

## DYNAMICS OF LOCALIZED SOCIAL RESPONSIBILITY

A Case from Agder, Norway

*Eldar Bråten*



This anthology is concerned with the mutual imbrications of corporate social responsibility, capitalist dynamics, and state regimes. One might as well add a fourth dimension: the cultural representations by which this nexus is communicated and, possibly, forged—not least the common conviction that, in the Nordic context, corporate social responsibility is fashioned through the embrace of a peculiarly “Nordic model” based in values of egalitarianism and compromise. Rather than accentuating cultural values *per se*, the contributors draw attention to the variegated and complex institutional trajectories in which these values are embedded (see introduction). In other words, immediately, we enter into basic questions about morphogenesis (Archer 1995) (i.e., the dynamics of social formation): How should we understand the emergence of firms’ social responsibility as practice and concept? Analytically, what kind of phenomenon is actually corporate social responsibility, Nordic or otherwise, when viewed in relation to the sociomaterial context out of which it arises? How best to frame this phenomenon theoretically: as essentially a question of economic tactics, political accommodations, cultural valuations, or institutional spinoffs?

In this chapter, I attempt to throw light on these central issues by way of a partly contrastive case, as it were. Like the other contributions, my ethnographic example concerns Norwegian energy production—a hydroelectric power plant—but not in an international context; the plant is located in Norway and supplies industries in

its immediate vicinity (see Dale, chapter 9, for another Norwegian case).<sup>1</sup> Secondly, the company's social responsibility has been directed at the most local of sites—the residents living in the vicinity of the power plant and their specific needs. The case thus exemplifies aspects of community responsibility, a central dimension of the celebrated “Hydro model” discussed in chapter 4, while it also, empirically, details historical precursors to Norsk Hydro and Sam Eyde's industrial empire.

Thirdly, I focus on the company/community's historical formation—from approximately the 1920s to the late 1960s—rather than the contemporary situation. This I do to accentuate a situation where corporate social responsibility was not yet thematized as Corporate Social Responsibility—I am interested in responsible praxis prior to its branding, so to speak (see Matten and Moon 2008). During this phase, responsibility was an integral part of the fabric of a particular Norwegian political economy (see also chapter 4) rather than an explicit cultural ideal (Norwegian egalitarianism, etc.) to be exported. This also means that I am concerned with developments prior to the neoliberal shift in capitalism with which the concept of CSR is so intertwined (Rajak 2011: 9, 16–17, 238–39; Welker 2014: 12–18; Djelic and Etchanchu 2017). Drawing on Polanyi and MacIver (1944) and Granovetter (1985), I prefer the term “embedded” to denote unthematized imbrications of economic activity and ethical import (see Bråten 2013: 1–6), and I take the distinction between embedded and disembedded forms to be important for our analyses of corporate social responsibility more generally. In the following, I mark this distinction stylistically by using quotation marks when referring to CSR *discourses*, as opposed to implicit responsible practices.

Fourthly, this is a publicly traded corporation where shares are overwhelmingly controlled by private capital (see also Bendixsen, chapter 11). The firm—Arendals Fossekompagni (AFK; lit. Arendal's Waterfall Company)—was established prior to the law about public reversion (*hjemfallsretten*; see Maraire and Hugøy, chapter 2) and still enjoys full legal rights over its energy resources. The case thus illuminates nonstate forms of CSR in the Norwegian energy sector. Certainly, the company is embedded in the wider societal context of Norway and bound by official laws and regulations. If not directly affected by *hjemfallsretten*, it has, nevertheless, operated in a public environment infused by ideals of political control over natural resources. Moreover, it emerged from the state/capital dynamic that forged large-scale, and rather high-risk, industrial ventures at the beginning of the twentieth century. However, I argue that at local

levels the company has largely run its own course throughout the period discussed here, in relative insulation from state interference. Arguably, the community that developed around the power plant can be understood as a company affair.

My ambition is to explore what CSR entailed in this situation in which a private venture had to engage not only employees but also their families and the aspirations and activities of the community that, over time, took shape around the power plant. Moreover, as a clear-cut example of socially embedded responsibility, the case allows a somewhat different take on the more general questions raised in this anthology, concerning complexity and driving forces in CSR. Since my example evinces pre-thematized forms of social engagement, I cannot take recourse in the figure of “CSR”: the empirical context does not provide me with a delineated object of study. Rather, I must tease out what can be considered as socially responsible about AFK practices from the ground in which its activities were enfolded. The case at hand, then, suggests a distinction between CSR as thematic object and as analytical concept.<sup>2</sup> While this distinction evokes Matten and Moon’s (2008) analysis of “explicit” versus “implicit” forms of CSR in terms of their institutional embedding (in liberal market versus state economies, respectively), my argument here is instead epistemological: how, analytically, we can conceive of and identify CSR in *any* context of investigation.

In the following, I first account for the company’s history and its practices of social responsibility, then interpret the local history in terms of Reidar Grønhaug’s theory of social fields—a perspective that I believe enhances our grasp of CSR dynamics—before returning to some analytical implications of the distinction I make between CSR as figure and as ground.

