

# Multinational Corporations and Social Responsibility

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## ABSTRACT

*Non-governmental organisations often accuse multinational corporations of exploiting the various legal environments in different countries to their advantage in order to avoid the assumption of responsibility for human rights violations or environmental disasters. This empirical study shows that non-governmental organisations (NGOs) can, by employing various instruments, increase the likelihood of multinational corporations accepting social and environmental responsibility for their actions. These instruments, ranging from dialogue to scandalisation, are intended to influence corporate behaviour and their use depends on the pressure the NGO wishes to exert on a particular company. All instruments need careful research and the gathering of evidence, including witness statements. To gain public attention the information must be well prepared for the media, resonate in the corporation's domestic market, stimulate concern and be up-to-date. The most promising activities are those that emphasise that economic success could be compromised to the key decision makers within the company.*

*Keywords: CSR, Ethics, Globalisation, Human Rights, Multinational Enterprise, Non-Governmental Organisation, Responsibility*

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## 1. INITIAL SITUATION AND PROBLEM

Over the past 30 years the importance of corporations actively adopting Corporate Social Responsibility (CSR) has been steadily creeping up the political and regulatory agenda. For instance, the OECD guidelines for multinational enterprises which make recommendations on

responsible business conduct were drawn up in 1976 (OECD, 2011). In the 1980s, companies began to be considered as “citizens” with societal rights and obligations (Jonker et al., 2011). The principles of sustainable development were developed in the Brundtland Report (Federal Office for Spatial Development ARE, 1987). In 1999, the Global Compact (United Nations, 2012) was launched prior to the publication of

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a European Framework for Corporate Social Responsibility (Green Paper) in 2001 (European Commission, 2001). The current version of the European Commission's Communication on the new EU CSR strategy issued to the European Parliament was drawn up in 2011 (European Commission, 2011).

From a political viewpoint, corporations have significant influence in the countries in which they operate (van Huijstee, 2010) and it might too be said that this power is continuing to increase as a direct result of today's globalised economy. All this gives rise to discussion concerning the extent to which Multinational Enterprises (MNE), as opposed to nation states, should assume responsibility for human rights (Assländer, 2010; Cragg, 2010; EDA, 2008).

But how can corporations be made to assume this kind of responsibility for their own conduct as well as the conduct of their subsidiaries and suppliers in structurally weak countries?

This paper is based on an empirical investigation of the means available to NGOs wishing to influence multinational corporations. The investigation was carried out against a background of selected concepts and instruments of applied corporate ethics. Moreover, from the results of the investigation we are able to recommend actions to NGO's who wish to effectively influence the CSR behaviour of an MNE. In this paper we attempt to answer two key questions:

*What means can an NGO employ to force a multinational corporation to introduce ethical and social standards to its subsidiary in a developing country? What concrete measures to achieve this aim can be recommended to NGOs?*

This paper is divided into three sections. First of all we review the literature of past work on Non-Governmental Organisations, the structure of Multinational Enterprises, Corporate Social Responsibility and the interaction between them.

Second, we present the survey methodology and results which address the key questions.

Finally there are some recommendations to NGOs for action on how to influence corporations.

## 2. BASIC THEORETICAL PRINCIPLES

*Non-governmental organisations* should be considered as private, independent associations, independent from government and industry which campaign for the observance of human rights, sustainable development, environmental protection and other public or social goods. They may operate on a national or international basis (Hardtke, 2010; Yang & Rivers, 2009). NGOs exhibit considerable heterogeneity in terms of their size, lifespan, scope of activity, ideology and cultural background. Some NGOs employ confrontational strategies such as naming and shaming campaigns or legal action, whilst others seek to cooperate with multinational corporations (Crane & Matten, 2010; Curbach, 2010; Hardtke, 2010; Rieth & Göbel, 2005).

