Introduction

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Until quite recently, international norm-building for business corporate governance and sustainable development has been driven by states and international organisations, supplemented by activities of civil society organisations (CSOs). The goal has been to improve labour conditions, equity and the environmental sustainability in an economy dominated by profit-maximising actors. Not surprisingly, governments and the corporate sector of developing countries remained reluctant to accept global environmental and social norms, as they interpreted them as obstacles to their comparative advantages (in particular lower production costs) in world markets, and thus preventing economic progress.

Since then, however, conflict patterns have become more complex: transnational corporations (TNCs) have increasingly taken the initiative to support sustainability norms at home and abroad, not only to improve their social image but also to prevent binding state regulation. These activities have been subsumed under the term of corporate social responsibility (CSR) and were projected to the global level through Kofi Annan's Global Compact and various systems of international monitoring, such as the Global Reporting Initiative (founded in 1997 by non-profit organisations in cooperation with United Nations Environmental Programme UNEP) and the ISO standard 26000 on CSR, helping to establish clear criteria for the accountability of business. In addition, corporate activities also have an impact on more general norm-building processes on sustainability, including social norms (based on the understanding of content and importance of sustainability in the population), and through lobbying, on shaping formal legal norms at the national and global levels.

Most work on CSR and the role of business in norm-building has concentrated on concepts and experiences in advanced industrial countries and on the global activities of TNCs from these countries and their affiliates. The growing political and economic role of emerging powers is recognised, but in the field of global norm-building on sustainability, particularly concerning climate change, they are mostly seen as challenging norms developed in the Global North, pursuing a form of hidden protectionism. Policy makers and business managers in the South, however, referred for a long time to the principle of 'common but differentiated responsibility'. Yet, leading firms from emerging countries are progressively accepting social and environmental standards and affiliating with initiatives such as Publish What You Pay, Forest Stewardship Council, Rugmark, and the Extractive Industries Transparency Initiative.

Still, in European and North American research the positions and activities of firms from emerging powers are hardly dealt with. This means that the opposing observations of a critical position of governments in the South towards Northern dominated norm-building on the one hand and a process of 'socialisation' of enterprises from emerging economies into the dynamics of global norm-building by non-state actors on the other, point to an important puzzle which so far has not really caught the attention of analysts of global norm-building. In this context, GIGA's research focus on regional and emerging powers gave rise to the idea of organising an international workshop on the role of corporations in and from emerging powers in transnational norm-building processes.

The term 'emerging powers' mostly refers to China, India, Brazil, and South Africa, sometimes including Russia as the fifth BRICS country. However, our research question may as well be directed towards other rapidly modernising economies outside the 'old' industrialised countries such as Singapore, Korea, Indonesia, Thailand, the Gulf States, Mexico. The workshop, which took place in Hamburg on 24 and 25th May 2013, focused on the role of these countries' private sector in transnational norm-building, with special attention to the triad of sustainable development (economic efficiency, environmental sustainability, and social justice). The workshop explored research strategies to analyse how and to what extent social and ecological sustainability will find its way into the companies' policies. It focused on emerging powers, but did not ignore existing research from the North on business and sustainability norms, which serves as the main background to understand and interpret developments concerning companies from emerging powers. Our aim is to determine the interdependencies between very different parts of the world in terms of business and norm-building considering in particular the actual degree of compliance with those norms which are in principle accepted. Which are the economic, cultural and legal conditions which support or reduce compliance with sustainability norms? In the transnational space, what difference does it make whether norms are legally binding in international law or whether they are informal/voluntary norms? To advance research on these processes, a better knowledge of the economic, political and social setup in emerging powers is indispensable.

In this issue of *IJBGE*, seven papers are published, the first drafts of which were discussed at the Hamburg workshop. Four of these papers consider the topics sketched out above from inter- and transnational perspectives, and the other three take up issues linked to the three largest emerging powers: China, India and Brazil.

