may include tax and insurance regimes as well as accreditation systems but also involves established and taken for granted social and economic practices. All of these provide rules and norms that divide (Russell and Thomson, 2009) what are considered to be feasible, acceptable and normal forms of thought and behaviour from those which are not (though see Archel et al., 2011). Lawrence and Buchanan (2017) argue that systemic power can be exerted through two main modes (or forms): domination and discipline. Domination indicates a form of power that supports institutional control through systems, procedures and practices that “restrict” and “delimit” the range of options available to actors. For instance, forms of domination include: i) physical and social systems such as the layout of office and/or the format of technologies used; ii) established economic and business practices that, through their underlying assumptions and discourses (e.g. economic growth; the inevitability of profit-maximisation as a business objective), restrict the options for what is seen as normal and acceptable behaviour and thought. Discipline is a mode of power that involves an ongoing and systematic engagement with the target of the power (e.g. an individual) and relies on the agency of that individual to affect her/his behaviour (Clegg, 1989).

On the other hand, episodic power (associated with institutional agency) refers to “relatively discrete, strategic acts of mobilization initiated by self-interested actors” (Lawrence and Buchanan, 2017, p.480) to attend to specific objectives. From this perspective, power is linked to the ability of actors to mobilize resources in order to

\textsuperscript{13} As emphasized by Scott (2008), agency describes the “actor ‘s ability to have some effect on the social world- altering the rules, the relational ties, or distribution of resources” (p.77).

\textsuperscript{14} Drawing on the work of Clegg (1989), Lawrence and Buchanan (2017, p.480) see power “as a property of relationships such that the beliefs or behaviours of an actor are affected by another actor or system”. In this sense, power is seen as a “relational phenomenon rather than a commodity”, that can be held or stored.
modify and direct others’ behaviours. According to Lawrence and Buchanan (2017) and Lawrence (2008), episodic forms of power include force and influence. Force, which can be understood in a physical or bureaucratic way, describes a mode of power that works by directly and evidently overcoming another actor’s intention or behaviour. The second mode of episodic power is influence. Lawrence and Buchanan (2017) argue that influence denotes the ability of an individual, or collective of actors, to persuade and induce another actor to do something that she/he would not otherwise do. This form of power can be exerted through a variety of initiatives and strategies, which may include, for example, corporate sponsorship, moral and rational persuasion, lobbying for regulatory change, discursive and legitimation strategies. An analysis of the different ways in which these strategies and initiatives allow multiple and self-interested actors to exert influence is essential to the understanding of “how” and “why” specific institutional arenas (e.g. regulatory arenas) are shaped and change over time (Holm, 1995; Stryker, 2000).

3.2 An analytical framework to investigate the institutional politics of the GP-arena

Drawing on Lawrence and Buchanan (2017), an analytical framework is employed in this paper to explore in detail the competing power-infused strategies and initiatives that were adopted by business groups and NGOs to affect and shape the GP-arena’s dynamics, including the definition, problematisation and suggested solutions for SEAR in the EU. The proposed framework (see Table 1 and Table 2), which has been enriched with insights from Vaara et al.,’s (2006) and Vaara and Tienari (2008)’s discursive strategies, helps to illuminate the diverse modes through which institutional agency, in the form of episodic power, took place.

In particular, we will consider two forms of influence: i) the discursive strategies adopted; and ii) other influencing actions, such as the lobbying initiatives which took place, moral suasion and relational persuasion. We contend that the intra-arena dynamics, including the initiatives (and counter- initiatives) of institutional agency of both constituents in our study (i.e. business groups and NGOs), were strongly affected by the dominant economic discourses (and practices) of the wider institutional context. In particular, the accepted and taken for granted discourses and practices of the existing institutional context represented forms of domination, i.e. forms of institutional control that restricted and delimited the actions in the GP-arena (see Table 2 for details).

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15 In the context of organizations, bureaucratic force is the most common form of force exerted. For instance, bureaucratic forms of force may include the procedures and systems adopted by a corporation to fire employees or by universities to expel poorly performing students.

16 While discursive strategies are highlighted as being a manifestation of episodic power, we note that the Lawrence and Buchanan (2017) framework has the potential to offer insights into the processual dynamics between discourses and social structures. In this sense, and in keeping with the dialectical relationship between structure and agency outlined in note 12, we maintain that discourse itself also shares something of this dialectic relationship. As Jorgensen and Phillips (2002, p.65) note: “discourse is an important form of social practice which both reproduces and changes knowledge, identities and social relations, including power relations, and at the same time, is also shaped by other social practices and structures”. 
As noted above, Lawrence and Buchanan (2017) propose that influence can be exerted through a range of approaches, including discursive strategies. With regard to discursive strategies we investigate how and why some strategies were more powerful than others and seemed to influence and shape the dynamics of the GP-arena. As Phillips et al., (2004) observe, understanding the institutional effects of discourses is essential for investigating how the dynamics of an institutional arena take place and how actions are affected (see also Archel et al., 2011; Bozanic et al., 2012). Our analysis of discursive strategies is informed by Vaara and Tienari (2008) and Vaara et al. (2006), who develop a typology of discursive strategies that can be employed in order to establish legitimacy within an institutional arena and therefore influence the dynamics of this arena (see Holm, 1995). More specifically, they identify five “discursive legitimation strategies”: (i) Rationalization; (ii) Moral Evaluation; (iii) Authorization; (iv) Normalization (as a separate category of authorization); and (v) Mythopoesis (or narrativisation).

4. Research Methods

Our analysis of the dynamics of the GP arena is undertaken in two phases (see section 5 for more detail), reflecting the “systemic power” and “episodic power” components of the analytical framework outlined above. Table 3 provides an overview of the data sources and methods associated with each phase of the analysis. A multi-method approach was adopted to capture the various conditions, factors, processes and main actors of the GP arena. In other words, the data collected through this multi-method approach helped to develop a richer and deeper understanding of the empirical domain of our investigation. In particular, drawing on the theoretical insights discussed above, we present a theoretically-informed analysis to interpret (Ahrens and Chapman, 2006) the socio-institutional context within which the GP arena evolved and the power-based initiatives that were adopted by business groups and NGOs to influence and shape the contours of the arena. In the following, we provide more detail about the sources of our data and the methods through which these were analysed.

For phase 1 of the analysis, two sources of data were utilized: newspaper coverage of the GP and semi-structured interviews. Several studies have highlighted the importance of considering newspaper coverage when analysing struggles within an institutional arena. For example, Ferns and Amaeshi (2017, p.8) argue that, “newspaper articles are often considered useful for analyzing discursive struggles because of the media’s dual role as both mirroring public debate while actively shaping the character of society by giving meaning to its institutions”. Similarly, Joutsenvirta and Vaara (2015, p.745) point out that newspapers help “defin[e]... the
public agenda [and] synthesize various aspects of the discursive and ideological struggles” (see also Beelitz and Merkl-Davies, 2011). Lupu and Sandu (2017, p. 534) extend this viewpoint by noting “how legitimacy relies on the multiple processes … linking corporate narratives and media texts”.