One definition of *multinational corporation* is a company engaged in cross border business activities to an extent that requires it to make strategic and organisational changes that would not be necessary for purely domestic operations (Gabler, 2012). According to Sacra (1997) the term is synonymous with transnational, multinational, international and global corporations. However, Bartlett & Ghoshal (1998) differentiate between four types of internationally active corporations with regard to organisational structure and strategic alignment:

- **Multinational enterprises:** These organisations are typified by decentralised assets, responsibility and decision-making but with financial control exerted by headquarters. International activity is based on a portfolio of autonomous companies that are nationally independent enabling them to exploit local opportunities. The development and transfer of knowledge is limited to each autonomous company.

- Global corporations: Global corporations have a centralised management structure. Their international activity is based on a homogeneous global market. The development and transfer of knowledge takes place at corporate headquarters.
- International corporations: These subsidiaries depend strongly on their parent company. Corporate headquarters is responsible for planning and control as well as the development of core competencies, although certain assets, resources, areas of responsibility and decision-making may be decentralised. Knowledge is developed at headquarters and disseminated to the international divisions.
- Transnational corporations (TNCs): A conglomerate of interlinked, independent and specialised companies. The various national units contribute towards the corporation's global business activities. Knowledge is developed and shared on a global basis.

The term *multinational enterprise* is used in this paper as a generic term for all the types of corporations described previously.

An ETH study by Vitali et al. (2011) highlights the significance and power of MNEs (see also Naef, 2014): 737 TNCs account for approximately 80% of the total value of the world's 43,060 TNCs. According to Naef (2014) some MNEs achieve turnovers that exceed the gross national product of certain countries. One half of the largest global enterprises are MNEs (Antonelli, 2006; Millar et al., 2004).

MNEs are increasingly engaging in partnerships with NGOs to resolve global problems (van Huijstee, 2010). These partnerships benefit both parties. First of all MNEs stand to gain from NGOs social capital and local knowledge and networks. Many authors (Baur, 2010; Halfmann, 2007; van Huijstee, 2010) have made reference to NGOs expert knowledge in handling social conflict. NGOs, in return, benefit from the opportunity to directly influence decisions made by MNEs (Jamali & Keshishian, 2009; Millar et al., 2004). However, NGOs must be seen to

maintain their independence and therefore their credibility (Crane & Matten, 2010; van Huijstee, 2010). In response to the argument that any collaboration between NGOs and MNEs will compromise either the economic objectives of the MNE or the independence of the NGO, Millar et al. (2004) and Halfmann (2007) state that there is an area of dialogue that represents a win-win situation for both organisations.

Whether the companies themselves should be considered as *moral actors* is debatable. On the one hand it can be argued that corporations are not capable of reflection and do not have a conscience. The logical consequence of this argument is that moral standards can in fact only be applied to individuals. On the other hand, corporations lay claim to the right of freedom and autonomy, and logically, where there are rights there are also obligations; hence, corporations can also be seen as moral actors. Furthermore, employees of corporations not only act with their own moral code. They act as well in accordance with their function and in the interest of the company, which again indicates that corporations can be referred to as moral actors (Assländer & Schumann, 2010; in general, see also Goodpaster & Matthews, 1982).

Multinational enterprises wield significant financial negotiating power over weak national economies and in return the countries' expectations placed on the conduct of such corporations are high (Kneip, 2010), therefore MNEs often agree to take on governmental tasks such as the construction of roads, schools and hospitals (Valente & Crane, 2010) as is the case in Latin America and elsewhere (Gutiérrez Poveda & Jones, 2005; Lindgreen et al., 2010).

As the power of multinational corporations increases because of globalisation, upholding *human rights* is no longer considered the sole responsibility of national governments (Assländer, 2010; Cragg, 2010; EDA, 2008). Corporations are required to uphold human rights and may under certain circumstances be legally and morally obliged to assume liability for human rights violations committed by their business partners, for example suppliers, or even the country in which their subsidiary/partner

operates (Assländer, 2010). It is therefore necessary for companies to introduce mechanisms that enable them to monitor their business partners' compliance with their own values. They should be required to define their response to countries which violate human rights (European Commission, 2001) and how they can fulfil their responsibility in these countries.