The opening paper by Wolfgang Hein (GIGA Hamburg), 'Business and transnational norm-building in post-Westphalian global politics', discusses the emergence of business as an important actor in transnational norm-building processes. While some forms of private transnational self-regulation have existed for centuries alongside the development of norms among nation states, the quest for transnational norms has reached a new quality with the level of globalisation attained during recent decades. The negotiation and implementation of international social and environmental standards have remained at best fragmentary – not only because of business resistance but also because developing countries with few other locational advantages were afraid of losing competitiveness. On the other hand, TNCs are not too eager to produce races to the bottom and cooperate to attain minimum standards, preferably through voluntary action, but also including some form of monitoring to minimise the chances of free-riding. Firms from emerging economies are increasingly integrated in global economic networks which tend to assimilate their normative orientations to those of global peers (attracting customers, winning political support, preventing others from exploiting low standards). This should support the socialisation of emerging economies into global norm-building processes.

The paper by Joachim Betz (GIGA Hamburg), 'Corporate social responsibility and emerging powers', ties up with this analysis and focuses on social and environmental norm-building by emerging powers and the role of business in this context. Their growing weight in the world economy and their increasing importance as hosts and homes of TNCs and their affiliates has led to demands by other actors that these countries and companies take over more responsibility in mitigating climate change and global environmental destruction as well as safeguarding general global social responsibility. Governments and companies in emerging economies were formerly reluctant to take over this responsibility but have more recently enacted and implemented proactive climate and environmental policies. They are no longer focussing on the demand for more equity in the global economy, but increasingly want to take over the role of equal partners. Companies in emerging economies now rank nearly on par in propagating CSR with those of advanced countries, but still lag in terms of concrete and measurable policy blueprints and implementation. Causes for this relative policy shift are identified as well as differences in performance between emerging powers.

Labour relations constitute a fundamental element of CSR. The Core Labour Standards (CLS), adopted unanimously through the *ILO Declaration of Fundamental Principles and Rights at Work* in 1998, apply to all ILO member states whether or not they have ratified them. Nevertheless, they still have not been implemented by all the 181 member countries of the ILO. In his contribution on *Non-State Actors within the Dynamics of Hybrid Global Labour Law*, Ulrich Mückenberger (University of Bremen, Centre of European Law and Politics) analyses the rise of 'hybridity' in the process of transnational labour norm-building and norm implementation. He starts from the observation that while transnational business transactions and labour relations are no longer comprehensively covered and shaped by national laws and courts, traditional international labour law lacks effectiveness in determining labour relations worldwide. Global private ordering, on the other hand, often produces new ideas and concepts regarding the self-regulation of labour relations, frequently in forms of Codes of Conduct as elements of CSR, but it often lacks both legitimacy and effectiveness. The concept of hybrid global labour law tries to combine the strengths of both sources of labour law while avoiding their weaknesses.

International organisations supporting projects in developing countries can play an important role in globalising sustainability norms, if they make their contributions conditional to the implementation of these norms. Since the 1990s, the World Bank in the public sphere and the International Finance Corporation (IFC) in the business sector have included environmental and poverty reduction goals into their strategies and developed mechanisms to implement them in their lending policies. Having worked for decades for the Bank and IFC, Jan Peter Wogart (now: Associated Fellow, GIGA), concentrates on those aspects in a contribution titled: 'From pronouncing to implementing global norms in the South: the UN Global Compact and World Bank Group engagement'. He observes that international organisations have increasingly pressed for basic governance rules –

from the OECD 'Principles of Corporate Governance' to the UN's 'Global Compact'. The World Bank Group has made investments and technical assistance projects more comprehensive in terms of 'inclusiveness and sustainability'. The article provides an overview on various mechanisms to support these goals, leading to more widespread adoption in such critical sectors as finance and resource-based industries. Nevertheless, he concludes that global norm-building in business and finance will only succeed if the efforts are forcefully pursued by private and public sector participants, with the clear understanding of possible trade-offs and the non-enforceable character of global governance rules in a world of nation states.