For our analysis, a search was undertaken of the *Nexis* database\(^\text{17}\) for newspaper articles related to the GP, SEAR or CSR at the EU-level during the period from July 2001 until March 2006. This period marked the first phase of a “regulatory cycle” related to CSR within the EU (Monciardini, 2016, p.80)\(^\text{18}\). All articles containing references to the GP or CSR at the EU-level were downloaded and read by two members of the research team. This analysis noted the topic of the piece, the format of the publication (e.g. letter, article, feature) and any affiliation of the author.

In addition to the newspaper analysis, Phase 1 of our investigation was also informed by semi-structured interviews that were conducted, in the first half of 2005, with four individuals who were knowledgeable about, and involved in, the GP. Although small in number, these interviewees included one MEP and two senior civil servants working in Brussels for the Commission in Directorates involved with the GP proposal (see Table 3). The final interviewee was the head of an NGO that was involved in the European Commission’s CSR proposal. The interviews sought to ascertain views about the history behind the publication of the GP. Interviewees were also asked about the extent, and type, of any lobbying associated with the European Commission’s GP. Each interview was recorded, lasted for about one and half hours, on average, and all except one were attended by two researchers. Insights from the interviews were also used to inform the analysis of the second phase.

Phase 2 of our study involved an interpretive analysis of the discursive strategies employed in the submissions on the GP made by business groups and NGOs; these submissions were invited when the GP was first issued, collated by the European Commission and published on their website in 2001 (see Table 4). As outlined above, our analysis of discursive strategies is informed by Vaara and Tienari’s (2008) and Vaara et al.’s (2006) typology of legitimation strategies. In addition, insights from the interviews were also used to enrich our analysis of the episodic power initiatives which were mobilised by NGOs and business groups to influence the arena’s dynamics.

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\(^{17}\) *Nexis* provides news and business information from a range of sources, including UK national and regional newspapers, international newspapers and newswires, and foreign language news sources. See: https://www.nexis.com

\(^{18}\) In his analysis of the development of CSR within the EU, Kinderman (2013, p.701) claims that “the EU’s role in EU CSR has changed from social-liberal standardsetter to neo-liberal cheerleader and back”. Our analysis follows the first part of this transition, beginning with the issue of the GP in July 2001 (the “social-liberal standardsetter” stage) to the European Commission (2006) Communication that promoted a voluntary approach to CSR (“neo-liberal cheerleader” stage). A second phase to the “regulatory cycle began only in 2008, immediately after the burst of the financial crisis” (Monciardini, 2016, p.80), which marks a return towards a social-liberal approach to CSR (Kinderman, 2013, p.701).
5. Empirical Analysis: understanding the interplay between systemic and episodic power in the GP-arena

In this section, we present our analysis. Firstly, we examine the historical and institutional context, which affected the genesis of the GP in 2001, and established the systemic power within the GP-arena. Secondly, we provide an analysis of the episodic power-infused initiatives that NGOs and business groups espoused to compete for domination within the contours of the GP arena over the period up to 2006.

5.1. The background to the formation in 2001 of the GP-Arena: understanding the role of systemic power

The genesis of the GP can be traced back to the Jacques Delors presidency of the European Commission in the 1990s and, in particular, his initiative to establish a *European Declaration of Businesses against Social Exclusion* (Kinderman, 2013, p.705; Monciardini, 2016; Muhle, 2011). Concerned with rising unemployment, poverty and social exclusion, Delors developed the ‘Declaration’ in 1995 as a vehicle to enlist business support to help address some of these wider social issues; 1996 saw the establishment of the European Business Network for Social Cohesion (EBNSC) (renamed ‘CSR Europe’ in 2000)\(^1\). Similar considerations were reported by Interviewee B, a civil servant, who emphasizes that at that period,

> “there was some unease with the closing of … factor[ies], which …[did not happen] in a socially responsible way. There was a major outcry about this”.

According to Interviewee A, a MEP during this period:

> “You can really draw [the GP] into the Delors initiative, which certain businesses responded to very positively. They’d go and establish the agenda”.

Another factor associated with the growing awareness and demand for CSR policy and SEAR within Europe, as highlighted in media reports at the time, relates to the rise in mergers and acquisitions at the end of the 20\(^{th}\) Century. This increase in merger and acquisitions activity brought “restructuring” and “large-scale redundancies” across (especially mainland\(^2\)) Europe (Spinant, 2001; see also, Staunton, 2001, p.16). At a time when “employers were increasingly fractious

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\(^{1}\) One of the reasons attributed to this change was that “the legitimacy of the EBNSC to represent the voice of business” was being questioned by business groups, who “feared that the EBNSC was harbouring a hidden regulatory agenda” (Kinderman, 2013, p.707). CSR Europe placed less emphasis on social exclusion, stressed the importance of ‘entrepreneurship’ and did not maintain relationships with trade unions or labour organisations (unlike its predecessor, the EBNSC).

\(^{2}\) While there had been a history of merger and acquisitions “waves” in the UK throughout the 19\(^{th}\) century, this was a relatively recent phenomenon in mainland Europe. For example, between 1992 and 2000, these transactions grew by 250% for firms within the EU (Sudarsanam, 2003).
towards the rituals of the corporatist collective bargain”, this inevitably led to
growing concerns for employee welfare and demands for increased employee
participation in corporate decision making (Monciardini, 2016, p.79).

Towards the end of the 20th century, another institution of the EU, the European
Parliament, was “very much in touch with NGOs and campaigners about issues of
corporate responsibility” (Interviewee A), which led to a parliamentary resolution in
1999 calling for a binding European Code of Conduct to govern companies’ labour,
environmental and human rights practices. The contents of the European Parliament
resolution provide an early indication of the stark differences in approach to CSR
policy and SEAR that were to emerge between the European Parliament and
European Commission. More specifically, the European Parliament resolution took a
more regulatory orientation – proposing, among other things, a ‘monitoring
platform’ which would handle complaints about companies, and a social labelling
scheme (Lozano and Prandi, 2005, p.192).

Further impetus for CSR within the EU context emerged through the Lisbon
Strategy21, a developmental plan that was launched in March 2000 by EU heads of
state and governments as well as the European Council (De Schutter, 2008;
[Strategy] conclusions there was a paragraph about Corporate Social Responsibility
which did put CSR on the EU political agenda”. Similarly, Interviewee A reflected that
the Lisbon Strategy was “a very important point where [CSR] moves into the
European mainstream”.

However, the Lisbon Strategy not only marks the point where CSR enters the
mainstream, but also the emergence of: (i) contested understandings of CSR within
the EU22; and (ii) a neo-liberal orientation to CSR within the EU. According to
Interviewee D, a representative of a NGO, it was evident that the “European
Commission and Council of Ministers [gave] much stronger endorsement to the sort
of neo-liberal [and] trade liberalisation type agenda” than to any other context for
CSR. Both of these issues become strikingly visible following the release of the GP in
2001, and are discussed further below.