Corporations often define the scope of their responsibility in a voluntary concept known as *Corporate Social Responsibility (CSR)*. The definitions of CSR are heterogeneous, Beschorner & Schmidt (2007) see CSR as the "continuation of corporate ethics", and many sources use CSR as a *synonym* for corporate ethics (Keck & Schubert, 2007). CSR is also defined as a corporate concept conceived to contribute towards sustainable development based on the principle of voluntarism enabling a company to integrate social issues and environmental concerns into its corporate activities and interactions with stakeholders (Banerjee, 2009; Braun & Backhaus-Maul, 2010; European Commission 2001; Europäische Kommission, 2011; Hardtke, 2010; Harjoto & Jo, 2011; Münstermann, 2007; Pelozo & Falkenberg, 2009; van Huijstee, 2010).

Companies opt for the introduction of CSR measures for different reasons: Out of a real interest in generating added social value, or to cultivate their image and enhance their reputation (Duong Dinh, 2011; Eisenegger & Schranz, 2011; Foote et al., 2010; Kirstein, 2009; Kleinfeld & Henze, 2010) or to increase shareholder value (Archel et al., 2011; Crane & Matten, 2010). Corporations in Latin America are often motivated by institutional pressure to fulfil CSR obligations, companies subjected to a high degree of European influence, for instance, often feel obliged to introduce EU-compliant measures as a means of upholding their legitimacy (Perez-Batres et al., 2010).

CSR is sometimes a cause of conflict between private profits and public welfare (Karnani, 2011). This conflict for companies occurs as a result of the mismatch between society's wish for socially responsible business practices and the fact that companies are judged according

to financial effectiveness and efficiency. (Raupp 2011). In contrast to these statements, Jamali & Neville (2011) and Perez-Aleman & Sandilands (2008) argue, that Multinational corporations can increase their competitiveness by helping their suppliers in *developing countries* improve their economic, social and environmental performance. According to Jamali (2010) CSR activities in developing countries are motivated primarily by risk management and the potential enhancements to the company's reputation. Many aspects of CSR need to be considered in developing countries: There are economic factors such as the corporation's contribution to national productivity or the creation of jobs as well as legislative challenges such as dealing with taxes and corruption. In addition there are the aspects of management challenges in relation to health and safety at work and employee satisfaction (Jamali & Mirshak, 2007).

The different opinions about the influence of CSR on competitiveness could perhaps be explained by the variety of possible settings in different corporations and countries which make it difficult to generalise the effect of CSR.

Various authors have also expressed other more critical views of CSR:

- CSR activities are a misallocation of resources since they do not contribute towards increasing the value of the corporation (Friedman, 1970).
- CSR strengthens the power of large multinational corporations. Companies with CSR profiles are legitimate partners to third-world governments and business enterprises (Banerjee, 2009).
- The concept serves the purpose of "green-<sup>1</sup>, white-<sup>2</sup> or blue-washing<sup>3</sup>". Corporations wish to portray themselves as champions of the environment and human rights and sign up to agreements such as the UN's Global Compact (which is discussed further below) but then not act in accordance with the guidelines or agreement (Bentele & Nothhaft, 2011; Brugger, 2010; Curbach, 2010; Hansen, 2002; Walter, 2010).

There are a number of international guidelines such as the *UNO Standards* (United Nations, 2003), the *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* (ILO, 2012) and the *OECD guidelines* (Humanrights.ch, 2012; OECD, 2011) all of which are intended to encourage multinational corporations to act responsibly. These guidelines are then used for the basis of agreements such as the *UN Global Compact* which has nearly 5,000 corporate members and is the world's largest corporate citizenship initiative (Banerjee, 2009; Baumann & Scherer, 2010; Flohr et al., 2010; Klee & Klee, 2003). It is based on 10 principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. It gives guidance to corporations on improving their standards in these areas (Banerjee, 2009; Kell, 2010, United Nations, 2012). However, the Global Compact is not above criticism. Various authors (Banerjee, 2009; Gould, 2010; Klee & Klee, 2003) have noted that participating companies do not need to demonstrate compliance with its principles. Furthermore, it has been said that the principles are too vague and therefore difficult to implement (Deva, 2006). There is also a risk that cooperation between corporations and the United Nations serves primarily to improve the image of the member companies rather than the actual implementation of social and environmental standards (Gould, 2010). Banerjee (2009) criticises the assumed generality of every normative value. He draws attention to the fact that there are business models that differ to those of the western world, i.e. that collective rights exist alongside the rights of the individual.