## Company History

Arendals Fossekompani (AFK) was established toward the end of the nineteenth century when, gradually, perceptive industrialists recognized hydroelectric power as a new and potentially profitable energy resource.<sup>3</sup> The firm arose in a rather peculiar regional context, that of Agder in the very south of Norway. Arendal was the leading maritime center and the wealthiest city in Norway until the Arendal bust of 1886, when the local economy virtually collapsed.<sup>4</sup> In the struggle to reestablish viable post-shipping businesses, three local

figures took center stage: engineer-cum-capitalist Sam Eyde, the legendary founder of Elkem and Norsk Hydro (see Knudsen, chapter 4); Ragnvald Blakstad, another adventurous engineer and industrialist (Norman and Aanby 1996); and the shipowner, engineer, and politician, Gunnar Knudsen, later to become prime minister of Norway.<sup>5</sup>

However, when Arendals Fossekompani was established in 1896, investors were out to accumulate waterfall rights for profitable resale. It was only when this cash-generating ambition proved futile that hydroelectric energy became coupled to industrial ventures.<sup>6</sup> Knudsen clearly recognized the potentials of the new energy source and founded the country's first power plant for public supply of electricity in Skien, Telemark, in 1885, while Blakstad, who was among the founders of Arendals Fossekompani, struggled to shift the company's focus from trade to industrial production. Finally, when Sam Eyde entered the stage and backed up efforts, the reorientation succeeded.

At first, local resources were drawn into Eyde and Kristian Birke-land's ambitious plans for a Norwegian nitrogen industry (see Knudsen, chapter 4). In 1904, some of their first experiments with nitrogen oxide extraction took place at Evenstad, a minor fall in the Arendal riverways purchased by Blakstad's private company. However, when Norsk Hydro arose out of Elektrokemisk, now Elkem (Det Norske Aktieselskab for Elektrokemisk Industri) in 1905, this venture shifted elsewhere, while Elkem was refashioned to explore other potentials in hydroelectric power (Sogner 2014: 11–13). Elkem already owned parts of Arendals Fossekompani, and in 1907 they purchased enough shares to take control (Dannevig 1960: 20–22). Now, the stage was set for rapid development of Bøylefoss, the largest waterfall in the river as well as some upstream falls.

AFK's original ambitions were closely attuned to local conditions: Eyde sought to substitute tree coal with hydroelectric power to reinvigorate the considerable iron smelting industry in the region.<sup>7</sup> Actually, the industrialists started to develop waterfalls and production sites even before the technology was in place, while another of Eyde and Blakstad's industrial sites—Tyssedal in Hardanger, Western Norway—ran experiments (Dannevig 1960: 23–25, 29). As it turned out, the technology was not sufficiently effective to make iron production profitable given the prevailing market conditions, but Blakstad and Eyde soon found other niches in the smelting industries. The plants in Staksnes—soon to be renamed Eydehavn (lit. Eyde's harbor) to honor its local son-cum-founder—became a major center for production of silicon carbide and aluminum.

Structurally, the stage was now—around 1913—set, both company-wise and in terms of infrastructure requirements. As I will try to show, this stabilization also precipitated core premises of community formation around the power plant. In Eydehavn on the coast, Arendal Smelteverk was in charge of carbide production, Det Norske Nitridaktieselskap (called Nitriden) ran aluminum smelting, while approximately sixteen kilometers inland Arendals Fossekompani committed to supply steady electricity to the plants' furnaces. The company chose not to locate its headquarters at Bøylefoss, however, but in the city of Arendal. Sam Eyde had considerable interests in all companies and served on the board of Arendals Fossekompani, while Gunnar Knudsen (prime minister of Norway from 1908 to 1910 and from 1913 to 1920), was head of its supervisory board, a position he held from 1911 until his death in 1928.

The prime minister's personal interest in developments—to the extent of serving as head supervisor in a local company such as Arendals Fossekompani—is evidence of the complex intertwining of state, politics, and private capital during this stage of Norwegian industrialization. It falls outside the scope of the chapter to analyze these macro developments, but we note that, while bolstering AFK with his personal name and presence, Knudsen was also a leading architect behind the concession laws of 1909 that *constrained* private speculation in the energy sector.<sup>8</sup> On the other hand, simultaneously, the state greatly facilitated corporate industrial development through the expansion of general infrastructure—roads, railroads, postal and telegram services, telephone lines, and the like.

We should also note that the state bank (Norges Bank) provided financial inputs to the formation of local industries, for example, through a loan of 1 million Norwegian kroner to AFK in the company's establishment phase (approximately a quarter of the company's value at the time) (Dannevig 1960: 32–33). Nevertheless, in general, capital stemmed from private—and foreign—investors, not state coffers. According to an official report in 1906, as much as 77 percent of the capital invested in the largest Norwegian waterfalls at the time originated abroad (Furre 1976: 18–19), and it is well-known that strong backing from the Swedish Wallenberg family and the French bank, BNP Paribas, was essential in launching Eyde's industrial empire. However, in the case of Elkem, Eyde managed to buy out foreign investors so that, in 1910, it was a full-scale Norwegian company; hence, the power plant at Bøylefoss also came about through Norwegian capital (Dannevig 1960: 18, 52–53).

At the regional level, the state, in the form of local municipalities, proved important first and foremost as a customer, although this had never been the intention. Since publicly owned energy projects could not keep up with the increasing demands for electricity within the local population, AFK profited from energy sale to the public grid when industrial demands ebbed. The municipality of Arendal was an especially important safety net in the company's economy throughout the period discussed in this chapter (Dannevig 1960: 58–59, 61–62, 69–71, 76–80). On the other hand, as public energy production gradually got off the ground, new tensions emerged concerning water management at the regional level. Since they provided electricity to industries, AFK preferred a constant water supply throughout the year, while the local state plants, which supplied public consumers, sought higher production during the winter season when demand was higher.<sup>9</sup> Another major state input to the realization of AFK's ventures was the regional railroad, *Arendalsbanen*. The line was built concomitantly with developments of local waterfalls and passed by *Bøylefoss*. Undoubtedly, the railroad facilitated the construction of the power plant and its consequent operations.