Contemporaneously, other wider social forces were at play, which undoubtedly
contributed to a sense of urgency around CSR related issues within the EU’s
institutions. For example, in 2001, the Observer reported that:

“The issue of corporate power has risen high up the international agenda,
aided by campaign groups and authors such as George Monbiot, Naomi Klein
and Noreena Hertz… The transformation can be traced back to Shell’s calamity
in 1995 with the Brent Spar oil platform and the Ogoniland imbroglio” (Crowe,
2001, p.9).

21 https://portal.cor.europa.eu/europe2020/Profiles/Pages/TheLisbonStrategyinshort.aspx
22 For example, Kinderman (2013, p.707) notes that “a statement in the Lisbon Agenda, drafted by
CSR Europe, on the role of CSR in achieving the Lisbon goals triggered [a] clash with BusinessEurope”
The article also highlighted the so-called “Battle of Seattle” in 1999 as a relevant factor in the development of CSR, when a coalition of NGOs and anti-globalization “demonstrators… brought the proceedings of the World Trade Organisation to a halt” (Crowe, 2001, p.9). Similarly, Interviewee B reflected that developments around the GP emerged “just after the Seattle events, with the backlash against globalisation. It was in the air that business as usual in the ‘90s was facing opposition in society”. From the perspective of institutional theory, these events (e.g. Shell’s calamity, activist campaigns, factory closures, etc.) represented “trigger” (Hoffman, 1999) factors that challenged institutional inertia and promoted change in the existing way of understanding CSR-related issues. In other words, these events, in conjunction with the existing favourable political and economic conditions (e.g. Delors’ initiative), helped to give ‘visibility’ to, and to increase ‘awareness’ of, the problematic issues related to business conduct and created the scope for initiatives such as CSR and associated SEAR.

From the analysis of our empirical data, it appears that, by the end of the 1990s and before the publication of the GP in 2001, two main CSR-related discourses seemed to emerge. These discourses were centred on two issues: i) the urgency of a CSR-agenda given that the European Parliament, the European Council and the European Commission were all exercised by various aspects of its dimensions; and ii) the need for business support. In particular, business and corporations were considered key actors for setting and, in the words of Interviewee A, “establish[ing] the agenda”. Our analysis indicates that these discourses gradually and increasingly became the “normal” and “acceptable” (Lawrence and Buchanan, 2017; Lawrence, 2008) ways of understanding and dealing with the CSR issues. From the theoretical perspective adopted in this paper, these discourses, thus, acted as a form of systemic power, which subsequently “delimited” and “restricted” the range of options for thinking and acting towards CSR and related SEAR practices.

2001: the emergence of the GP-arena

The GP was issued by the Commission in July 2001, with December 2001 set as the deadline for consultation responses from any interested parties. During the process of its development, media reports noted that the GP was “a product of three European Commission Directorates-General” – the Social Affairs Commissioner, Anna Diamantopoulou; the Industry Commissioner, Erkki Liikanen; and the Environment Commissioner, Margot Wallstrom (Europolitics, 2001, p.4, Europolitique – initially entitled European Report in English). While three Directorates-General (DG) were involved in the development of the GP, in these early stages of CSR within the EU, the Social Affairs DG served as the “home-base” (Fairbrass, 2011 p.959) and “chef de file” (Europolitics, 2001, p.4). In terms of our analysis, the publication of the GP and the consultation process that followed, represented the significant “triggering event” (Hoffman, 1999) that inaugurated the formation of the “institutional arena” (Brint and Karable, 1991); this centred on whether any CSR policy and reporting framework - including SEAR - should be voluntary or mandatory. In this sense, the publication of the GP was the first formal act that started a “centre of [regulatory] debate” (Lawrence, 2008; Hoffman, 1999) between different interested groups, such as NGOs, business groups and other
actors. In addition, by providing a formal definition of CSR, the GP delimited the contours of the issue at the centre of debate and laid out the rules of engagement in the arena. From this perspective, therefore, the concept of CSR in the GP represented a form of “dividing construct” (Russell and Thomson, 2009), which “delimits” and “restricts” (Lawrence and Buchanan, 2017; Lawrence, 2008) the possible ways of understanding and debating the issue.

The GP consultation document characterised the common understanding of CSR as follows: “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Section II, emphasis added). The voluntary basis of CSR was also emphasised in media coverage at the time. For example, reporting on the publication of the GP, the Financial Times referred to CSR in general as a “voluntary movement” adding somewhat ominously that, “any attempt at heavy-handed intervention from the Commission would almost certainly be the kiss of death for CSR among European companies” (Cowe, 2001, p.16, emphasis added). The voluntary approach to CSR was presented as the normal way of understanding and defining CSR. As emphasized by Interviewee B:

“... the integration of social and environmental [issues] on a voluntary basis, was the credo all the time”.

Not only did the GP frame CSR as voluntary, but two of the European Commissioners involved with its inception were keen to highlight the business benefits of CSR at its launch. As Staunton (2001, p.16) reports:

“Employment and Enterprise Commissioners, Ms Anna Diamantopoulou and Mr Erkki Liikanen, said that an ethical approach was good for business... “More and more firms are realising the link between profitability and best ethical and environmental practice. Conscientious firms not only attract and retain the best workers, they can also get ahead in the technology game, vital for that all-important competitive edge” they said.”

The GP “elicited responses from about 260 organizations and individuals during 2001... The overwhelming majority [coming] from organized interests” (Fairbrass 2011, p.959). According to Fairbrass’s (2011, p.960) analysis, companies were by far the largest group present in the submissions – representing 42% of overall submissions. More specifically, as Interviewee B noted, the majority of responses were submitted by “British companies. They [were] the largest quantity or group”. He added that:

“I suspect that there may have been a role given to British business to make their voices heard. It may have been a strategy to send many responses because they tend to say more or less the same [thing]”.

The analysis of our empirical findings shows that the emergence of the GP-arena, as a result of the publication of the GP in 2001, was characterized and influenced by
two emerging discourses related to CSR: i) the voluntary approach to CSR; ii) the business benefits of CSR. These two discourses appeared to be coherent and connected (Phillips et al., 2004); while the involvement of business groups was seen as necessary for the success of any CSR policy and SEAR framework, this involvement needed to be based on some benefits to business participants. Any CSR policy and SEAR framework, therefore, should be voluntary because, as emphasized by Interviewee D, “any regulation [would have been seen as] a burden”. In other words, the voluntary approach discourse was *a sine qua non* for the successful involvement of the business actors. As observed by Interviewee C,

“once we decided that CSR is voluntary we need businesses to be on board. The voluntary nature is necessary so that businesses think that it is theirs”.

As we will see later, these two connected discourses, which emerged in the early phase of the GP-arena, were relevant to understand the initiatives that were subsequently (feasible to be) undertaken by NGOs and business groups to influence and shape the dynamics of the arena.