This also applies to *social standards* that build on the same global principles. According to Roloff (2010), social standards are defined as the minimum standards in the fields of labour rights and human rights. Social standards are a component of voluntary codes of conduct based on the General Declaration of Human Rights and the conventions of the International Labour Organisation (ILO). Social standards in this context are the rights to the following: prohibition of child labour and forced labour;

prohibition of discrimination; protection from degrading treatment and health risks; right to form trade unions and associations; right to appropriate remuneration. Social standards can be certified in accordance with SA 8000 (Crane & Matten, 2010; Social Accountability International, 2008) or be oriented to the *ISO 26000* standard (Assländer & Löhr, 2010).

This presentation of the theoretical basis shows that various standards and agreements to improve the social responsibility of corporations exist, but that there is some hesitation from corporations to implement these.

Following we present the results of an empirical study examining how multinational corporations can be influenced to act responsibly and introduce social standards.

### 3. SURVEY METHODOLOGY AND RESULTS

A qualitative survey of experts formed part of an empirical study carried out in 2012. The objective was to establish the options available to non-governmental organisations wishing to exert influence on multinational corporations in order to encourage the observation of human and environmental rights. In this context, nine problem-based expert interviews (Mayring 1996) employing a semi-structured interview format were carried out with representatives of Swiss non-governmental organisations. The interviewees are representatives of Swiss institutions concerned with the issue of corporate conduct in emerging economies and developing countries and are involved in the Swiss Campaign for Corporate Justice. The majority of the surveyed institutions focus on social issues, whilst the remainder concern themselves with environmental issues. Both dialogue-oriented and confrontational NGOs were surveyed.

The interviews were recorded and transcribed verbatim (Mayring 1996). An approach based on Mayring (1996), Mayring (2007) and Schmidt (2007) was adopted to compile a summarised, structured content analysis. Evaluation categories and a categorisation guideline were



compiled on the basis of the transcribed text and the survey collection theory. The interviews were then coded using these tools (Mayring 1996; Mayring 2000) and subsequently evaluated with ATLAS ti software. The following paragraphs summarise the aggregated results of the interviews.

All the interviewees hold the fundamental belief that corporations, as actors in society, share responsibility for upholding human rights and that multinational corporations should uphold the same human rights standards in every country in which they are active. Various negative points of view were expressed. The majority of NGOs representatives criticised the voluntarism of CSR and called for a binding international convention on MNE responsibility for MNEs based in the southern hemisphere, operating in emerging and developing countries. The experts considered voluntary standards (the Global Compact, amongst others) as too nebulous and lacking “teeth” and pointed out the lack of independent monitoring instruments. Finally, they consider misconduct by MNEs as a risk to the reputation of the “home state”. However on the positive side, they see in the benefits of voluntary standards, the positive effects of peer review and the fact that these standards may, over the course of time, become legislation. According to the interviewees, initiatives such as the “Global Reporting Initiative” could also serve to firmly establish standards as instruments of due diligence. The experts state, however, that sustainability reports are often selective in what they report.

The non-governmental organisations surveyed adopt a wide spectrum of positions when cooperating with multinational corporations. This spectrum ranges from a willingness to engage in dialogue to confrontation, and within this spectrum there are a number of different instruments which an NGO may wish to employ. In each case the pressure exerted by these instruments on corporations is different.

An NGO will employ a different instrument depending on its chance of success. For example, if a corporation hardly ever reacts to criticism in direct contact with an NGO, contact

will be made via public pressure. If a company responds positively to an attempt to establish contact, a meeting may take place to discuss the NGO’s concerns. The instruments employed by the NGOs in this survey are presented in aggregated form in Figure 1.