In other words, in the early 1910s, we enter the phase during which the industry is being localized—where abstract and sometimes rather lofty visions of profit become realized in terms of specific waterfalls, power stations, dams, power lines, melting plants, and localized communities. As regards the power production at *Bøylefoss*, we can divide the following century into three phases: (1) the construction phase from 1911 to 1913, when necessary facilities were put in place—to a large extent by way of temporary, nonlocal laborers; (2) the production phase from 1913 onward, which entailed a steady and largely profitable energy production as well as, increasingly, a permanent, stable, and locally recruited workforce; and (3) the automation phase from the late 1960s, which resulted in a much smaller workforce. This latter transition largely coincided with a restructuring of ownership in *Arendals Fossekompani*, a profound diversification of activities (see Røed 2021) and, we must assume, a refashioning of relations between company and local community as well.<sup>10</sup>

Since my ambition is to investigate social responsibility at the interface of corporate activity and local community, I focus on the second phase here. During this period, AFK was, indeed, a highly localized affair, and I aim to discern the core dynamics that forged the company's CSR in this context. It will become apparent that AFK's engagement in community welfare was considerable during this period.

## CSR Prior to Branding

I should note that the following account is based primarily on local people's narratives about the company and its surrounding community. I have not carried out research in company archives, and the three published company histories (Dannevig 1960; Folkman 1996; Røed 2021) are rather sketchy regarding local forms of social responsibility.<sup>11</sup> Further research would provide nuance to my historical account, but it would not detract from the fact that, in general, locals have had a very positive view of the company's operations.

First and foremost, people point to the fact that AFK managed to provide stable, permanent (overwhelmingly male) employment throughout the twentieth century, even during periods of national crisis (especially, the depression of the 1930s and the tribulations of World War II). Moreover, wages were decent from the outset. Employees at Bøylefoss were thus seen as—and felt—privileged; jobs at AFK guaranteed long-term economic security during volatile times. Hence, the company offered the core attractions associated with state employment at the time: lifelong financial safety that allowed long-term planning, savings, and investments in family life—housing, education for children, eventually a car, improvement in living standards, and so forth.

Moreover, one partly deliberate effect of this stability was lifelong learning among workers. In order to enhance the workforce, AFK supported adult technical education for employees with proven manual skills; perhaps even more important was the work culture that developed onsite. This culture was partly an effect of infrastructural constraints that created a degree of geographical and institutional insulation. As noted, the plant was located inland, away from urban facilities, and was connected to the center by a railroad with limited traffic, not a proper road. This hampered the utilization of formal, technical competence from outside when need arose.

Moreover, it was critical to have workers nearby to handle crises swiftly. Smelting furnaces on the coast needed a constant supply of energy; even short power outages would destroy extremely expensive equipment. In other words, both the power plant itself and the vulnerable power lines required continual attendance and rapid response during emergencies (e.g., floods, turbine problems, or heavy snowfalls, falling trees, etc., that took down the lines). These requirements necessitated *boplikt*: workers were obliged to reside on plant premises or immediately nearby and to respond unconditionally when the company called them in. Moreover, *boplikt* occasioned

a degree of labor surplus in the company's operations. There were unavoidably slack periods on the premises between extraordinary situations in which labor could be directed at tasks beyond the day-to-day operations for which they were recruited.

These factors combined to bolster the relative insulation of the plant: most technical tasks and problems were solved onsite through a kind of social contract that accorded employees a degree of autonomy with respect to job content. Often, workers were only confronted with the problem at hand and had to work out the pragmatics of solutions themselves. This instituted a jack-of-all-trades culture in which workers learned from each other through practical problem-solving and, we must assume, where they saved AFK from significant expenses while augmenting their own competence. Even the tools and equipment needed to handle various practical tasks were manufactured onsite by workers with limited or no formal education. When external specialists were required, workers served as onsite assistants in order to pick up knowledge and practical tricks.

Crucially, this dynamic played into the formation of local community as well. The wide-ranging exchange of skills and services that characterized work life meant, also, that there was little need for external specialists to solve practical tasks in the neighborhood. Housing is a focal point in this respect, and we may discern two phases as regards people's living accommodations. Up to the late 1950s, AFK provided housing for workers and their families on plant premises. Due to large numbers of children, living conditions were crowded but modern relative to the standards of the time, certainly in comparison with the cottar households from which many workers were recruited. Then, in the early 1960s, workers channeled personal competences and their nonspecialized cooperative work style into the construction of private housing (*selvbygging*), partly on plant premises, partly in the adjacent area. This villa phase must be seen as a direct spinoff of AFK's labor regime; it realized accumulated skills generated over decades in the workspace. The company facilitated the transition in other ways as well, allowing workers to borrow tools and equipment needed for house building and, occasionally, providing surplus material from the plant. Moreover, to the extent houses were built onsite or nearby, they were integrated into the company's infrastructure; land plots were fitted with electricity supply, water and sewage, and, in some cases, telephone lines. The overall effect of these inputs was up-to-date and highly affordable private housing in the local community.

We note that AFK thus contributed significantly to the fulfilment of two basic needs among dependent laborers seeking to gain a foot-



hold during the tribulations of the first half of the century: steady income, sufficient to support a nuclear family, and one's own place to live. These are, of course, essential economic vectors in a context of poverty and precariousness, but in the Norwegian setting they also attain meaning in terms of culturally valued notions of autonomy (see Vike 2012): steady income and private housing ensure much appreciated social independence.