**2002-2006: the evolution of the GP-arena**

One of the key developments immediately after the GP consultation occurred when the Commission issued its Communication concerning CSR in July 2002, entitled *Communication on Corporate Social Responsibility: a business contribution to Sustainable Development* (European Commission, 2002). It provided a very brief synopsis of the responses to the GP and, in particular, noted that companies “stressed the voluntary nature of CSR” while civil society organisations emphasised the inadequacy of voluntary initiatives.

In the lead-up to the publication of this Communication, a schism between the European Parliament’s and European Commission’s approaches to CSR policy and SEAR became more pronounced. For example, Europolitics (2002, April 24th, Section 2678) reported that:

“MEPs have expressed their disappointment at the European Commission’s June 2001 Green Paper on Corporate Social Responsibility (CSR), complaining that it simply lists a large number of current initiatives whilst suggesting a largely voluntary, rather than regulatory, approach to the issue. The non-legislative report, drafted by British Socialist Richard Howitt (PSE, UK), was adopted by the Committee on Employment and Social Affairs in the Parliament on April 23... Mr Howitt is not happy with [the] definition, arguing in his report that it undermines the very idea of global governance and indicates that the only idea of CSR is a voluntary one.”

Reporting on a European Parliament vote on “new rules requiring annual social and environmental reports alongside financial accounts” (*emphasis in original*) in May 2002, a Financial Times article highlighted the different position taken by the ‘Employment and Enterprise’ commissioner Anna Diamantopoulou and the European Commission. The article states that Diamantopoulou’s “officials say
binding legislation is not yet on the cards” adding that "CSR is a voluntary exercise for business and it’s becoming more common across Europe" (Maitland and Mann, 2002, p.14).

There was a notable outcry within certain sections of the British press when the European Parliament voted to back proposals mandating annual social and environmental reports. For example, the Daily Mail reported that “The Confederation of British Industry said it would be working with counterparts across Europe to persuade the Commission to reject the proposals” and that, according to Ruth Lea from the Institute of Directors, “this corporate governance agenda is a distraction dreamt up by people who do not know how business works” (Wilson, 2002, p.23). Similarly, Accountancy Age (Zea, 2002, p.3) (a trade magazine for accounting and finance professionals in the UK), denounced the proposals as “a load of hot air”, reporting that the Institute of Directors and the UK’s Department of Trade and Industry had both “heaped criticism on a proposal from the European Parliament to make [social and] environmental reporting compulsory”.

Following publication of the Communication, the other key development during this period was the emergence of the European Multi-Stakeholder Forum (EMS) on CSR, which was established in October 2002 as a result of recommendations contained in the July 2002 Communication. From the analysis undertaken in this paper, the Communication issued in July 2002 and the constitution of the EMS in October 2002 represented relevant initiatives which “reinforced” (Contrafatto, 2014) the arena by providing “resources” and “channels” (Hoffman, 1999; Lawrence, 2008) for further interaction and confrontation between the arena’s actors, in particular NGOs and business groups. For example, Interviewee B stated that businesses refused to participate in the EMS “unless they had 50% of the seats” (see also Ungericht and Hirt, 2010, p.11). In addition, these “reinforcing initiatives” contributed to a re-shaping of the structure, participants and dynamics of the arena. As emphasized by Fairbrass (2011, p.959) “this second stage in the interactive process marked the first narrowing of the actors invited to participate in the deliberations”. While around 30 organizations participated, including a range of public, private and voluntary bodies, the negotiations were closed to members of the public.

In addition, the CSR policy and SEAR process witnessed a further development that proved very significant for CSR within the EU; namely the political complexion of the Commission changed when the “centre left” EU President Romano Prodi was replaced as president by the “centre right” Manuel Barroso in November 2004. This political event marked a significant change event, which “challenged” the equilibrium (Holm, 1995) of the GP-arena and “triggered” (Hoffman, 1999) some institutional reconfiguration in the existing practices and discourses. As a result of

23 While the Communication emphasized a voluntary approach to CSR, De Schutter (2008, p.208) argues that aspects of this document stressed the need for: (i) “convergence” towards commonly agreed criteria for CSR and SEAR, and; (ii) the identification and exploration of “areas where additional action is needed at [the] European level”. According to De Schutter (p.209), “the Commission... expressed its hope that the [EMS]” would consider and address these two issues.
this change in the complexion of the Commission, there was a shift in the political orientation, which, among other things, affected their vision and approach to the CSR policy and SEAR framework.

As a result of this political reconfiguration, the existing discourses about a ‘voluntary approach to CSR’ and ‘the business case for CSR’ seemed to receive even wider support. From the analysis of our empirical data, it appears that these two discourses, which had characterized the GP-arena since its origin, increasingly become more established and taken for granted, i.e. the normal and appropriate way of understanding and considering any CSR policy and SEAR framework. In other words, these discourses increasingly became an ‘ought’. In the words of Interviewee C,

“CSR has to be voluntary from our point of view. It is either voluntary or it is not really a concept that works in [any] political context. The challenge [is] to promote CSR respecting its voluntary nature without adding extra administrative burdens to business” (emphasis added).

This emphasis on a voluntary approach and in favour of business interests became even more evident towards the end of this period when the Commission launched the European Alliance for CSR, and issued a second policy document (European Commission, 2006) entitled “New Communication on Corporate Social Responsibility”. The tone of this document was anticipated in coverage by the Financial Times:

“The European Commission plans to side with business in largely excluding trade unions and non-governmental groups from a new European corporate social responsibility initiative” (Minder et al., 2006).

Minder et al., (2006) also quoted Gunter Verheugen, the Industry Commissioner as follows:

"Originally the Commission's plans looked very different. The department responsible wanted to publish naming-and-shaming lists (of companies) and to create a monitoring system for the implementation of the CSR principles. I had to halt this enthusiasm for new regulations."

In sum, by the end of 2006, therefore, these discourses about the ‘business case for CSR’ and the ‘voluntary approach to CSR’ seemed to have become largely dominant. From our theoretical perspective, these discourses represented, and acted as, forms of systemic power, which “defined”, “delimited” and “restricted” (Lawrence and Buchanan, 2017; Lawrence, 2008) the course of actions and initiatives of available to the actors in the GP-arena.

5.2. Episodic Power initiatives to influence the GP-arena
In this subsection, we examine the episodic power initiatives which were deployed by NGOs and business groups to influence the dynamics in the GP-arena. In
particular, we focus on: i) the discursive strategies; and ii) other approaches such as lobbying initiatives undertaken, moral suasion and coalition building. As noted above, our analysis of the discursive strategies employed in the lobbying process is informed by Vaara and Tienari (2008) and Vaara et al., (2006, p.797), who distinguish between five “discursive legitimation strategies”; (i) Rationalization; (ii) Moral Evaluation; (iii) Authorization; (iv) Normalization (as a separate category of authorization); and (v) Mythopoesis (or narrativisation). Although we saw evidence of each of these strategies in our analysis, we focus our discussion here on the four where the evidence is strongest: rationalization, moral evaluation, authorization and normalization. In addition, we highlight evidence of other episodic power initiatives such as lobbying, moral suasion and coalition building.