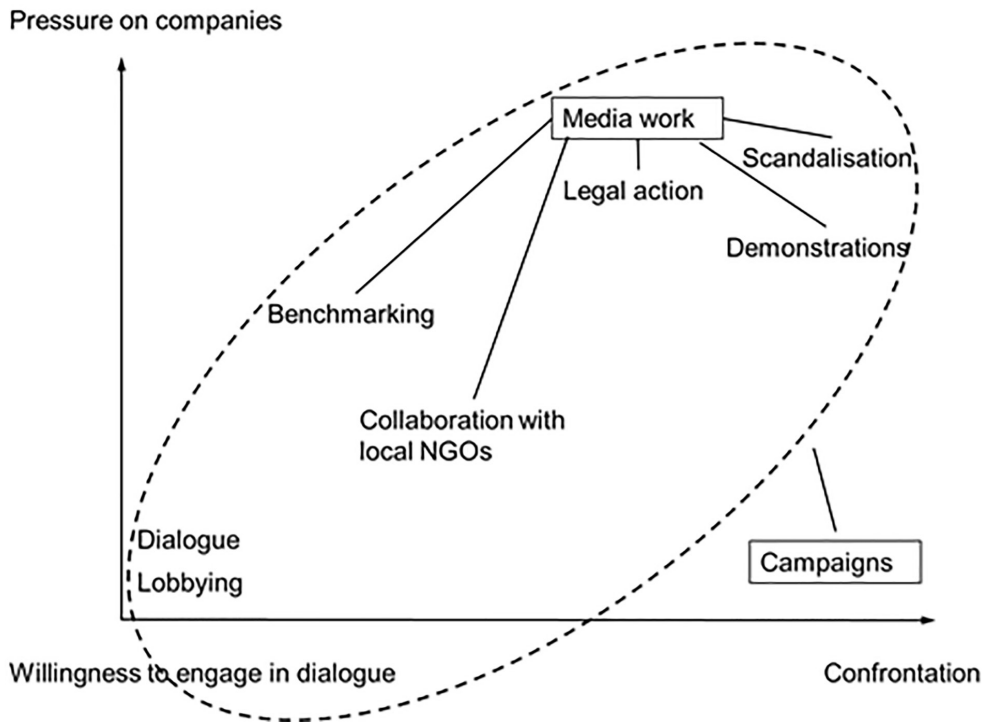
Similar to the findings of a German study (Rieth & Göbel, 2005), the interviews indicate that it is also common practice in Switzerland to combine cooperative and confrontational instruments. It can be said that the “*dialogue*” instrument is appropriate when the MNEs are willing to take on a binding obligation – be it towards the local population or in the field of environmental protection. Such an obligation ensures the NGO, that they are taken seriously and that the instrument “*dialogue*” has its desired effect. Concerns about human rights can be discussed directly and compromises developed. MNEs can be involved as “Drivers of Change”. “Round Table Talks” involving manufacturers, processors, suppliers, retailers, environmental organisations and social organisations represent a further opportunity to engage corporations in dialogue, according to the interviewees. The talks’ purpose is to develop the basic criteria applicable to all products launched on the market with the purpose to reach a majority of the consumers.

The NGO must express clear expectations of the MNE and look into its activities for the dialogue to have a chance of success. Dialogue also poses a risk MNEs start to misappropriate the NGO. However, MNEs rarely approach NGOs voluntarily.

Dialogue with stakeholder groups, or *lobbying*, is another instrument widely used by NGOs. The aim of lobbying is to sensitise the government, parliament, federal administration and the general public. It can also be aimed at employees and shareholders as a target group. For instance, the NGO could “attack” the honour of the company’s managers, or shareholders can raise questions during shareholders’ meetings or exert direct influence through personal contacts.

According to the interviewees, *benchmarking* represents another opportunity to enter into dialogue with corporations. Segment com-

Figure 1. Instruments available to NGOs to influence MNEs (own source: authors' representation)



parisons influence retailers, wholesalers and discounters and put pressure on corporations by comparing them to their largest competitors. The interviewees indicated that benchmarks are always well-received by the media and that responsible corporations can use benchmarks to improve their reputation. Of course, defining benchmarks requires the NGO to engage in extensive research.