AFK was also imbricated in other aspects of people's communal life. There is only space to discuss these involvements cursorily here, but it is apparent that, as is often the case (Welker 2014: 12–18), the company fulfilled state functions. For one, leading a family life involves schooling for children, and AFK established and subsidized its own primary school on the premises as soon as production got going. Simultaneously, the local municipality expanded its public school system, and after some discussion, the company school integrated with public schools in 1920. The school building of the adjacent community of farmers and cottars was relocated to the exact midpoint between what was regarded as the centers in the two communities—thus equally awkward for children in both localities.

Moreover, AFK established a health building (*sykestua*) on the premises, stacked with essential supplies and medicines. This was intended to keep the workforce going and, given the geographical distances, to deal with emergencies until patients could be brought to better medical facilities. So, primarily, *sykestua* targeted workers but in due course also served family members. Furthermore, two on-site grocery stores sponsored by the company answered to people's daily needs; the local post office—established by the company—took care of postal services; AFK employed a station master to serve at the public railroad; it opened plant buildings for all kinds of family celebrations in the community and later built a separate community hall for this purpose; it supported communal activities as well, such as sport and leisure and the activities of voluntary politicoreligious organizations; and it built a seaside cottage that could be rented by employees.

There are examples of AFK providing a kind of social assistance to unfortunate locals. In 1936, when one of the workers died at a young age, the widow was provided with a pension and allowed to stay in company housing with her eight children until they were grown. In another case, AFK took care of a local farmer who had sold land and waterfall rights to the company during its establishment; when his farm went bankrupt, the company provided him with a job at the site. The company also paid child allowance (*barnetrygd*), and youth

were drawn into the productive core in that they got their first job experiences at the site during summer holidays (*sommerjobber*).

Unfortunately, my data are presently too weak to draw clear conclusions about wages, worktime, work security, and other labor rights that are, typically, outcomes of formal negotiation processes. It has proven difficult to trace these accommodations between capital and labor through local narratives about past events. Despite the somewhat rosy accounts provided by local residents, we must assume that such deliberations were frequent and not always unproblematic. It is interesting, in this context, to note that company and workers sought to avoid local bickering altogether when the latter organized at the company's behest in the early 1960s and a new labor contract was agreed on: simply to adhere to the results of wage negotiations in Hafslund, a leading industrial concern. It seems that this was the first real instance of formalized union activity on the premises.

Summing up, this account substantiates prevailing views in CRS studies: firstly, social responsibility qua corporate practice precedes by far the current objectification of corporate initiatives as "CSR." Present-day discourses have important precursors in managerial trusteeship, philanthropy, and paternalistic concerns for workers and community (see Rajak 2011: 9–10; Djelic and Etchanchu 2017). Secondly, there are clear-cut examples of socially responsible practices outside of state-owned enterprises. In the local arena, AFK was not only, proverbially, a state in the state but also, to a certain extent, a welfare provider within the emerging welfare state. Evidently, as Djelic and Etchanchu (2017) emphasize, the border between polity and economy is not always clear-cut; private businesses are capable of substituting for state functions, and perhaps also, in the context of contemporary transnationalism, marginalizing and reworking established state arrangements (Rajak 2011: 232; Welker 2014: 14–15; Matten and Crane 2005: 171). Essentials of capitalism, then, such as private ownership, dependent labor, and profit-oriented production, do not rule out quite comprehensive forms of social responsibility, even prior to the current situation where "CSR" can be seen as part of corporate branding.

Thirdly, AFK is evidence of welfare substitution even in the special Norwegian context of comprehensive state involvement in society. Again, this is not unique: Ihlen (2011: 38–41) cites several examples of "paternalistic" capitalism in Norway; Fossåskaret (2009) discusses a case of localized industrialization (that of Bjølfossen in Ålvik) that resembles the AFK case; and, as noted in chapter 4, the community of Rjukan is paradigmatic in the idealized Hydro

model. What is surprising is the time span of AFK's local forms of CSR—its engagement extends well into the historical phase when state welfare took root.

Certainly, throughout the century, and in particular toward the end of the period discussed here, state structures grew in importance. As noted, AFK's school gave way to public education as early as the 1920s, improved public healthcare reduced the need for onsite medical facilities, state schemes for economic compensation during sickness and old age (fully realized with *Folketrygden* in 1967) made people less dependent on AFK's private pension insurances, and, importantly, better roads increased people's geographical mobility. Further, by the mid-1960s, local workers had sufficient means to acquire cars, so they started to shop for daily necessities in the urban centers rather than locally. Hence, the last onsite grocery store closed its doors in the late 1990s. The central state also affected the local work culture through formal regulations of work life. Gradually, professionalization of work tasks and concerns for security undercut the jack-of-all-trades approach, both at the plant and in the community. Nevertheless, up until the late 1960s, much of what went on in the community was intimately linked to AFK's presence and its particular practices of social responsibility.

### Social Fields, Scales, and Proper Dynamics

The question of why AFK engaged so comprehensively with the local community is, however, not answered by the simple observation that capitalism is compatible with socially responsible forms of production. Evidently, it would be fallacious to argue, in a converse manner, that social responsibility is somehow a necessary upshot of capitalism, or more pointedly given the thematic of this anthology, Norwegian or Nordic forms of capitalism. As they border on ideological rather than analytical arguments, both positions are equally wanting, and this anthology attempts to get past such charged debates by calling for a more nuanced approach in which CSR is seen as emergent from complex interchanges among diverse, and possibly contradictory, dynamics (see introduction).