**Rationalization**

According to Vaara and Tienari (2008, p.988) and Vaara et al., (2006, p.800), rationalization is a strategy of legitimisation that refers to the utility of an action or the expected outcome. Within the context of responses to the GP, this strategy was frequently employed in the submissions made by companies, who tended to emphasise both a “business case” for CSR policy and SEAR and the utility of a voluntary approach. In fact, companies were generally enthusiastic about their own capacity to make a meaningful contribution to CSR development, but only under conditions of voluntary guidelines. Many of their comments described voluntary regulation as important for company motivation and responsibility. One example of this was found in a submission by Lloyd’s TSB:

“There is frequently a business motivation, particularly in relation to social policy, and this helps explain the willingness of companies to go beyond mere compliance.”

For instance, Lloyd’s TSB argued that “the essential driver for business engaging in CSR [reporting] practice, let alone its evaluation and verification, will be the business case”. These comments were echoed by Interviewee D, who, reflecting on whether there was a business case for voluntary CSR and SEAR, emphasized a rationalization-based argument according to which “there is a business case... [related to some] competitive advantage for those who have taken this strategy”.

Many company submissions favoured voluntary regulation on the basis of its “flexibility”. More specifically, it was frequently claimed that such flexibility was the driving force behind the corporate adoption of CSR and SEAR practices. Companies argued that the huge variety of business sectors, sizes and business environments made voluntary regulation expedient. For example, Barclays suggested that CSR “[i]ssues can be subjective, intangible and ... difficult to address properly through a ‘one size fits all’ framework.” British Telecom’s response indicated that firms “would also like to see the EU emphasise the need to build up trust relationships
with suppliers in the implementation of codes, and this requires a company- or industry-specific, rather than ‘one size fits all’, approach to implementation.”

In the above examples, a rationalization strategy is being employed as a basis of establishing legitimacy, through the implication that wider social welfare would benefit from a voluntary approach to policy and reporting – since such an approach could (more efficiently) accommodate: (i) the inherent subjectivity of CSR (see also, Fairbrass, 2011) and (ii) the inherently different contexts in which companies and industries operate.

In contrast to the generally favorable views expressed in relation to voluntary regulation, companies’ submissions tended to characterize a mandatory approach as both costly and as an impediment to progress in CSR policy and SEAR. There were also the familiar business case arguments against the imposition of mandatory regulation. In this sense, a strategy of (de)legitimization was employed. For example, concerns were raised about the adverse impact on business’s incentives to adopt CSR that could result from forcing a compliance-based regime upon companies. Cadbury-Schweppes made the following comment about this potential loss of incentive:

“Cadbury Schweppes supports the Commission approach of privileging voluntary rather than legislative measures as legislation would result in companies trading down to the lowest common denominator instead of pushing industry to constantly improve its performance.”

These negative arguments focussed on specific CSR concepts, such as stakeholder relations and social dialogue. For example, GlaxoSmithKline UK evidently felt that they had already accumulated social capital through the development of their own voluntary CSR policy and expressed concern about losing it: “a mandatory scheme could undermine the goodwill that is currently the foundation of business’s CSR activities, particularly stakeholder engagement.”

**Moral Evaluation**

According to Vaara and Tienari (2008, p.998) the strategy of moral evaluation seeks to establish “legitimation by reference to specific value systems that provide the moral basis for legitimation”. For example, one might attempt to establish legitimacy by appealing to a rights-based discourse, to fairness (Vaara and Tienari, 2008) or even to “national interests” (Vaara et al., 2006, p.801). In relation to the GP, the most prevalent and explicit utilizations of this legitimation strategy were to be found in the NGO submissions, across a range of arguments.

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24 Recall that interviewee B had suggested “it may have been a [British business] strategy to send many responses because they tend to say more or less the same”.

25 Jackson et al. (2019) is a more recent exploration of the impact of mandatory disclosures on CSR in a number of countries, including many from the EU.
It was clear that NGOs were concerned that CSR should not be used in an instrumental way as a marketing tool for financial gain. For example, The Platform of European Social NGOs stated this point succinctly when they argued that:

“CSR must not involve rewarding corporations for complying with legal obligations ... CSR should not be promoted solely on the instrumental grounds of economic benefit”.

Relatedly, all NGOs were uneasy about the GP’s business case focus. For example, the New Economics Foundation argued that:

“The focus on the “business case” limits the EU role in ensuring that organisations - including public, private and voluntary - take full responsibility for their wider impacts on stakeholders and the environment”.

The moral legitimation strategy employed by NGOs in their submissions, tended to implicitly view corporate responsibility as a duty or end in itself; such a view is therefore quite distinct from, and undermined by, a moral discourse which emphasises the “business case” or views corporate responsibility as a means to an end. In the submissions, Friends of the Earth probably came closest to explicitly articulating what they saw as a corporate moral duty, stating that “the benefits of publicly-traded status are effectively a substantial subsidy from society to these corporations - for which society can expect some return”.

In relation to SEAR more specifically, NGO submissions also employed a legitimation strategy grounded on moral evaluation. Specifically, a number of submissions alluded to a potential moral conflict of interest that might arise if a commercial company were to offer assurance services to another company. For example, Africa Now were explicit about the inherent threat to ‘auditor independence’, stating:

“The quality of the verification would be much improved if it were not simply the preserve of companies who sold a verification exercise (and thus perhaps could be argued to be tempted to provide a favourable report) but broadened to NGOs, workers and civil society more generally” (emphasis added).

In this respect, a broader role for the NGO sector in acting as a stimulus to responsible corporate behaviour was also envisaged:

“The EU should also actively support NGOs and other groups that campaign and act as watchdogs on specific issues such as human rights or the environment”.

While, on the whole, the most explicit use of this legitimization strategy in the submissions was from NGOs, it is worth noting that the strategy of rationalization also “has a moral basis, although not always an explicit one” (Vaara et al., 2006,
For example, according to Vaara et al., (2006, p.801) “economic-financial” rationalizations that emphasise “growth, economies of scale, efficiency, etc.”, are often connected to the moral views that one might associate with “neoliberalism”. Similarly, as outlined in the rationalization section above, the companies’ submissions to the GP tended to emphasise a voluntary approach to CSR policy and SEAR, arguing that minimal government interference and an instrumental approach to CSR that would benefit “business interests”. When companies’ submissions were explicit in employing a moral evaluation strategy – they tended to refer to these points. For example, BG Group alluded to these issues in their succinct observation: “above all, the Commission must steer clear of policies that will add to costs and make European firms uncompetitive.”