*Media relations* are key to raising public concern and generating public pressure. Depending on the case at hand, the NGO can issue a press release, make use of social media or organise a press conference with local witnesses as participants. Naturally, an appealing story is needed to get space in the media. According to the interviewees, the following criteria are necessary when creating *media relevance*:

- **Careful Research:** Publication of the case will usually require first-hand documenta-

tion or the confidence that the documentation provided by a local partner organisation is truthful and comprehensive. Cooperating with local NGOs makes sense as long as they are not being misappropriated by the MNEs. Local NGOs should receive training with regard to documentation skills and legislation.

- **Create a Reference to the Population to Raise Concern:** The closer a violation of human rights is linked to a product of daily use, the greater the potential popular outrage.
- **Concrete Violations by the Corporation;** defamation of employees can be hard to prove – a dismissal, on the other hand, is easier to grasp.
- **Facilitating the Emergence of a Comprehensive Picture:** The company will also issue a statement.
- **Generating a Creative Image:** In the case of demonstrations, the media like to

report on participants who have come up with an unusually creative or even funny idea. Media coverage will then be based on these images.

- *Nothing can be achieved at the company's headquarters if there is no local resistance.*

*Social Media* is ideal for campaigns drawing attention to deficiencies. The use of social media is considered expedient when users or consumers of branded goods can be influenced, but is of little use when dealing with the extractive industries (extraction of raw materials) since end users are unlikely to be aware of the corporation's existence.

The media represent a key instrument for *scandalising* unethical corporate business practices. Scandalising releases internal (sensitive) information relating to human rights violations into the public domain and is harmful to the corporation's reputation. Reputational damage is at its worst when the end consumers are located where the violation or dubious activity is actually taking place. In these cases pressure can be exerted on the parent company to force it to adopt responsibility for the actions of its subsidiary. In some cases pressure is exerted on individuals (e.g. managers) in the form of "smear campaigns". By its nature, scandalisation always involves intensive effort meaning that only selective, specific action can be undertaken.

*Demonstrations* can help support a scandalisation campaign. Demonstrations need to be large enough to be noticed and attract media interest. It is not possible to exert sufficient pressure on corporations without media presence. However the cost and effort of organising a demonstration may be prohibitively high and under certain circumstances, a clever or witty banner created and positioned by four activists may be more effective than a protest with 400 demonstrators.

The interviewees highlighted that a dual approach organised as a *campaign* is often necessary to initiate corporate change. For instance: *instigating legal proceedings* and simultaneously implementing a publicity cam-

paign or submitting proposals for legislation via the political system to initiate change.

The experts noted that it can be useful under certain circumstances to file a lawsuit. Lawsuits have an air of seriousness about them and the general public perceives the defendant as having broken the law. Corporations caught up in legal proceedings are more likely to embrace change than companies who are only made aware of their ethical obligations. Despite the effectiveness of legal action two drawbacks were mentioned. Filing legal action is not only a very costly business for NGOs as they have to gather extensive evidence and require legal representation, but there is also a risk that the proceedings may be abandoned. All the NGOs involved in this survey would like to see stricter international regulation of MNEs based on the presumption that direct liability will reduce the number of human rights violations in structurally weak countries.