Now, to analyze CSR as an outcome of dynamic complexity is not an altogether straightforward task; it requires a perspective on the nature of complexity itself, and in the following I rely on Reidar Grønhaug's theory of social fields (1974, 1978), which is geared precisely to this challenge: the empirical investigation of constitutive dy-

namics in social formations. Grønhaug's core analytical concepts are (1) social field, (2) scale, (3) proper dynamics, and (4) dominance.<sup>12</sup>

Social fields are essentially the patterns of interaction that form around specific tasks—the social networks that come about as people act purposefully with respect to certain objectives (e.g., to produce hydroelectric power, to generate profit, to take social responsibility, to improve one's life conditions, to negotiate labor rights, etc.). Evidently, the interactional patterns that form around such specific purposes are embroiled in each other in complex ways, engendering sub- and supra-fields. In other words, social fields are nested: separate relative to the purposes that define them but interconnected in terms of the overall social forms that they generate.

Scale is simultaneously an ontological proposition and a methodological device in Grønhaug's approach. On the one hand, social fields *have* scale (i.e., objective extensions in space and time). On the other hand, the ethnographer *varies* scale methodologically (i.e., by systematic modulation of the number of roles, persons, networks, etc., included in one's inquiry) in order to discover the objective extensions of social fields. The methodological issues need not concern us here; the important point is that societal configurations are made up of social fields with real extension in time and space. For instance, it is possible to delineate three different AFKs, as it were, relative to the different historical phases I have outlined above. Qua social field, present-day AFK has significantly different purposes and much greater scale than it had in the localized phase I discuss in this chapter (see Røed 2021).

Proper dynamics is a less straightforward concept, but we appreciate Grønhaug's basic point that all social fields, emergent from specific objectives as they are, sustain a certain logic or dynamic appropriate to the requirements of the tasks or purposes at hand. They have a kind of operational rationale that influences their form and impacts. For instance, I argue the specific purpose of energy production *for smelting industries* set in motion a proper dynamic that forged AFK's overall form. Crucially, the requirement of steady supply to furnaces entailed specific demands on the labor force; notably residence duties.<sup>13</sup> While my analysis details the operational interrelating of task requirements in a rather specific setting, we might as well expand Grønhaug's perspective to discern more general forms of proper dynamics (e.g., a governance dynamic of political fields, a profit-generating dynamics of corporate fields, etc.) (see introduction).

Crucially, when adopting this tripartite scheme (social field, scale, and proper dynamics) we need not assume coherence across social

fields. On the contrary, we presume ontological multiplicity: different tasks or purposes engender different operational logics, and the interchange among fields varies as well, resulting in dissimilar societal forms. Given this perspective, we should not be surprised to find divergent and possibly contradictory dynamics within field conglomerates that we regularly reify as entities—as when we, for instance, think about Arendals Fossekompagni, Statkraft, or Equinor as individual, corporate units.

My main point is that CSR varies in this respect, too. We cannot presume that corporate social responsibility is a uniform phenomenon across the many social fields that make up a capitalist venture. We must recognize CSR's variability, even contradictory character, within companies and businesses (see Knudsen, Müftüoğlu, and Hugøy, chapter 10; Welker 2014). Its precise shape is a matter to be discovered in each and every case, not something that can be assumed a priori by way of our preferred perspective or definitions. Some of the fields in which CSR emerges may then turn out to have a cultural proper dynamic; others are better seen as economic or political. In other words, we may indeed find cultural ideals (e.g., adherence to "Norwegian" or "Nordic" values) to be both prominent and formative in certain fields—say, in formulations of "CSR" policy—while economic logics might characterize other fields; perhaps during implementation of "CSR" where abstract ideals are put to test in the context of material interests of various sorts. The one does not necessarily exclude the other.

### **Driving Forces in CSR: Field Interchanges and Relative Dominance**

This call for analytical precision, then, is a way to ensure that our theoretical perspectives, or for that matter ideological preferences, do not overdetermine analysis. But the challenge is more profound since, inevitably, our reasoning is based on the social ontology that we embrace (i.e., how we conceive of social constitution)—in this case, the interrelationships of the diverse social fields in which corporate social responsibility is being forged. How do we conceive of interchanges among social fields in the constitution of overall societal forms, and is it possible within this complex mutuality to discern a principal dynamic that has especially formative powers? Can we, as it were, reduce CSR to an ultimate or last-instance source?

Grønhaug's fourth principle (dominant social fields) is concerned with these questions of mutuality and relative impact. Evidently, the perspective bars any straightforward reduction of manifest CSR practices and conceptions to singular or universal dynamics; the socially responsible configurations we encounter in specific corporations must be seen as emergent from highly specific (i.e., empirically variable) forms of complex mutuality. They are never general, as it were; analytically, we need to deconstruct CSR and "CSR" in terms of the particular fields, dynamics, and interchanges that engender them. It follows, then, that empirical forms of corporate social responsibility cannot be derived *directly* from a materialist logic, from requirements of capitalist production alone. The precise impacts of these requirements must be identified and assessed relative to bearings from other social fields.

In the case of AFK, I maintain that infrastructural prerequisites of production were crucial in the firm's involvement with community. The chain of requirements entailed by energy production for smelting industries (steady power supply that demanded *boplikt*) can even be viewed as causally efficacious in community formation. Nevertheless, once established, community engendered a reality that transcended AFK's production logic—a range of social fields (taskscapes) with their own proper dynamics and forms of impact. It is important to note that analyses along these lines may bring us far beyond what we regularly view as business domains. When granting community the power of formative force, we need to take seriously the apparently "nonproductive" social fields of which it consists (see Bråten 2013). This entails tracing how formations of, for example, personhood, kinship, neighborhood, and religion may impact the operation of business ventures.