**Authorization**

The strategy of authorization seeks to establish legitimacy by making “reference to the authority of tradition, custom, law, and persons in whom institutional authority of some kind is vested” (Vaara and Tienari, 2008, p.988). While not a prevalent strategy with the submissions, there were clearly instances of such a strategy. For example, it was employed in the negative in order to question the legitimacy, jurisdiction and authority of the EU vis-à-vis CSR. In this sense, for example, a number of submissions suggested that the EU was not an appropriate forum for dealing with global issues. Kellogg’s submission argued that CSR had to be dealt with at a higher jurisdictional level than the EU because “[t]he nature of CSR means that it needs to be seen in both a global and local context”. Morley Fund Management agreed with this view; their submission suggested that “[a]n overly prescriptive approach to CSR policy and reporting in Europe could also cause problems with integrating internationally.” In other words, some companies’ submissions framed CSR as a complex *global* issue, which was beyond the EU’s jurisdictional authority.

The most common expression of this strategy of authorization came from companies through an appeal, either explicitly or implicitly, to the authority of “the market”. This is exemplified by the submission from Telephonica who stated, “the market will decide which companies are more credible”. This appeal to the authority of the market is closely linked to another, more common, legitimation strategy; more specifically, a number of the company submissions employed a rationalization strategy that highlighted the “business case” for CSR – as discussed above. It could be argued that the authority of the market is implicit in such rationalizations.

**Normalization**

Vaara and Tienari (2008, p.988) designate normalization “as a separate category of authorization” or, as Vaara et al., (2006, p.797) describe it, “a fact-of-life rationalization” which “rend[ers] the case at hand as something ‘normal’.”

Many comments in the submissions highlighted the problem of defining good CSR practices across a wide range of businesses and countries. For example, General Motors (Europe) argued that “a prescriptive approach in this respect is inappropriate as CSR means a great many things to many people”. NIKE agreed arguing that it was “too early in the global debate to be able to define precisely the formal roles that
each stakeholder should or could play and that it would be premature and constraining to attempt to formalize roles within the framework of the social dialogue.” Similarly, Innogy argued that requiring assurance on SEAR and related reports would be problematic, because standard metrics would not capture the complexity of CSR. They stated: “given the wide range of impacts that such verification would need to cover this may be difficult to address through a standardised set of metrics” (emphasis added). What is being rendered as normal in these examples is that CSR is “complex” – and that such complexity is simply a “fact-of-life” about CSR.

By contrast, NGOs did not view CSR policy and SEAR regulation as out of the ordinary and drew attention to the long tradition of regulation on related matters. For example, Friends of the Earth argued that: “[f]rom the end of slavery to health and safety standards, corporations have been required to act in ways deemed to be in the public interest”.

Other episodic power initiatives including lobbying, moral suasion and coalition building

As noted by Lawrence and Buchanan (2017) and Lawrence (2008), lobbying represents a powerful initiative for influencing the behaviour of other individuals and/or groups. From this perspective, therefore, lobbying represents a form of “episodic power”, which can be strategically mobilized to affect the dynamics of the GP-arena. According to Interviewee A, the EU CSR initiative was

“a very heavily lobbied issue. Lobbying takes place heavily here in Brussels all the time anyway, on every issue. This is one of them which business is highly sensitive to...Of course lobbying has been performed by others, not least by campaigning groups”.

As added by another Interviewee (C) the attempts of lobbying “from different groups ... in whatever form they make take [was] very strong” (emphasis added). From the analysis of our empirical data, it appears that the GP arena, from its inception, was the focus of strong lobbying activity, undertaken by different groups including business groups and NGOs. As emphasized by Interviewee B,

“We have the same people lobbying MEPs and European Commission officials and also Commissioners. Everybody. There is a whole industry in Brussels about this. The best way of [doing] it is through [multiple] initiatives”.

In the context of our analysis, these multiple lobbying initiatives included: requests for formal and informal meetings; sending letters and reports; written responses to the GP; invitations to specific thematic conferences and forms of moral suasion through Public Relations offices. However, not all of these were considered to be equally effective in shaping the GP-arena. For example, according to Interviewee B, an effective form of lobbying is through
“meetings. We receive so many papers. Opinions that are submitted in writing are
easier to dismiss. If you have one hour with someone, you are forced to have a
dialogue with them. If they [lobbyists] want information they call you on the
phone, but when they want to make their point they ask for an appointment”.

Similar considerations are reported by Interviewee C, who explained that:

“written documents are not as effective as face to face meetings. I think you are
likely to remember in a face to face meeting what was said in it, more than in a
written document”.

Our analysis suggests that several face-to-face meetings were requested and
organized by business groups and NGOs to seek to influence the decisions of the
EU’s institutions, and therefore the dynamics of the GP-arena. These meetings were
relevant because they created alternative “channels of dialogue” (Scott, 1995)
between actors in the GP-arena through which to persuade and exert moral suasion.
In addition to the face-to-face meetings, two other initiatives seemed to play a
pivotal role in the GP-arena: a) conferences and workshops; b) coalition building.

Several conferences and workshops were organized to discuss the EU CSR policy.
Some of these conferences, which were organized by interested groups or their
representatives (e.g. Confederation of British Industry), were also used as platforms
to express criticisms of EU institutional actors or to create wider consensus. As
reported by Interviewee A, who took part in one of these specific conferences,

“the EU Committee for the US Chamber of Commerce, for example, held a special
conference following the [CSR] White Paper where they invited me. They wrote
some very critical things about our [Directorate’s] position and my own position,
but I was very happy to go up there and have tomatoes thrown at myself”.

From the theoretical perspective of this paper, these thematic conferences on the
EU CSR policy and reporting framework represented other ‘alternative’ forms and
centres of dialogue and discussion, through which to influence the dynamics in the
GP-arena.

With regard to point b) coalition building, the emergence and evolution of the GP-
arena were also characterized by attempts to build alliances between members
within each interested group, such as business groups and NGOs. For example, CSR
Europe (i.e. the lobbying organisation for CSR) played an important role in
influencing the GP-arena because it promoted a stronger pro-business stance for CSR
policy and SEAR. In particular, it was seen, and acted, as an influential representative
of business in the context of the GP-arena. According to Interviewee D

“The business organisations were represented by this CSR Europe construct... This
was an interesting beast. They were very much pushing the business case
argument. CSR Europe coordinated the group” (emphasis added).
Our analysis shows that business groups adopted coalition building as a specific strategy to mobilize resources to influence the dynamics in the GP-arena. Similar attempts were also undertaken by NGOs. However, such attempts, we argue, at coalition-building between NGOs and other non-business constituents (e.g. European Trade Unions) were not as effective as those taken by business (see also Fairbrass, 2011). Interviewee D, who was actively involved in these NGO attempts, noted:

“We did engage with the formal process of the [GP], but we also engaged informally, through the G8 in terms of producing papers circulated to MEPs and Commissioners and so forth at different stages in the process. We actually spent most of the latter part of the formal process trying to persuade most of the NGOs to gather around to pull out of it...So the dynamic was that, there were two or three NGOs that were prepared to be stroppy; six or seven wanting to engage or be annoyed depending on what was on the agenda. The European Trade Union Confederation prepared to talk as a means to negotiate something; [but was clearly too dependent on maintaining a good relationship with the Commission and] in the end never prepared to back out”.