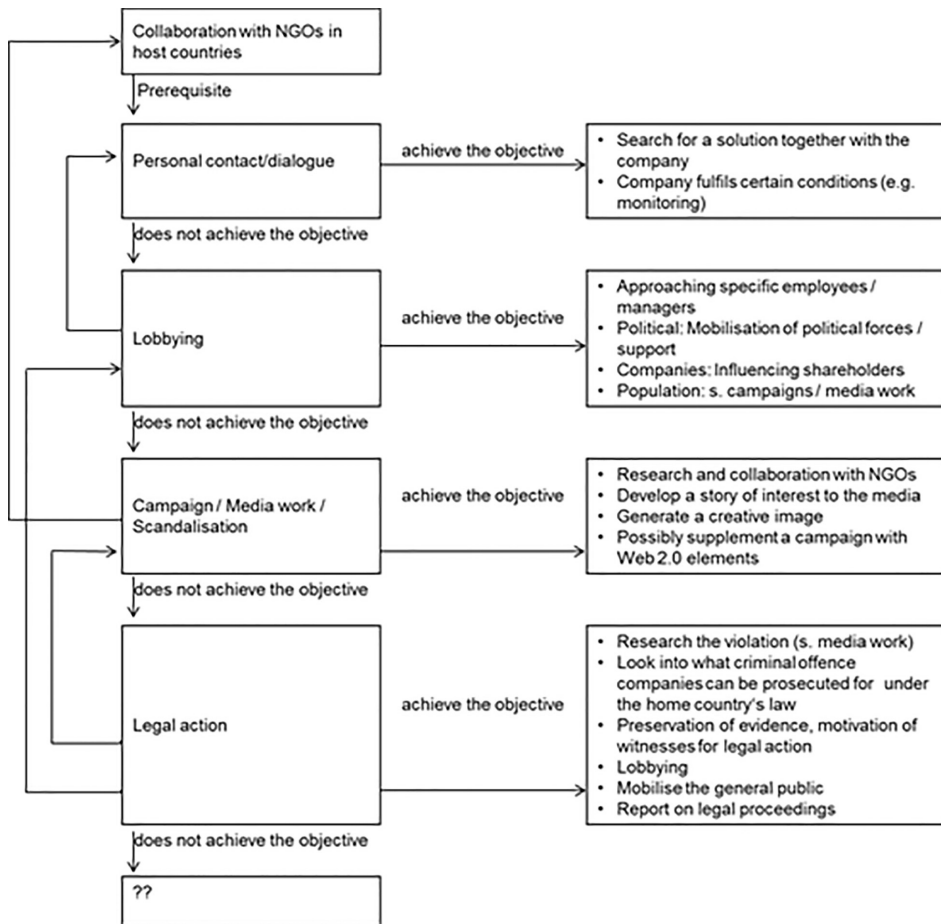
On the basis of the insights gained from the interviews, the following section gives recommendations to NGOs for action on how to influence corporations.

#### 4. RECOMMENDATIONS FOR ACTION

The experts' opinions in the preceding section are all based on the assumption that MNEs have an obligation to uphold the Human Rights Convention and minimise environmental impact when going about their business. The literature review and the empirical survey indicate that corporate responsibility can be increased from a number of angles. The first is the company itself: It has to be familiar with the different standards and agreements and choose the ones that are most suited to the corporate strategy. The second is the state: It may intervene in an advisory or regulatory capacity when corporations violate human rights. NGOs are the third level: They can exert pressure on the companies. They may intervene at the headquarters of an MNE or the regional headquarters of a local operation. As local NGOs are often subjected



Figure 2. Recommendations for action by NGOs (own source: authors' representation)



to reprisal in countries where subsidiaries are active and are therefore forced to work under difficult conditions, the following recommendations for action are limited to NGOs in Europe and North America. Intervention options pressurise corporations in different ways. A possible step-by-step approach is presented in Figure 2.

Figure 2 shows that either a step-by-step approach or a combination of different measures can lead to success.

1. Cooperating with local NGOs: This is a prerequisite for conducting in-depth research into violations of Human Rights

by a subsidiary, partner or the like in a foreign country. The advantage of such a partnership is that the individuals affected by a violation of their human rights are more likely to place their trust in fellow nationals who speak their language and that local organisations will know what kind of action can be implemented in their country. Basic information provided by the local NGO will be used for campaigns at the corporation's headquarters.

2. Dialogue: An NGO can then seek a *dialogue* with the corporation at its headquarters if it is reasonable to assume that the company

is, for reputational reasons, interested in finding a solution to the human rights or environmental problem. If the corporation fulfils certain basic conditions specified by the NGO it will be able to resolve the problem and eliminate the risk of reputational damage.