The articles in the second part of this issue deal with case studies on CSR in emerging economies. Can we indeed observe that CSR is 'socialising the emerging economies into global norm-building processes' – as suggested by the articles of Hein and Betz? Or is the adoption of CSR by companies in emerging economies either a relabeling of traditional, paternalistic philanthropy, containment of more serious state legislation in environmental and labour matters, or – from the side of the state itself – an abdication of government responsibility for safeguarding societal sustainability? Is the performance of Southern transnational corporations at home and abroad really on par with the activities of Northern companies not only in rhetorical terms but also in real practice? And – last not least – are Southern companies really acting on their own by furthering CSR activities or more in tandem with pressures from public and private stakeholders, be it governments, promulgating new company acts, stock market administrations requiring documentation of CSR-compatible corporate governance for listing or powerful CSOs forming strong protest movements against corporate misbehaviour? The papers on Brazil and India focus on the interaction between business and pressures from various stakeholders (Brazil) and on the question whether public regulations on CSR are effectively guiding the performance of corporations (India). In recent years, China has also developed rather strong rules on the corporate responsibility for Chinese companies both at home and abroad. Nevertheless, Chinese investments are criticised for counteracting endeavours to strengthen a sustainability orientation in Africa as well as Latin America.

The contribution by Daouda Cissé (University of Alberta, China Institute, Edmonton, Canada), and Sven Grimm (Centre for Chinese Studies, Stellenbosch, South Africa until 2014, now: Senior Researcher at the German Development Institute), 'Chinese investments in Africa: corporate responsibility and sustainability norms', responds to these criticisms on Chinese economic cooperation with African countries. Through its investments in these countries China has become one of Africa's major economic partners. While progressively diversifying, Chinese investments have concentrated in the resources and the infrastructure development sectors which are environmentally sensitive. This paper explores Chinese investments in African states from a perspective of 'sustainability' norms and institutions. The authors show that in fact a number of regulations on environmental norms and CSR for investment abroad do exist in China, but that compliance is not particularly high. The last part of the paper discusses the limited role the incentives and regulations concerning Chinese enterprises and financial lending institutions' activities abroad play in the field of environmental sustainability. They conclude that in many cases 'market growth trumps sustainability concerns'.

Monica de Abreu (Universidade Federal do Ceará, Fortaleza) and her co-authors analyse 'The role of foreign and local companies in shaping Brazilian positions on global sustainability: empirical evidence from a survey research'. They discuss the role of foreign and local companies in shaping Brazilian positions on global sustainability, based on an empirical investigation of CSR practices of firms from the electronics, food, and personal care sectors in response to pressures of 'market' and 'non-market' stakeholders. The results demonstrate that CSR decisions by foreign and local firms are triggered by organisational considerations and anticipated economic gains, mostly oriented towards activities that produce short-term competitive advantages. The survey confirms the hypothesis that market stakeholders (consumers, managers, employees) exert pressure on companies and positively influence CSR. Non-market stakeholders (government, NGOs) seem to have a minor effect on CSR decisions due to a lack of rule enforcement on the one hand and a lack of strong advocacy NGOs on the other hand. The surveys also showed that for the time being the degree of implementation of CSR activities by foreign firms is more advanced than that by local firms. The authors conclude that the institutional environment is a critical determinant of the extent to which the dialogue between stakeholders and companies leads to the attainment of sustainable development.

The paper by Atul Sood (Jawaharlal Nehru University, New Delhi), titled 'Business and norm building on sustainability: what will work for the Indian corporates?' examines the role of Indian Corporates in formal and informal norm building in India. It considers firm behaviour in the larger processes of accumulation, profitability and competitiveness of Indian companies, and critically evaluates the impact of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business of 2011 and the Company Act of 2013. The author maintains that the conditions of production and the dynamics of politics and society in India currently have not led to initiate business action with regard to social and environmental sustainability, and public rules on CSR seem to be more of a smokescreen for the abdication of state responsibility. CSR practices of Indian firms are apparently restricted to a small segment of corporates and to personal choices, frequently following older ways of traditional philanthropy hitherto known in India. While acknowledging the increasing strength of India's civil society, Atul Sood's hope rests on a stronger pressure from global civil society to bring about changes for the better. Thus, though from a very different point of departure, he urges – like Mückenberger in the field of global labour law – 'to find the right mix of formal and informal norms'.

Thus, at least seen through the examples discussed in this volume, the development of CSR in emerging economies responds to norms historically originating from demands on corporations from the Global North, but modified by the peculiarities of economies of transition as well of national traditions. The globalisation process calling for the competitiveness of corporations and of national economies has made it increasingly difficult for nation states to take over an extended responsibility for developing and sustaining welfare state institutions. At present, the result is a complex global field of national, international and transnational actors based in the public as well as private sector, in search for a new fixture of economic, social, and environmental norms beyond the old national-international and public-private divides.