These are emphatically not trivial dimensions. In the case of AFK, community dynamics were part and parcel of securing steady production (thus profitability) while also establishing the sociocultural context out of which AFK's responsible practices grew. Community had reverse formative impacts on the company's operations, as it were. The critical period seems to be the late 1920s and early 1930s. As mentioned, we see a shift in the organization of production during this stage: from the use of temporary and dispensable labor (a large number of mobile construction workers in the 1910s) to a stock of permanent, resident workers in the late 1920s. The rather stable accommodation between capital and labor that formed in this period turned out to have a Christian flavor; it was rooted in interchanges with low church Protestant revivalism.

I surmise that, here, we witness a religious rather than a material proper dynamics. For one, Christian orientations and values preceded the foundation of AFK. Local evangelicals formed the first mission association in the municipality of Froland in 1868, and ambulating emissaries inspired a series of religious revivals (*vekkelser*) around the turn of the century. The area around Bøylefoss was no exception. There was a notable *vekkelse* here in 1903, and subsequently, several families engaged in local evangelicalism, domestic religious gatherings, mission associations, and the construction of prayer houses (*bedehus*). Hence AFK started to operate in a predisposed “value context”: a setting that provided certain constraints and affordances with respect to the formation of CSR.

This interchange among relatively autonomous social fields is worthy of more detailed analysis; here, it suffices to note three forms of mutual impact between firm and community. Firstly, since AFK recruited labor locally, a significant part of the stable workforce on which production relied were fervent Christians. While labor is an empty input when seen from the abstract, economic perspective of profit generation, in the real world of localized ventures, workers are, rather, social persons who come with specific values and orientations (see also Welker 2014; Bråten 2013). In AFK’s case, these pre-givens became all the more important with the requirement of *boplikt*, which extended the social contract beyond the workers into fields of family and community. Secondly, chief machinists during the formative phase were active Christians themselves, so we witness a kind of alliance *in the religious field* between laborers and onsite management. Again, we need to view social actors, here company supervisors, as social persons rather than production inputs. Thirdly, as community matured, local families started to intermarry, instigating yet other forms of interconnectedness. *Kinship* came to play a significant role in consolidating community, but since, to a degree, people married across class distinctions, this dynamic also affected fields of production. Arguably, intermarriage between the children of laborers and management blurred divides within the production regime and strengthened the Christian-flavored capitalist contract further. This inter-dynamic, while crucial for AFK’s formation and success, cannot easily be reduced to the firm’s logic of production.

In a broader analysis, we may well discern formative impacts in the organizational structure of AFK. The company had a relatively dispersed form of ownership, and CEOs were engineers rather than economists (Helge Røed, personal communication; see also Røed 2021). This situation may have engendered a degree of shared culture

among managers and workers around technical proficiency, and since the onsite leaders were machinists rather than (theoretical) engineers, they were even closer to employees in this sense. We thus see the contours of a relatively democratic structure in which onsite managers at Bøylefoss had great leeway in daily operations and, essentially, shared work orientation with their subordinates. Both were primarily geared toward the practical challenges of running the plant securely and efficiently; profitability was, so to speak, a side effect of technical proficiency and ingenuity rather than an explicit concern in and of itself.

As noted, this complex situation renders dubious any axiomatic attribution of AFK's social responsibility to capitalist dynamics per se. Conversely, it would be equally simplistic to view CSR as a direct manifestation of extra-productive dynamics (e.g., cultural, normative, or religious precepts). Even though the region of Agder is famous as a Bible Belt of distinctly conservative flavor (Røed 2010), one cannot deduce specific local forms from general cultural orientations. These are, perhaps, obvious points, but the analytical challenge is no less demanding; if so, our task is to trace how diverse social fields and dynamics become imbricated in the forging of corporate social responsibility in specific settings.

For instance, while scholars (e.g., Thorkildsen 1997) underline the populist and political force of revivalism in Norwegian Christianity, it is important to keep in mind that evangelicalism inspired quite divergent orientations in practice. The movement was certainly driven from below by laypeople (small-scale farmers, dependent cottars, housewives, lumberjacks, mine workers, etc.), and there is no reason to doubt its democratizing effects. Through evangelical fervor, people enhanced their skills in reading, writing, and collective organizing and developed a critical faculty through opposition to official theology and priesthood.<sup>14</sup> This empowerment of lower classes facilitated subsequent labor organizing, while, in other contexts, it sustained a conservative pietism: a thoroughly bourgeoisie attitude (*borgerlighet*) that, no doubt, undergirded capitalist expansion. The case I discuss tends strongly toward the latter, but it is not difficult to find counter cases, even in the local vicinity, where tensions within production regimes occasioned worker radicalization and class struggle. Eydehavn at the other end of the power lines is a case in point (see Røed 2013). The smelting plants on the coast went through conflicts and strikes during the same period that the "bourgeoisie contract" was forged inland.

What we witness around the power station, then, was a mutually reinforcing dynamics among disparate social fields; *boplikt*, low-church Christianity, intermarriage, and practices of CSR had uni-



directional effects on both firm and community. One core analytical question remains, however; is it possible, given this complex mutuality, to discern the *most dominant dynamics* in local formations? Here, it is crucial to note a theoretical implication of Grønhaug's perspective: to acknowledge complexity does not entail a symmetrical social ontology in which all social mechanisms must be deemed equally important in producing a given outcome. Quite to the contrary, it would be analytically defensive to refrain from discerning the relative impact of diverse mechanisms in the forging of, for example, specific forms of corporate social responsibility.