3. Lobbying: If the dialogue approach fails, the NGO can try *lobbying* to achieve its objective. Employees, shareholders and the political environment can be called upon to campaign for corporate conduct that is compatible with human rights.
4. Scandalisation: If the company does not feel responsible for the violation of human rights or if previous measures have proved to be ineffective then the general public can be drawn into the *campaign* by way of *social media*. Prerequisite is a thorough field investigation, possibly with the involvement of NGOs in the country where the dubious practices are occurring. The facts need to be presented in a detailed and creative manner and a connection made to corporate headquarters to gain the attention of the media and the general public. If traditional media forms are not interested in reporting on the campaign, the next option is to attract attention to the problem by organising demonstrations and other activities. An Internet-based campaign can be started with the help of social media, viral videos and protest letters or emails sent to the corporation's headquarters.
5. Legal action: The (parent) company can also be the subject of *legal action* carried out simultaneously or subsequently to scandalisation. This will attract public interest and may force the state prosecutor to investigate the case. In this case the NGOs will need to provide evidence and witness statements. Gathering witness statements may be problematic in some countries, as witnesses may find themselves the subject of threats or intimidation. Ongoing legal proceedings will ensure continued media attention and facilitate or support lobbying.

Please note that this is no "one size fits all" recipe for action. Communication instruments must be chosen on a case by case basis bearing the NGO's resources in mind. If the suggested measures do not bear fruit, other means of increasing public pressure should be sought. Naturally these means should not put the lives of protestors or employees in danger.

## 5. DISCUSSION AND OTHER AREAS OF RESEARCH

Our survey of NGOs has highlighted various methods used to influence MNEs. NGOs make use of instruments familiar from the theory of public relations, such as personal contacts, lobbying, media relations and campaigning as well as additional instruments such as demonstrations and legal action. Thorough research using correct and up-to-date information is the basis of all these instruments designed. If the instrument of choice is the mass media it is important to generate a feeling of concern and to tell a story or create an image with media appeal. To enhance the synergy between theory and practice, it is recommended that NGO's categorise and combine the instruments to be used according to the desired escalation effect. Moreover, it is often advantageous to consider and plan measures against both the parent company and subsidiary.

It can be said in conclusion that the question as to whether and how a company can be persuaded to accept greater responsibility requires a differentiated response. On the one hand, it is necessary to consider the corporation's basic situation and ascertain whether accepting corporate responsibility can produce a win-win situation. On the other hand, there are ethical principles such as compliance with the Convention on Human Rights that are not open to discussion (i.e. they are imperative). Thus, every case must be considered individually to find the appropriate means of persuasion.

This study may provide a basis for further practical investigations, such as an in-depth, quantitative investigation of the options avail-

able to NGOs to exert influence. A comparison of the options to influence multinational corporations in different countries could be another potential field of research. Additionally, it could be of interest to compare the conduct of MNEs which are based in a developing country with that of an MNE in Europe or USA. Almost all NGOs are demanding legal regulation forcing parent companies to adopt responsibility for their subsidiaries and suppliers. A new theoretical model could be developed to guide the introduction and enforcement of supranational regulations. An international multi-stakeholder dialogue would be helpful for the development of the model.

In view of global economic inequalities the discussion on the adoption of corporate responsibility is very much a current topic and must be pursued further. It is hoped that compliance with the Convention on Human Rights will soon become a given. From a political viewpoint it will be necessary to work towards creating supranational regulations as it is unproductive to concentrate efforts at a national level in this globalised age. Research into the theory of corporate social responsibility and the interviews with experts in particular indicate that international regulation is where the greatest challenge lies. Many corporations are now firmly linked to third world countries through investments and this, coupled with cross-border communication networks represents a new challenge to corporations themselves, NGOs and society at large. All this needs to be dealt with by reconciling disparate ethical values, moral concepts, customs and practices.

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## ENDNOTES

- 1 Greenwashing: Corporations present themselves environmentfriendly but do not act according this image. (Hansen 2002; Walter 2010).
- 2 Whitewashing: Corporations appear to respect the Human Rights to improve their image a good image, but they do not in all aspects. (Brugger 2010; Curbach 2010; Walter 2010; Bentele & Nothhaft 2011).
- 3 Bluewashing: Corporations improve their image by joining the Global Compact without complying it. (Brugger 2010; Curbach 2010; Walter 2010; Bentele & Nothhaft 2011).

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