Therefore, from our empirical analysis, it appears that, unlike business groups, there was lack of consensus between NGOs, and between NGOs and other civil society groups, about the vision, strategy and approach to adopt with regard to the consultation processes, which started with the publication of the GP. In particular, while business groups seemed more united about the need to support the business case for CSR through a voluntary reporting and verification framework, NGOs and other civil society groups appeared fragmented and divergent.

6. Conclusions
This paper examines the institutional politics associated with the regulatory arena that emerged out of the European Commission’s GP on CSR, which was issued in 2001 as an attempt to “regulate” CSR and SEAR activities. As already outlined, this regulatory arena denoted a specific example of an institutional arena, i.e. the symbolic location of discussions, interactions and actions that characterize the several actors involved in the arena’s debated issue. Our analysis, in particular, explores the competing power-infused strategies and initiatives employed by two key actors in the arena (business groups and NGOs) which sought to influence the outcome of the debate in terms of the definition, problematization and suggested solutions for the issue related to whether any CSR framework and associated SEAR should be voluntary or mandatory. Drawing on Lawrence and Buchanan’s (2017) and Lawrence’s (2008) notions of systemic power (exerted through domination or discipline) and episodic power (where actors mobilise resources to affect the behaviours of others through force and influence), the present paper investigates the strategies of business groups and NGOs in the arena, which emerged from the GP which was published in 2001 (GP-arena). Newspaper articles and other related literature about this issue (from 2001 to 2006) were analysed using a themes-based protocol to study the forms of systemic power, which characterised the arena: the institutional context in which the GP-arena emerged/evolved; how the actors
responded; and the ongoing practices that delimited the options available to the actors. A discourse-informed content analysis of companies and NGO submissions on the GP as well as a protocol analysis of transcripts from a small number of interviews were employed to examine instances of episodic power.

Our empirical analysis shows that the GP issued by the Commission in July 2001 was the “triggering event” (Hoffman, 1999), i.e. the catalyst that led to the formation of the institutional arena. Our findings reveal that this triggering event was characterised and supplemented by two emerging discourses related to CSR and SEAR; one prioritised the voluntary nature of CSR while the other highlighted the benefits to business of CSR. These two connected – and dominant (Archel et al., 2011) - discourses emerged early on in the process and formed the background against which subsequent NGOs’ and companies’ initiatives attempted to shape the dynamics of the GP-arena. Such framing of the debate reflects successful ‘endogenization’ (Bozanic et al., 2012) of the regulatory process by those who were to be regulated.

During the period from 2002 to 2004, the GP-arena went through a process of restructuring which was affected by three main factors: the publication of the Communication on CSR: A Business Contribution to Sustainable Development in July 2002; the emergence of the EU Multi-Stakeholder Forum in October 2002; and the change in the complexion of the Commission. These three events modified the structure and contours of the GP-arena, by re-defining who could take part in the debate and re-enforcing the voluntary focus of the CSR and SEAR proposals. As a result, the existing discourse about a voluntary approach to CSR and SEAR, which revolved around the interests of business, seemed to attract more support and became more established and taken-for-granted with other views being crowded out or excluded. From our theoretical perspective, these discourses represented forms of systemic power, which “defined”, “delimited” and “restricted” (Lawrence and Buchanan, 2017; Lawrence, 2008) the course of actions and initiatives of the actors in the GP-arena.

We also found evidence for different examples of episodic power among initiatives adopted by NGOs and business groups to influence the dynamics of the GP-arena. In particular, the discursive strategy of rationalization was frequently employed in companies’ submissions on the GP where the business case and the merits as well as the flexibility of a voluntary approach to SEAR were often mentioned. By contrast, NGOs tended to use a strategy of moral evaluation by appealing to notions of fairness and the national interest when promoting the case for regulations mandating CSR and SEAR among corporations. There was also a greater degree of convergence among the discourses supplied by business groups. This was apparent in the explanations provided, the language used and the rationales supplied for the business case for SEAR and CSR. The same level of consensus and coherence was not present among the discourses of the NGOs. Further, companies were more successful at building coalitions to support their discourse than the NGOs. From our theoretical perspective, this fragmentation and divergence of views among the
NGOs did not seem to provide the necessary institutional resources to challenge the initiatives undertaken by business groups and influence this aspect of the GP-arena.

The success of business groups in advancing their collective view can be inferred from the following perspective of one of the participants26 in the wider debate within the EU which ensued after the initial GP proposals appeared.

“The Commission ultimately decided to opt-out from the debate, producing a Communication firmly backing an anti-regulation approach. Commissioners held a series of private meetings with selected company representatives to negotiate on the text of the Communication, then described it as "agreed" by business, and only met personally with interested NGOs to discuss its contents following on from publication. The key Commission official responsible for CSR appears to have been moved from his job, perhaps to make way for this new ‘consensus’. A leaked memo from the European employers’ organisation UNICE described the Communication as a "true success" because "concessions to other stakeholders... will have no real impact".” (Howitt, 2006, p.12).

Our paper provides three main contributions. First, our analysis adds to the existing literature on CSR policy and SEAR regulation at the EU level by shedding light on the power-related dynamics through which these CSR policy and SEAR frameworks emerge and develop. In particular, our analysis provides a more detailed account of the different levels of power and strategies (e.g. lobbying, discursive strategies), which can be mobilised by the various interested stakeholders to shape and influence the processes and outcome of CSR and SEAR-related regulative interventions. Hence, our empirical analysis helps to illuminate some of the often-opaque mechanisms that drive and influence the regulation of accounting, and in particular, of SEAR practices. Second, our paper provides a theoretical contribution by enhancing the understanding of the institutional politics dynamics involved in a specific arena. In particular, our analysis enriches the theoretical framework proposed by Lawrence and Buchanan (2017) by adding empirical “flesh” to the understanding of “how” and “why” specific institutional arenas are shaped and change over time (Holm, 1995; Stryker, 2000). In particular, our analysis highlights the relevance of the different “discursive strategies” (e.g. rationalization) in driving changes in specific institutional arenas (Phillips et al., 2004). Finally, our paper provides a contribution to the literature that focuses on the “emergence”, “design” and “organizing” of economic regulation and related activities (Hancher and Moran, 1989; Scott, 2004). In particular, our findings reveal how these processes related to the economic regulation activities are influenced by several institutional/contextual factors (e.g. changes in the political complexion of the European Commission; the emergence and taken-for-grantedness of specific business oriented discourses) which provide the institutional resources and opportunities for the formation of a specific issue-centred regulatory space. The analysis of these factors help us to understand ‘how’ and ‘why’ certain dynamics that characterise the organisations’

26 Richard Howitt MEP was the European Parliament’s spokesperson on Corporate Social Responsibility.
activities in a regulatory space occur. It is through an understanding of these complex dynamics that it is possible to enhance the process of rule-making and regulation by ensuring that this is made more visible, transparent and oriented to society’s needs.
References


Cowe, R. (2001). Europe rises to social challenge... Companies must reach out to stakeholders if they are to turn CSR into good business. *Financial Times*, July 19, 16.