Pursuing this deeper analysis, I surmise that we need to retain a focus on the sociomaterial relations of production. In this particular case at least, it is pertinent to argue that capitalist dynamics—the never-ending quest for profit—was the *overriding* force in community formation and in AFK's socially responsible engagements. Profit drive did not determine local forms, but it was this dynamic that—literally—created the very beneficiary of AFK's corporate social responsibility in the first place (the local community), and it was this drive that generated the economic surplus required to sustain AFK's local engagements. The infrastructural chain of preconditions that forged this localized phase of AFK has been detailed above: smelting furnaces on the coast required uninterrupted energy supply, which further necessitated localized and committed labor that could maintain dams, turbines, and power lines; hence, workers were obliged to live onsite, which in turn entailed a community-oriented form of CSR. Combined with its relative geographical isolation and insularity from state interference, I believe we can argue confidently that AFK was the community's dominant social field. Furthermore, as a private capitalist venture, profit drive was the most dominant force in the forging of the company itself. Again, a counterfactual question may be illustrative: what if AFK were not as profitable as it proved to be; what if its forms of local engagement threatened its bottom line financially?<sup>15</sup> I dare to argue that we would have seen quite a different form of corporate social responsibility with perhaps no local community to engage with at all.

## Conclusion

Evidently, the AFK case corroborates a core argument in this anthology: there is no one capitalism (or neoliberal capitalism). At the *empirical* level, we encounter complex and varying socioeconomic

formations that are emergent from a multiplicity of forces, and, obviously, this pertains to the social responsibility that corporations forge as well. Hence, analytically, we need to pay attention to the interchanges of capitalist proper dynamics with extra-core—geographical, structural, cultural, agentive, interactional—impacts, some of which may enhance capitalist objectives, some of which may hamper them. In the case of the community that grew around AFK's power station, we witness interchanges that consolidated a rather nonantagonistic social contract between labor and capital.

One upshot of this social contract is apparent: it engendered a flexible, dependable, and diligent workforce that greatly enhanced capitalist production. We note, then, that AFK's nonarticulated forms of CSR (i.e., social responsibility as embedded practices rather than stated ideals) may have had the same dampening effect on worker organizing (unions, class struggles, strikes, etc.) that, presently, explicit "CSR" policies are claimed to have (see e.g., Rajak 2011). The company's engagement of persons and community (rather than laborers in a narrow, technical sense) was integral and crucial to this contract. In contrast, at the other end of the power lines in Eydehavn, it seems that interchanges among social fields engendered more antagonistic and conflictual accommodations between labor and capital.

More generally, I believe the case suggests that, analytically, corporate social responsibility ought to be seen as a *derivative* phenomenon. Firstly, it is derivative in the formal sense that I alluded to in the introduction when differentiating between CSR as figure and as ground. As figure, social responsibility is a thematic field defined by explicit discourses about "CSR" (i.e., the concept has clearly delineated empirical reference points). As ground, however, social responsibility pertains to unthematized ethical dimensions that are embedded in corporate practices; lacking clear empirical signposts, the concept inevitably takes on analytical import. The socially responsible is not prerecognized, as it were, but must be delineated through our *perspectives* on social responsibility. In contexts without explicit "CSR" discourses, then, CSR is derivative in the sense of having to be deduced analytically. For instance, above, I have identified certain welfare provisions as evidence of AFK's social responsibility.

Secondly, we note that this formal distinction is not altogether abstract but has empirical anchoring in the fact that practices of CSR *predate* discourses about "CSR." In my case and more generally (see Matten and Moon 2008), "CSR" as a special kind of reflexive orientation is derivative in the sense of being a historical emergent: something arising out of something else. It resonates with corporate

practices that already had, or could be adjusted or reformulated to project, ethical dimensions. Acknowledging this temporal dimension hopefully guards against an unduly constricted approach to CSR (see also Djelic and Etchanchu 2017). We would be foundationally critical of the “CSR” figures propounded in various contexts (e.g., in specific corporations, business fields, state bodies, UN institutions, and perhaps also in some academic discourse) as they inevitably are narrower than and often conceal the ground from which they stand out. Exploring CSR to its fullest extent entails paying attention to the shadow side of “CSR” discourse as well (i.e., unthematized ethical dimensions of corporate activity): the ethical principles that fall outside the purview of explicit “CSR” discourses and the ethical challenges that remain unengaged in real-life corporate practices.

Thirdly, CSR is derivative with regard to social constitution since we must assume an asymmetrical relation between preconditions (for CSR) and emergent forms (of CSR). More pointedly, it is more reasonable to claim that CSR (as practice and discourse) ebbs and flows with the prime conditions for its emergence than the opposite—that CSR’s preconditions could somehow fluctuate with manifestations of CSR. This abstract argument becomes clearer when we, with Grønhaug, recognize that social fields depend on specific (not general) forms of dynamic. The fact that we discuss *corporate* social responsibility ties CSR inextricably to the proper dynamics of corporations. Despite its variegated surface forms, I take CSR to be ontologically rooted in (thus logically secondary to) the proper dynamic of capitalist production: profit drive generates the very practices that demand ethical considerations in the first place while also impacting significantly on the specific forms of CSR that emerge. In state-run corporations, other concerns and goals may be enfolded into the productive dynamics as well, but as is evident from other case studies in this anthology, political and societal objectives are increasingly being disentangled from capitalist motivations, even in Norwegian state corporations. Current policies seek to insulate or protect the core dynamic of profitability from other considerations. This is, arguably, further evidence of the derivative nature of CSR; ethical aspects of corporate activity cannot but be rooted in economic concerns as these are corporations’ proper dynamics, their very *raison d’être*.

Finally, it is worth repeating that the derivative character of CSR does not rule out socially responsible practices or a genuine ethical concern among owners and management about the societal effects of company activity (presently codified as “CRS” or “ESG”). It does not in principle rule out the possibility of “corporate virtue” or

“compassionate capitalism” (Rajak 2011: 2). The point is that a company’s accommodation to specific sociomaterial and cultural settings is driven, ultimately, by a proper dynamics of profitability that, we must assume, overrule other concerns when contradictions become too problematic. The case of AFK is illustrative in this respect as well: we deal with a highly profitable venture where investments in corporate social responsibility never threatened financial survival.

**Eldar Bråten** is professor in the Department of Social Anthropology, University of Bergen, Norway. His research has focused on several topics based on fieldwork in Central Java, Indonesia: Islamization, concepts of self and person, cultural heritage, entrepreneurship, and state decentralization. Bråten has also carried out research on historical transformations of social inequality in Norwegian rural communities and is now largely publishing on theoretical issues.

## Notes

1. To be precise, subsequent to the company’s considerable expansion and diversification in the 1970s, it is now a transnational actor, engaging in businesses far beyond local energy production (see Røed 2021).
2. Welker (2014) interrogates another core concept in discourses on CSR in a similar manner: “the corporation.”
3. A special thanks to my key informant who provided invaluable insights into the local history, and to Helge Røed for analytical inputs.
4. The whereabouts of the crash are disputed. Received narratives point to cultural conservatism and structural impediments that hampered a necessary adjustment from sail to steam in shipping technology (Slettan 1998: 416–18; Hagemann 2005: 183–87; Røed 2010: 173), but there are also strong contributing factors at the level of social agency (Torstveit 2012; Røed 2021: 31–32). Through collusion and deliberate concealment, local elites in control of the commercial bank in the city (Arendals Privatbank) managed to run fraudulent financial schemes over an extended period, and when the bubble collapsed in 1886, total outstanding debts were 12.5 million kroner—a sum amounting to close to US\$1.3 billion in 2011 value (calculated from Torstveit 2012: 195). The crisis precipitated a series of bankruptcies in Agder, mass unemployment, and largescale emigration to America, and it contributed to the establishment of Arbeiderpartiet (the Labor Party), which was founded in Arendal in 1887 (Hagemann 2005: 134–36).
5. Eyde and Knudsen grew up here; Blakstad was from Asker, close to Oslo, but moved to and established a woodworking industry in Arendal in the 1880s.
6. The company first offered waterfalls to the central and local state, and when these attempts failed, it courted foreign capital; in particular, Siemens and other German interests (Dannevig 1960: 16–20).
7. The rich iron ore resources in Agder were developed from as early as the sixteenth century, with two notable plants in the immediate vicinity to Arendal: Nes Verk and Froland Verk (established during the seventeenth and eighteenth century, respectively).

8. As noted above, *hjemfallsretten* does not apply to AFK. Although the *power plant* was built after 1909, the company could draw on the fact that waterfall rights were purchased as far back as 1896. It has been argued that, gradually, the three industrialists took quite divergent positions with respect to Norwegian energy policy: Knudsen saw hydroelectric power as a common national resource and argued for state control, while the capitalists favored private, corporate utilization, with Eyde emphasizing export-oriented production and Blakstad a broader use of the resource (Norman and Aanby 1996).
9. These tensions were handled through Brukseierforeningen, an association for all land and waterfall owners in the riverways.
10. While the regular workforce was thirty to forty persons up to the late 1960s—all connected to the power plant at Bøylefoss—AFK now has an amazing twenty-two hundred employees in twenty-seven different countries (<https://arendalsfossekompani.no/>).
11. Presently, AFK has its own division for CSR, but the contemporary context is extremely different from the historical phase discussed in this chapter. Now, ambitions are guided by the UN discourse on sustainability (with special emphasis on goal no 7, “green energy for all,” and no 9, “innovation and infrastructure”) rather than particularities of onsite community (Arendals Fossekompani 2019; see also Røed 2021).
12. I believe Grønhaug’s approach allows more realistic and powerful analyses of corporations and their social responsibility than what is possible through the analytical lens of “becoming” so characteristic of current enactment perspectives. The latter approach typically accentuates the motility of phenomena—that they are “inherently unstable and indeterminate, multiply authored, always in flux, and comprising both material and immaterial parts” (Welker 2014: 4). In contrast, Grønhaug’s perspective is directed at the sociomaterial formations that, after all, result from such enactments—their degree of extension, continuity, and impact. While Djelic and Etchanchu (2017), through their comparative, historical approach, share this ambition to scrutinize the manifest societal configurations of which CSR is part, Grønhaug’s generative approach takes our understanding beyond the “ideal types” that inform their analyses.
13. Over time, technological developments (automatization, improvements in transportation, and more reliable turbines and power lines) decreased the need for *boplikt*.
14. To a large extent, these low church orientations came to suffuse the official state church in Norway, engendering a less antagonistic relation than in Sweden (Thorkildsen 1997).
15. As Taraldsen (1999: 88) puts it: “In financial circles Arendals Fossekompani AS is known as the ‘money machine.’”

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