Cowe, R. (2001). Why it's time for business to give something back: The vogue for corporate social responsibility may be fuelled by external factors, but business has to make a genuine leap forward. *The Observer*, July 8, 9.


Hooghe, L., Marks, G. & Wilson, C. J. (2002). Does left/right structure party positions on European integration? Comparative Political Studies, 35(8), 965-989.


Table 1. An institutional politics framework for examining the GP-Arena: Concepts and definitions

<table>
<thead>
<tr>
<th>CONCEPTS AND ELEMENTS</th>
<th>DEFINITIONS</th>
<th>AS APPLIED TO THIS PAPER</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSTITUTIONS</td>
<td>“Enduring patterns of social practices, which are characterized by power-based control mechanisms, that regulate, influence and shape individual/organisational behaviours and thoughts. Institutions emerge from social constructed mechanisms and debates” (Lawrence 2008; Phillips et al., 2004)</td>
<td>EU CSR &amp; SEAR (REGULATORY) FRAMEWORK (Green Paper 2001)</td>
</tr>
<tr>
<td>INSTITUTIONAL FIELDS</td>
<td>“A community of several organisations that partakes of the definition and understanding of institutions. Institutional fields emerge around different types of centre: markets, industries, regulation activities and contested issues” (Hoffman, 1999).</td>
<td>CENTRE OF DEBATE WHETHER CSR &amp; SEAR FRAMEWORK SHOULD BE VOLUNTARY OR MANDATORY</td>
</tr>
<tr>
<td></td>
<td>“Fields represent arenas of power relations where multiple constituents, with disparate</td>
<td></td>
</tr>
</tbody>
</table>

Lawrence 2008; Phillips et al., 2004
**INSTITUTIONAL FIELDS AS ARENAS**

purposes and interests, interact and compete over the formation of the field. These power-infused dynamics represent the *institutional politics* of an arena* (Lawrence & Buchanan, 2017).*

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**INSTITUTIONAL POLITICS**

They represent the strategic mobilization of material and symbolic resources through which individual, group and organisational actors affect arenas' dynamics. Institutional politics involves two power-based dynamics: i) institutional control; and ii) institutional agency (Stryker, 2000; Lawrence & Buchanan, 2017).

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**POWER-BASED DYNAMICS OF AN ARENA**

<table>
<thead>
<tr>
<th>A) INSTITUTIONAL CONTROL</th>
<th>B) INSTITUTIONAL AGENCY</th>
</tr>
</thead>
</table>

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**A) INSTITUTIONAL CONTROL:** The established socio-economic discourses of the existing institutional
The Table provides a summary of the theoretical concepts which have been used in this paper. In particular, the Table provides a definition (in the second column) of: i) institutions; ii) institutional field; iii) institutional arena; iv) institutional politics and related power-infused dynamics. In the third column we clarify how these concepts have been applied to the present paper.
**Table 2. The institutional politics of an institutional arena: the interplay between systemic and episodic forms of power**

| INSTITUTIONAL POLITICS: DYNAMICS, MODES, FORMS AND STRATEGIES OF POWER |
|-------------------------------------------------|-----------------|
| INSTITUTIONAL DYNAMICS                          | INSTITUTIONAL CONTROL | INSTITUTIONAL AGENCY |
| MODE OF POWER                                   | SYSTEMIC POWER    | EPISODIC POWER       |
| FORMS OF POWER                                  | DISCIPLINE        | DOMINATION           | INFLUENCE | FORCE |
| POWER-INFUSED STRATEGIES                        | Disciplinary systems and techniques (e.g. voluntary profit-sharing plan) | Physical and social systems; Technology; Established economic and social practices and discourses (e.g. economic growth). | Corporate sponsorship; Moral and rational persuasion; Legitimation initiatives; Lobbying for regulatory change; Discursive strategies | Physical forms of force (e.g. prison); Bureaucratic forms of force (e.g. procedures for firing employees) |
| POWER-INFUSED                                   | The established socio-economic discourses of the existing | Discursive strategies: authorization, rationalisation, | Out of the scope of this paper |
| INITIATIVES IN THE GP-ARENA | Institutional context, e.g. the essential social role of corporations and the urgency for a CSR-related agenda. | Moral evaluation, normalization.  
- Lobbying initiatives by business groups and NGOs  
- Influencing through for example the European Multi-Stakeholder Forum |

*Developed from Lawrence and Buchanan (2017)*
### Table 3. Data sources for the study

<table>
<thead>
<tr>
<th>Phase</th>
<th>Data source</th>
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<tr>
<td>1</td>
<td>All English Language Newspapers in Nexis database</td>
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<td></td>
<td>4 Interviews with key participants during the first half of 2005</td>
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<td></td>
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<tr>
<td></td>
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<td>MEP</td>
</tr>
<tr>
<td>B</td>
<td>European Commission</td>
</tr>
<tr>
<td>C</td>
<td>European Commission</td>
</tr>
<tr>
<td>D</td>
<td>NGO</td>
</tr>
<tr>
<td>2</td>
<td>Business and NGO submissions on Green Paper (see Table 3 for further detail)</td>
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<tr>
<td></td>
<td>4 Interviews as above</td>
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### Panel A: All GP Submissions

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<th>Language of submission</th>
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<th>NGOs</th>
<th>Other</th>
<th>Total</th>
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<td>1</td>
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<td>9</td>
<td>10</td>
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<td>Italian</td>
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<td>8</td>
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<tr>
<td>Portuguese</td>
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<td>0</td>
<td>1</td>
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<td>Spanish</td>
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<td>2</td>
<td>9</td>
<td>13</td>
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<td><strong>Total</strong></td>
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<td><strong>35</strong></td>
<td><strong>181</strong></td>
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### Panel B: Frequency of Relevant Comments in Reviewed Submissions

<table>
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<th>Companies</th>
<th>NGOs</th>
<th>TOTAL</th>
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<tr>
<td>Number (%age) of submissions commenting on 'reporting'</td>
<td>43 (82)</td>
<td>27 (77)</td>
<td>70 (82)</td>
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<td>1st</td>
<td>2nd</td>
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<td>-------------------------------</td>
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<tr>
<td><strong>Number (%age) of submissions commenting on 'assurance'</strong></td>
<td>34 (68)</td>
<td>25 (71)</td>
<td>59 (69)</td>
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<td><strong>Number (%age) of submissions commenting on regulation</strong></td>
<td>50 (100)</td>
<td>32 (91)</td>
<td>82 (96)</td>
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